



City of Huntington Beach

File #: 21-165

MEETING DATE: 3/9/2021

PLANNING COMMISSION STAFF REPORT

TO: Planning Commission
FROM: Ursula Luna-Reynosa, Director of Community Development
BY: Ricky Ramos, Senior Planner

SUBJECT:
ZONING TEXT AMENDMENT NO. 21-001 (BEACH AND EDINGER CORRIDORS SPECIFIC PLAN ALCOHOL)

REQUEST:

To amend the Beach and Edinger Corridors Specific Plan (BECSP) to change the reviewing body from Planning Commission to Zoning Administrator for conditional use permits (CUP) for alcohol sales and service and clarify exemptions from CUP requirements.

LOCATION:

BECSP Planning Area

APPLICANT:

City of Huntington Beach

PROPERTY OWNER:

Various

BUSINESS OWNER:

Not applicable

STATEMENT OF ISSUE:

1. Are the proposed amendments consistent with the City Council direction?
2. Does the project satisfy all the findings required for approval of a Zoning Text Amendment?
3. Has the appropriate level of environmental analysis been determined?

RECOMMENDATION:

That the Planning Commission take the following actions:

A) Find that Zoning Text Amendment (ZTA) No. 21-001 is within the scope of the BECSP Program Environmental Impact Report No. 08-008 certified by the Planning Commission on December 8, 2009. In accordance with CEQA Guidelines Sections 15162 and 15163, no subsequent EIR or supplement to the EIR need be prepared for this ZTA and no further environmental review or documentation is required (Attachment No. 1).

B) Recommend approval of Zoning Text Amendment No. 21-001 with findings (Attachment No. 1) by approving draft City Council Resolution No. 2021-15 and forward to the City Council for consideration.

ALTERNATIVE ACTION(S):

A) Do not recommend approval of Zoning Text Amendment No. 21-001 to the City Council.

B) Continue Zoning Text Amendment No. 21-001 and direct staff accordingly.

PROJECT PROPOSAL:

Currently, all restaurants, other entertainment type uses, and retail markets that propose to serve and/or sell alcoholic beverages and are located in the BECSP must obtain approval of a CUP from the Planning Commission (PC). In most other commercial districts within the city, the same business types require a CUP from the Zoning Administrator (ZA). The CUP process, whether acted on by the PC or ZA, requires review and analysis by staff, notification to surrounding property owners and tenants, and a public hearing with an opportunity to comment before a decision is rendered by the hearing body. All decisions are appealable to the next higher hearing body.

On December 21, 2020 the City Council unanimously directed staff to draft the necessary amendments to the BECSP to lower the level of review from the PC to ZA for all CUPs for restaurants and other uses with alcohol service and that staff concurrently clarify the entitlement process for retail markets as it relates to alcohol sales CUPs (Attachment Nos. 4 and 5).

ISSUES AND ANALYSIS:

General Plan Conformance:

The ZTA is consistent with the goals and policies of the General Plan as follows:

Land Use Element:

Goal LU-11 - Commercial land uses provide goods and services to meet regional and local needs.

Policy LU-11(A) - Encourage a variety of commercial uses that cater to local and regional demand to create an environment that meets resident needs and increases the capture of sales tax revenues.

Goal LU-13 - The city provides opportunities for new businesses and employees to ensure a high quality of life and thriving industry.

While still subject to a public hearing process, the proposed ZTA will reduce the processing time of CUPs for alcohol sales and service and could spur the establishment of new businesses, facilitate job creation, and increase sales tax revenues.

Zoning Compliance:

Zoning Text Amendment

ZTA No. 21-001 includes the following amendments to Book II - Development Code, Section 2.2 (Building Use Regulations) to implement the City Council's direction (Attachment No. 3):

- a. Section 2.2 - add a third line to the legend to identify a requirement for CUP approval by the ZA.
- b. Section 2.2.1 (Use Types), Subsection 1) (d) (Eating and Drinking Establishments with alcohol) - indicate a requirement for a CUP approval by the ZA instead of the PC.

Presently, Section 2.0.5.(1) of BECSP states that the PC has authority to approve or deny a CUP unless otherwise specified for a particular use. As a result, the text changes identified above are necessary to specify CUP review by the ZA for Eating and Drinking Establishments with alcohol as directed by the City Council.

The following changes will also specify ZA review for markets with a large percentage of alcohol sales. Similar to other commercial districts within the City, businesses with a very small amount of alcohol sales can be exempted from the CUP process altogether.

- c. Section 2.2.1.(1) (Retail) - add the following provisions taken from the Huntington Beach Zoning and Subdivision Ordinance (HBZSO) under #3:

All building uses with alcohol sales and/or service require Conditional Use Permit approval by the Zoning Administrator. However, the following businesses proposing to sell alcoholic beverages for on-site or off-site consumption are exempt from the conditional use permit process:

Retail uses with no more than 10% of the floor area devoted to sales, display, and storage of alcoholic beverages provided the sale of alcoholic beverages is not in conjunction with the sale of gasoline or other motor vehicle fuel.

Restaurants, bars, and liquor stores located 300 feet or more from any R or PS district, public or private school, church, or public use.

Florist shops offering the sale of a bottle of an alcoholic beverage together with a floral arrangement.

The addition of the HBZSO provisions outlined above is in response to City Council direction that

staff concurrently clarify the entitlement process for retail markets as it relates to alcohol sales CUPs. The CUP exemptions are codified in HBZSO Chapter 210 (Commercial Districts) which pertains to the city's base commercial districts. Adding these exemptions in the BECSP will facilitate land use review and the application of the zoning code.

Overall, this amendment will reduce the entitlement processing time for alcohol CUPs based on the typical processing time to PC (4 to 6 months) and ZA (3 to 4 months). The current ZA CUP fee is \$7,303 at 100 percent cost recovery. The current PC CUP fee for alcohol/dancing/live entertainment is \$5,823 and represents 50 percent cost recovery. Staff is recommending charging the lower PC alcohol CUP fee for all future ZA alcohol CUP applications after this ZTA is adopted.

Lastly, the ZTA does not propose any new land uses or revise development standards. It addresses a community need to reduce the processing time of CUPs for alcohol sales and service, which could facilitate the establishment of new businesses, result in new job creation, and increase sales tax revenues.

Urban Design Guidelines Conformance:

Not applicable.

Environmental Status:

ZTA No. 21-001 is within the scope of the BECSP Program Environmental Impact Report No. 08-008 certified by the Planning Commission on December 8, 2009. In accordance with CEQA Guidelines Sections 15162 and 15163, no subsequent EIR or supplement to the EIR need be prepared for this ZTA and no further environmental review or documentation is required.

Coastal Status:

Not applicable.

Design Review Board:

Not applicable.

Subdivision Committee:

Not applicable.

Other Departments Concerns and Requirements:

Not applicable.

Public Notification:

Legal notice was published in the Huntington Beach Wave on February 25, 2021 and notices were sent to individuals and organizations requesting notification (Planning Division's Notification Matrix). In lieu of sending notices to all property owners for all properties within the BECSP and within a 500 foot radius, a minimum 1/8 page advertisement was published instead. As of March 2, 2021 no communications regarding the request have been received.

Application Processing Dates:

DATE OF COMPLETE APPLICATION: MANDATORY PROCESSING DATE(S):

Not applicable

Legislative Action - Not applicable

SUMMARY:

Staff is recommending approval of ZTA No. 21-001 based on the following reasons:

1. It is consistent with City Council direction.
2. It is consistent with general land uses, programs, goals, and policies of the General Plan.
3. It addresses a community need by reducing the processing time of CUPs for alcohol sales and service, which could facilitate the establishment of new businesses, job creation, and increase sales tax revenues. Clarifying exemptions from CUP requirements will facilitate land use review and the application of the zoning code.

ATTACHMENTS:

- ~~1. Suggested Findings of Approval - ZTA No. 21-001~~
- ~~2. Draft City Council Resolution No. 2021-15~~
- ~~3. ZTA No. 21-001 Legislative Draft and Revised BECSP Section 2.2~~
- ~~4. Excerpt of Dec. 21, 2020 City Council Minutes~~
- ~~5. Council Member Kalmick memorandum dated Dec. 21, 2020~~