

PLANNING COMMISSION STAFF REPORT

TO: Planning Commission
FROM: Jennifer Villasenor, Director of Community Development
BY: Marco Cuevas Jr., Associate Planner

SUBJECT:

APPEAL OF THE ZONING ADMINISTRATOR'S APPROVAL OF CONDITIONAL USE PERMIT NO. 25-027 (DISTRACTIONS LOUNGE)

REQUEST:

To permit the onsite sale, service, and consumption of alcohol (ABC Type 48 License) within an existing approximately 1,250 sq. ft. eating and drinking establishment.

LOCATION:

16612 Beach Boulevard, Suite C, 92647 (East side of Beach Boulevard and South of Heil Avenue)

APPELLANT:

Council Member Chad Williams

APPLICANT:

Peter Blied, 2641 Gregory Lane, La Habra, CA 90631

PROPERTY OWNER:

MBSB Legacy LP, 24910 John Fremont Road, Hidden Hills, CA 91302-1133

BUSINESS OWNER:

Alexander Lev Tambor

In considering this request, the Planning Commission may either uphold the Zoning Administrator's decision (with or without modifications) or take an alternative action.

ZONING ADMINISTRATOR ACTION:

- A) Find the proposed project categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301, Class 1.
- B) Approve Conditional Use Permit No. 25-027 with suggested findings and conditions of approval (Attachment No. 1).

ALTERNATIVE ACTION(S):

- A) Do not make the suggested findings, which will result in a mandatory denial per Section 241.10 (C) of the Huntington Beach Zoning and Subdivision Ordinance (HBZSO); or
- B) Continue Conditional Use Permit No. 25-027 and direct staff accordingly.

PROJECT PROPOSAL:

The project includes the following request:

Conditional Use Permit (CUP) No. 25-027 – To permit the onsite sale, service, and consumption of alcohol (ABC Type 48 License) within an existing approximately 1,250 sq. ft. eating and drinking establishment (Attachment No. 2).

The business currently has a Type 42 license to serve beer and wine. An upgrade to a Type 48 license requires approval of a CUP from the Zoning Administrator in the Beach and Edinger Corridors Specific Plan (BECSP). The upgrade will allow the business to sell and serve distilled spirits in addition to beer and wine.

Zoning Administrator Action:

The Zoning Administrator (ZA) held a public hearing on February 18, 2026, to consider the proposed CUP. The applicant was present to answer questions. There were no speakers in opposition to the request. Prior to the ZA meeting, a letter was received from the Ocean View School District (Attachment No. 8) requesting that Conditional Use Permit 25-027 be denied (or further conditioned) citing the following concerns:

- The proximity of the eating/drinking establishment within 600 feet of the Ocean View School District's Westmont Elementary School property located at 8251 Heil Avenue, in Westminster.
- The upgrade to an ABC Type 48 license will allow for alcohol sales for consumption off premises and result in further clustering of alcohol and smoke/vape sales near Westmont Elementary School.
- The current hours of operation (noon to midnight) are during school hours with the primary path of travel to and from school passing by the establishment.

The School District requested conditions to modify the hours of operation from 4:30 p.m. to midnight, Monday through Friday and restrict off-site sales to food delivery service only.

In considering the request, the Zoning Administrator imposed conditions of approval recommended by the Police Department to address public safety concerns (Attachment No. 5). The concern regarding off-site consumption was already addressed by recommended conditions 2.i and 2.j, which prohibit service of alcohol for off-site consumption. Regarding amending the hours of operation, the applicant explained they wanted to maintain their current hours of operation from 12:00 PM to 12:00 AM, Sunday through Thursday, and 12:00 PM to 2:00 AM, Friday and Saturday. The applicant mentioned that imposing later opening hours was not an acceptable condition. As such, the current operating hours were left in place; however, the ZA imposed a condition

requiring formal review of the business by the Police Department one year after approval. Based on the review, the City may require corrective actions, impose additional conditions, or initiate revocation proceedings if warranted.

Appeal:

On February 28, 2026, the project was appealed by City Council Member Chad Williams citing that the approval will be detrimental to the welfare of residents within the vicinity; particularly the children of Westmont Elementary School that walk past the establishment on their way to and from school, which is located within 600 feet of the drinking establishment.

In considering CUP requests involving alcohol sales and/or service, input is obtained from the Police Department in addition to ensuring compliance with the General Plan and HBZSO. The Police Department reviewed the request and determined that since 2020 there has been a documented decline in total calls for service and alcohol related DUI arrests at Distractions Lounge. In 2025, there were only two low-priority report calls for service and zero DUI arrests. In addition, of total calls for service the last two years (April 2024 – April 2026), only one call (classified as an inspection) occurred during school hours (7:30 a.m.) and no calls involved juveniles. As such, the Police Department did not make adverse findings associated with the request and recommended 26 conditions of approval to further ensure public and employee safety. The Police Department conditions have been incorporated into the suggested Conditions of Approval in Attachment No. 1 and establish performance standards for monitoring increases in calls for service, DUI arrests, nuisance violations, and other enforcement activities. The conditions also include a one-year review and potential corrective action if warranted. It should also be noted that there are several other alcohol-related businesses within the vicinity, including several that are closer proximity to the school as referenced in the table below:

Business	License Type	Distance from School (ft.)
Chris Liquor Store	21 (Full Alcohol)	200'
Top Hat Liquor Store	21 (Full Alcohol)	600'
BevMo	21 (Full Alcohol)	1,250'
Grocery Outlet	21 (Full Alcohol)	1,100'
Norms	41 (Beer/Wine)	425'
Taco Grill (Westminster)	41 (Beer/Wine)	800'
Tsukiyo Sushi (Westminster)	41 (Beer/Wine)	250'
Phuket Thai	41 (Beer/Wine)	600'
Distractions Lounge	42 (Beer/Wine)	600'
Shanghai'd Lounge	48 (Full Alcohol)	450'

ISSUES AND ANALYSIS:

Subject Property And Surrounding General Plan Designations, Zoning And Land Uses:

LOCATION	GENERAL PLAN	ZONING	LAND USE
-----------------	---------------------	---------------	-----------------

Subject Property:	M-sp (Mixed Use – Specific Plan Overlay)	SP-14 (BECSP – Town Center Boulevard Segment)	Commercial
North of Subject Property:	M-sp	SP-14	Commercial
East of Subject Property:	RL (Residential Low Density)	RL (Residential Low Density)	Residential
South of Subject Property:	M-sp	SP-14	Commercial
West of Subject Property (across Beach Blvd.):	M-sp	SP-14	Commercial

General Plan Conformance:

The project is consistent with the Land Use Element designation of M-sp (Mixed Use – Specific Plan Overlay) on the subject property and with the following goals and policies of the General Plan:

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

Policy LU-13 (A): Encourage expansion of the range of goods and services provided to accommodate the needs of all residents and the market area.

The request will expand the range of goods and services provided in the area by permitting an upgrade from the on-site sales, service and consumption of beer and wine only to full alcohol within an existing approximately 1,250 sq. ft. eating and drinking establishment. The use will operate in a safe manner for residents and customers from the surrounding area because the hours of operation and business functions will remain the same and be contained within the interior of the building. Conditions have been added to the request which limit the use and manner in which alcohol may be sold and consumed to ensure the proposed use will be compatible with the surrounding neighborhood while providing a service that will meet the needs of the community and increase sales tax revenue.

Zoning Compliance:

The proposed request complies with the applicable provisions in the Town Center Boulevard Segment of the BECSP, and other applicable provisions in Titles 20-25 of the Huntington Beach Zoning and Subdivision Ordinance (HBZSO) because the BECSP allows eating and drinking establishments with alcohol service subject to approval of a Conditional Use Permit from the ZA. The General Plan land use designation and the

BECSP anticipated businesses with alcohol service, sale and consumption in this area. The request is an upgrade to the ABC license type for an existing eating and drinking establishment and will serve to augment the overall customer experience.

Urban Design Guidelines Conformance:

Not applicable

Environmental Status:

The project will not have any significant effect on the environment and is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15301 of the CEQA Guidelines because the project involves negligible or no expansion of the existing use and structure.

Coastal Status:

Not applicable

Design Review Board:

Not applicable

Other Departments Concerns and Requirements:

The Departments of Community Development and Police have reviewed the project and provided conditions which have been included in the suggested conditions of approval.

Public Notification:

Legal notice was published in the Huntington Beach Wave on Thursday, April 2, 2026 and notices were sent to property owners of record and tenants within a 500 ft. radius of the subject property, individuals/organizations requesting notification (Planning Division's Notification Matrix), applicant, and interested parties.

Application Processing Dates:

DATE OF COMPLETE APPLICATION:
January 5, 2026

MANDATORY PROCESSING DATE(S):
Not applicable to appeals

This item was originally presented to the Zoning Administrator on February 18, 2026.

SUMMARY:

The Planning Commission may approve the proposed project based on the following summary of findings (Attachment No. 1):

- Complies with the General Plan and zoning ordinance
- Compatible with the existing surrounding uses

ATTACHMENTS:

1. Suggested Findings and Conditions of Approval
2. Plans received and dated December 2, 2025
3. Project Narrative
4. Vicinity Map
5. ZA Notice of Action
6. ZA Meeting Minutes

7. Appeal received and dated February 28, 2026
8. OVSD Comment Letter to ZA received and dated February 13, 2026
9. Code Requirements
10. PowerPoint