

CITY COUNCIL  
PUBLIC HEARING

MARCH 15, 2021

SUBJECT: **ZONE TEXT AMENDMENT TO ALLOW ON-SITE ALCOHOLIC BEVERAGE SERVICE FOR BEER, WINE AND LIQUOR IN THE R3C-C ZONE DISTRICT, IN THE CITY OF WEST HOLLYWOOD.**

PREPARED BY: **PLANNING & DEVELOPMENT SERVICES DEPARTMENT**  
(John Keho, AICP, Director)  
(Rachel Dimond, AICP, Acting Long Range Planning Manager)

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**STATEMENT ON THE SUBJECT:**

The City Council will hold a public hearing to consider an amendment to the Zoning Ordinance to allow the sale of beer, wine, and alcohol for on-site consumption with a minor conditional use permit in the R3C-C zone district. The purpose of this Zone Text Amendment is to allow businesses that are already permitted to be in the R3C-C Zone District to serve alcohol, as they were allowed prior to rezoning in 2017.

**RECOMMENDATION:**

Staff recommends the City Council hold a public hearing, listen to all pertinent testimony, and introduce the following Ordinance on first reading:

1. **ORDINANCE 21-XXXX: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD, APPROVING A ZONE TEXT AMENDMENT, TO ALLOW ON-SITE ALCOHOLIC BEVERAGE SERVICE FOR BEER, WINE AND LIQUOR, AT RESTAURANTS IN THE R3C-C ZONE DISTRICT, WEST HOLLYWOOD, CALIFORNIA. (ATTACHMENT A)**

**BACKGROUND / ANALYSIS:**

The proposed zone text amendment will allow the sale of beer, wine, and alcohol for on-site consumption in the R3C-C District. On February 18, 2021, the Planning Commission recommended approval of the ZTA, with the conditions that a Conditional Use Permit (CUP) with Planning Commission review be required for on-site alcohol service in R3C-C (rather than a Director's Hearing reviewed Minor Conditional Use Permit (MCUP)), and that alcohol not be permitted on sites spanning the R3C-C and R3C Districts (the district facing Orange Grove Ave behind the subject properties). Staff initially recommended a minor conditional use permit reviewed at a Director's Hearing, as is the requirement for all other on-site alcohol service. The Planning Commission recommendation is included in the attached

draft ordinance (Attachment A), with staff's original recommendation outlined in the Alternatives Section of this staff report.

The R3C-C District, located on the east side of Fairfax Avenue between Willoughby Avenue and Santa Monica Boulevard, was established on December 7, 2017 to align with the 2035 General Plan. The intent of the rezoning was to establish a new zone that incentivized residential development in new mixed use or 100% residential buildings while prohibiting 100% commercial buildings. Previously, the R3C-C District was zoned CN1, which allowed on-site alcohol sales with a minor conditional use permit. The proposed Zone Text Amendment will allow these properties to request alcohol service as they were permitted to do prior to 2017.

While categorized as a residential zone district, it is mixed use in nature, allowing small commercial uses on the ground floor with residential permitted on any floor. The district allows for restaurants up to 1,200 square feet, art galleries and general retail, but do not allow any associated alcoholic beverage sales with those uses.

When the R3C-C was established, there were concerns raised regarding the rezoning of these properties. The Planning Commission adopted Resolution 17-1197 on October 19, 2017, to recommend the City Council deny the zone text amendment to establish the new zone districts, maintain the existing zoning, and amend the General Plan to reflect their recommendation. There was concern specifically about creating a new residential zone district that allowed commercial uses. While residential in name, the R3C-C District was established to be a mixed use district on a major commercial thoroughfare. The City Council opted to amend the Zoning Map and establish new regulations for the R3C-C Districts.

On November 5, 2020, staff brought a broader zone text amendment with the Planning Commission to allow the sale of alcohol for on and off-site consumption in both the R3C-C and R4BC Districts. The Planning Commission did not agree with any inclusion of alcohol in the R4BC District due to its deeper proximity within adjacent residential zones. However, the Planning Commission was willing to consider on-site sales of alcohol for R3C-C District due to the more commercial nature of this location. The commission had concerns and discussed land use conflicts, intent of alcohol in residential zones, setting precedent in a residential zone, right type of uses for the neighborhood, beer and wine vs full alcohol, parking and traffic, separate zones, possible revised recommendation to City Council, and neighborhood and business outreach.

Staff returned to Planning Commission on February 18, 2021 with a streamlined ZTA to allow the sale of alcohol for on-site consumption only in the R3C-C District with a Minor Conditional Use Permit. This type of permit is reviewed by the Director at a Director's Hearing. The Planning Commission recommended approval of the ZTA, with the conditions

that a CUP with Planning Commission review be required for on-site alcohol service in R3C-C, and that alcohol not be permitted on sites spanning the R3C-C and R3C Districts.

### R3C-C Zone District



Figure 1: R3C-C District

The R3C-C properties are located on the east side of Fairfax Avenue between the alley south of Santa Monica Boulevard to the north and Willoughby Avenue to the south. The General Plan identifies R3C-C as allowing for the same intensity as R3C but also allows small-scale, neighborhood serving retail and commercial services on the first floor. However, the existing makeup of the R3C-C District is 100% commercial, and due to its location on Fairfax Avenue, a major thoroughfare, this zone currently operates as a commercial zone district with the limitations of a newly established mixed use zone district.

Both the R3C-C and R4B-C Districts allow certain neighborhood serving commercial uses on the first floor, including art galleries, general retail stores, restaurants less than 1,200 square feet, and restaurant outdoor dining of less than 250 square feet. Additionally, COVID emergency provisions allow for additional outdoor dining as needed to accommodate allowable occupancy and social distancing. Alcohol service has also been expanded through COVID emergency provisions, but this only applies to businesses with existing liquor licensing.

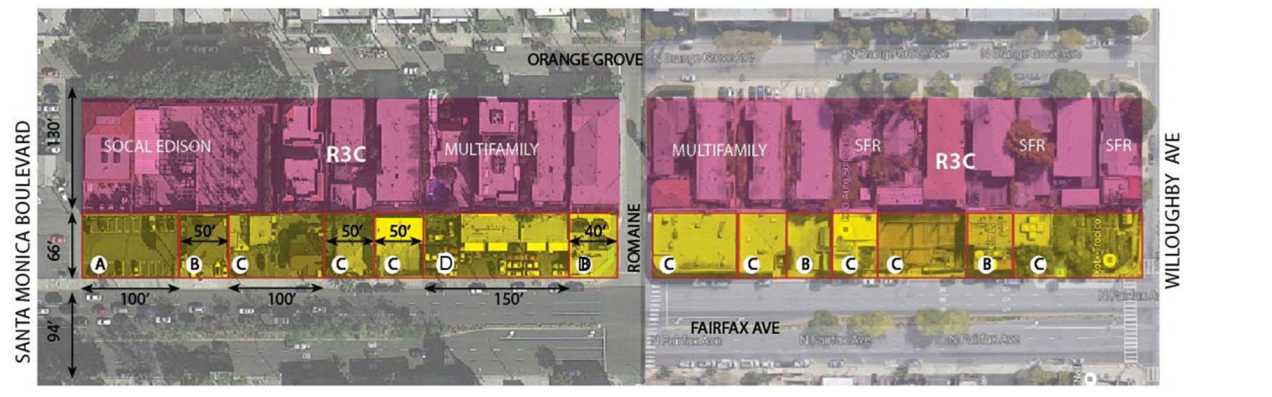
The R3C-C properties were previously designated as CN1 District, and all commercial uses allowed in R3C-C are the same as CN1, with the added limitation of a maximum of 1,200 square feet for restaurants. This means that prior to 2018 when the R3C-C District became effective, on-site alcoholic beverage sales were an MCUP and off-site sales were a CUP. **This restores that ability for businesses in this district to have alcohol as part of their operation.**

The R3C-C properties include the following uses (from north to south), as detailed in Figure 2 below: a parking lot, chiropractor, coffee shop, retail clothing, law office, retail store, restaurant on the north block, and medical office, office, car rental, creative office, more office followed by a vacant lot formerly used as a plant stand. A set of three restaurants opened in a former automotive space recently. The restaurants sizes are 685 square feet, 950 square feet, and 1000 square feet, with 250 square feet of outdoor dining adjacent to the largest space. One of these restaurants may be interested in selling alcohol as part of their business.

Figure 2: R3C-C District by Current Use

A: Parking Lot      C: Retail/Office  
 B: Services      D: Restaurant

R3C-C Zoning District  
 Residential



## ALTERNATIVES

1. The City Council could elect to adopt Staff's initial recommendation of allowing on-site alcohol service for beer, wine, and liquor to be obtained through a Minor Conditional Use Permit instead of a Conditional Use Permit as recommended by the City Council. This would allow restaurants in the R3C-C District to be treated the same as restaurants in every other district in the City. The review process would still follow the same criteria and required findings, but would occur via a Director's Hearing, rather than by the Planning Commission. This results in a faster process while maintaining a public hearing to allow for public input.

2. The Planning Commission was concerned with impacts of alcohol on the adjacent R3C District and banned on-site alcohol from sites that span both districts. As an alternative, the City Council could remove the provision to ban alcohol in R3C-C when the lot is developed with an adjacent R3C lot. Previously, the City Council adopted regulations to prohibit the joining of commercial and residential lots. However, both R3C-C and R3C are residential zones and thus, can still be combined. Should the City Council seek to prohibit or limit the combining of these lots for redevelopment, the Council should direct staff to address this issue. However, banning alcohol on projects spanning both districts is not how to disincentivize this. Further, impacts from alcohol service can be mitigated with conditions of approval.

### **CONFORMANCE WITH VISION 2020 AND THE GOALS OF THE WEST HOLLYWOOD GENERAL PLAN:**

This item is consistent with the Primary Strategic Goal(s) (PSG) and/or Ongoing Strategic Program(s) (OSP) of:

- OSP-3: Promote Economic Development while Maintaining Business Vitality & Diversity.
- OSP-8: Enhance the Cultural and Creative Life of the Community.

In addition, this item is compliant with the following goal(s) of the West Hollywood General Plan:

- ED-7: Enhance the City as a regional, national, and international destination for the entertainment, nightlife, dining, and retail industries that are key to West Hollywood's fiscal health.
- H-4: Provide for adequate opportunities for new construction of housing.

### **EVALUATION PROCESSES:**

City staff will evaluate individual projects and alcohol service through the monitoring of Conditional Use Permits.

### **ENVIRONMENTAL SUSTAINABILITY AND HEALTH:**

The proposed zone text amendment is Categorically Exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 of the CEQA Guidelines. Section 15061 states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The proposed zone text amendment does not change the base land uses allowed in the R3C-C district but allows the sale of alcoholic beverages at permitted restaurants less than 1,200 square feet, art galleries, and general retail. The addition of alcoholic beverage sales will not have a direct impact

on the environment. Individual projects that are subject to this approval process are subject to CEQA and will undergo environmental review, as appropriate.

**COMMUNITY ENGAGEMENT:**

A virtual community meeting was held on October 22, 2020 via zoom. A notice was sent to all properties within 500 feet of the R3C-C and R4B-C Zone Districts, including tenants and owners. The meeting had five attendees, including neighbors and members of the press. All those who spoke were in support of the project.

**OFFICE OF PRIMARY RESPONSIBILITY:**

PLANNING & DEVELOPMENT SERVICES DEPARTMENT / CURRENT & HISTORIC PRESERVATION PLANNING DIVISION

**FISCAL IMPACT:**

None.

**ATTACHMENTS:**

Attachment A: Draft Ordinance

Attachment B: Adopted Planning Commission Resolution dated February 18, 2021

Attachment C: Planning Commission Staff Report dated February 18, 2021

Attachment D: Draft Planning Commission minutes from February 18, 2021