



Honorable Mayor and Members of the Hermosa Beach City Council

UPDATE PROCESS AND PROCEDURES FOR REVIEW OF ON-SALE ALCOHOLIC BEVERAGE CONDITIONAL USE PERMITS.

(Community Development Director Alison Becker)

Recommended Action:

Staff recommend City Council to affirm the attached revisions to the on-sale alcoholic beverage Conditional Use Permit review process as recommended by the Planning Commission.

Executive Summary:

The review process for on-sale alcoholic beverage establishment CUPs has been updated and clarified several times since it was first established in 2011. Changes have been made in response to the shifting needs and priorities of the community. At its March 18, 2025, meeting, the Planning Commission recommended updating the CUP review process for on-sale alcoholic beverage establishments to streamline and clarify the review process. City Council’s review and approval of these suggested changes is requested.

Background:

In January 2011, the City Council established a regular review of on-sale alcoholic beverage establishment CUPs by the Planning Commission. Over the years, the review process and criteria have been amended. The following table provides a summary of the actions related to this policy and procedures over the years.

Past Board, Commission, and Council Actions

Meeting Date	Description
January 25, 2011	The City Council approved a new procedure for conducting reviews on-sale alcoholic beverage establishment CUPs on a semi-annual basis with direction for the Planning Commission to review the process in 12 months.
October 16, 2012	Planning Commission reviewed procedures and process for conducting reviews on-sale alcoholic beverage establishments without recommendation for changes.

Meeting Date	Description
August 26, 2014	City Council updated CUP review process related to food to alcohol sales ratio and directed Planning Commission to review and revise process.
October 21, 2014	Planning Commission reviewed and discussed semi-annual on-sale alcohol beverage CUP review process.
November 17, 2014	Planning Commission reviewed and discussed semi-annual on-sale alcohol beverage CUP review process.
December 3, 2014	Planning Commission approved revisions to semi-annual on-sale alcohol beverage CUP review process.
August 21, 2018	Planning Commission clarified process procedures and adopted tri-annual CUP review process.
March 26, 2019	City Council affirmed the modifications to establish the triannual review process and clarification that a CUP may be called up for Planning Commission's review at any time by the Chief of Police.
March 18, 2025	Planning Commission approved revisions to the procedures and process for review of on-sale alcohol CUPs.

Currently, the alcohol establishment CUP review is presented to the Planning Commission three times a year. Each presentation takes place over the course of two meetings. During the first meeting, staff present an informational triannual report providing data for all alcohol establishments and their compliance with CUP criterion from City departments and outside agencies involved in the CUP review, including Code Enforcement, Hermosa Beach Police Department (HBPD), LA County Fire Prevention, and California Department of Alcoholic Beverage Control (ABC). The second meeting is conducted as a public hearing. The data provided in the report does not change between the two meetings, If an establishment violates any criterion by exceeding the defined number of incidents in any six-month period, the establishment is referred to the Planning Commission for a review of the CUP. The Planning Commission's review may lead to a modification or revocation hearing based on the frequency of incidents or the type of violations.

The two-step review process was established in 2017. In March 2019, the City Council approved the Planning Commission's recommended changes to the process, which included conducting the review three times per year and clarifying that a CUP may be called up for review at any time. A recent example of a CUP being called up outside of

the regular triannual review process occurred on January 21, 2025, when the Planning Commission considered a modification/revocation at a hearing for AKA Sushi at the request of the Chief of Police. This CUP review was promptly reviewed outside of the triannual review process.

Discussion

The on-sale alcohol establishment CUP review process was created to provide a transparent, objective, and consistent approach to reviewing CUPs for alcohol sales. The policy clarifies for staff, the public, and on-sale alcoholic beverage establishments that the review of a CUP may be triggered by incidents related to serious crimes, less serious crimes, and other incidents (i.e. ABC violations, zoning code violations) or any combination thereof, which may be indicators of establishment's poor management practices that should warrant a review. The Planning Commission, the Community Development Department, and the Police Department agree that the purpose of this review process should continue to be providing clear guidance to staff, the public, and on-sale alcohol establishments. However, staff recommends updating the process to eliminate unnecessary procedures that do not make the most efficient use of Staff's time. Suggested changes include adjustments to the frequency of reviews, the criteria for reporting incidents, and the mandatory two-step procedure.

Frequency of Review

The on-sale alcoholic beverage establishment CUP review process occurs three times a year and has overlapping review periods. The Police Department finds the triannual data requirements for these reviews to be time-intensive without providing substantial benefit. Staff is empowered to initiate CUP reviews sooner than the triannual review process. Most recently, an off-cycle review of a CUP occurred in January of this year. Staff finds that the changes in administrative processes and procedures over time have made the mandatory triannual review unnecessary. Planning Commission supported revising the review frequency at the Planning Commission to once a year in the fall following the peak summer season for visitors. The internal reporting period for the City to collect review data would run from October 1st to September 30th. The Planning Commission review would occur in November. In the period between annual reviews, the Police Department and Community Development Department staff would continue to monitor the CUPs administratively. This recommendation does not prevent the Chief of Police or Community Development Director from initiating a review of an establishment outside of the proposed annual schedule, if warranted.

At its March 18, 2025 meeting, the Planning Commission approved staff's recommendation to conduct the review process for all on-sale alcoholic beverage establishment CUPs on an annual basis.

Two-Step Review

The current review process requires a mandatory two-meeting review. The first meeting presents the triannual report as an informational item, while the second meeting is conducted as a public hearing. Currently, the second meeting is required to be held regardless of whether any CUPs trigger the review threshold and require further review by the Planning Commission. This mandatory public hearing requires the publication of a legal ad and additional staff time preparing and presenting an updated report. Staff recommends modifying the review procedure so that a public hearing is only held if the Planning Commission determines, through action minutes, that there is a need to review particular CUPs which have met the Planning Commission review criteria. This recommended change would be a more efficient use of City resources, requiring a public hearing only when necessary.

At its March 18, 2025 meeting, the Planning Commission approved Staff's recommendation that a public hearing is only held, following Staff's informational presentation, if the Planning Commission determines that there is a need to review particular CUPs. Additionally, the Planning Commission approved Staff's recommendation to require updates to the Planning Commission outside of the regular review period regarding any change to reported violations of any CUPs.

Reporting Data

A data report from the Los Angeles County Fire Department (LACFD) is currently required part of the review process. However, due to the Privacy Rules of the Health Insurance Portability and Accountability Act (HIPAA), LACFD identify reported incidents without specific business addresses or other pertinent information. The data cannot be tied to a specific business and does not provide sufficient details about the encounter to provide insights into the alcohol servicing practices of individual establishments.

At its March 18, 2025 meeting, the Planning Commission revised this specification to require that only data about citations of overcrowding or other safety violations at the premise be provided by LACFD. The proposed changes would ensure that only relevant data that could inform the CUP review was requested.

Review Threshold

The existing policy establishes thresholds for different categories of incidents that warrant the review of CUP. Additionally, the policy provides that the Chief of Police, at their discretion, may call up a CUP for review regardless of the number of incidents.

At its March 18, 2025 meeting, the Planning Commission added that the Community Development Director is also authorized to call up a CUP for review regardless of the number of established incidents.

General Plan Consistency:

This report and associated recommendations have been evaluated for their consistency with the City’s General Plan. Relevant Policies are listed below:

General Plan Consistency	
Public Safety Element	Findings
<p>Goal 5. High-quality police and fire protection services are provided to residents and visitors.</p> <p>Policy 5.1 Crime deterrence. Regularly evaluate the incidence of crime and identify and implement measures to deter crime.</p> <p>Policy 5.2 High Level of response. Achieve optimal utilization of allocated public safety resources and provide desired levels of response, staffing, and protection within the community.</p> <p>Policy 5.3 Use of technology. Provide and use smart surveillance technology and communication systems to improve crime prevention and inform the community regarding actions to take in case of emergency.</p> <p>Policy 5.8 Nuisance abatement. Encourage Police Department review of uses that may be characterized historically by high levels of nuisance (noise, nighttime patronage, and/or rates of criminal activity) providing for conditions of control of use to prevent adverse impacts on adjacent residences, schools, religious facilities, and similar “sensitive” uses.</p>	<p>The report supports accountability with respect to alcohol serving establishments and ensures police resources are being best utilized.</p> <p>The regular review also provides an opportunity to the City to impose additional CUP conditions to operators that incur repeated violations such as enhancing on-site security guards or increasing security camera footage to prevent future crimes and/or violations. Through these efforts the City seeks to minimize nuisances and improve upon the quality of life for local residents and visitors.</p>
Governance Element	Findings
<p>Goal 2. The community is active and engaged in decision-making processes.</p> <p>Policy 2.6 Responsive to community needs. Continue to be responsive to community inquiries, providing public information and recording feedback from community interactions.</p>	<p>The CUP review process provides an opportunity for residents, business owners, and the public at large to engage in the decision-making process for CUP modifications.</p>

Environmental Determination:

The proposed amendments to the process and procedures for on-sale alcoholic beverage establishment CUP review is a project subject to the California Environmental Quality Act (CEQA) and qualifies for an exemption from CEQA pursuant to Section 15061(b)(3) (Common Sense Exemption) of the State CEQA Guidelines (Chapter 3 of Division 6 of Title 14 of the California Code of Regulations). The activity is covered by the Common Sense Exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. There is no possibility that the proposed change to the current process and procedures for on-sale alcoholic beverage establishment CUP review may have a significant effect on the environment, therefore the activity is not subject to CEQA. No special circumstances exist that the proposed change would create a significant adverse effect on the environment (i.e. no sensitive species or habitats, no hazardous sites, no scenic highways, no historic resources, etc.).

Attachments:

1. Current Process and Procedures for Alcoholic Beverage Establishment CUP Review
2. Redlined Process and Procedures for Alcoholic Beverage Establishment CUP Review

Respectfully Submitted by: Alexis Oropeza, Planning Manager

Concur: Alison Becker, AICP, Community Development Director

Legal Review: Todd Leishman, City Attorney

Approved: Steve Napolitano, Interim City Manager