

City of Long Beach CUP Project Stakeholder Interview Summary

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Introduction

This document summarizes the main findings of stakeholder interviews conducted for the City of Long Beach CUP project, complemented by an on-line survey administered by the Downtown Long Beach Alliance (DLBA). The purpose of this project is to conduct a technical and policy analysis of Title 21-Zoning of the City of Long Beach Municipal Code and propose changes necessary to update and improve the zoning regulations, procedures and practices for establishing and modifying business establishments. The objective is to improve the requirements for Conditional Use Permits and other types of discretionary review with respect to issues such as timeliness, predictability, and cost while still addressing community concerns about the possible negative effects that may be generated by some business activities.

Invitations to participate in stakeholder interviews were extended to 30 business owners, business organization representatives, former applicants and property owners. Thirteen individuals participated in face-to-face or telephone interviews that were conducted as part of the initial research phase of the project in order to augment the City's and the Consultant's understanding of issues and challenges associated with the zoning process. An additional 41 business owners participated in an on-line survey conducted by DLBA. The Consultant also met with several City officials and staff. A full list of interview participants can be found in Appendix A.

The interviews were conducted in-person in group settings on May 2, 2017. Additional interviews were conducted over the phone or by e-mail to reach stakeholders who could not attend the group interviews. The group interviews typically included two to four individuals. Interviewees were presented with an initial list of questions prior to the interviews, but were encouraged to converse freely about any relevant concerns and ideas. The list of questions for these meetings is included in Appendix B.

The DLBA survey was distributed to retail, professional service, and restaurant businesses in Downtown Long Beach in the first two weeks of June 2017. About half of the 41 survey participants were people associated with a restaurant business. The survey included an introductory question about their business types, one multiple choice question, two yes/no questions, and five open-ended questions. Participants were able to add comments to each of their responses. Between seven and 18 participants responded to each question. A copy of the survey with questions and responses is included in Appendix C.

Findings

The following summarizes the key points from all of the interviews.

- Need for business assistance and outreach

The City should have an ombudsman or “point person” to provide outreach to potential new businesses and to help work with businesses through the permitting processes. The Business Portal is a valuable resource, but it does not meet the need for personal assistance.

- Zoning Code requires revision

Stakeholders believe that the requirements for which business types require CUPs are outdated and the conditions and requirements for approval of CUPs need to be revised. For example, small manufacturing and other uses, for which CUPs are reasonable, should not be required to provide large amounts of parking, which is inappropriate in urban settings. (It appears that in a number of instances, however, the use itself does not require a CUP but approval is subject to a variance because of the inability to meet parking requirements or other standards.)

- Difficult requirements for sale of alcoholic beverages

The most onerous CUP requirements are those related to alcohol sales. Recommended improvements include simplifying the requirements, making them consistent with the State Alcoholic Beverage Control (ABC) regulations, and revising City regulations so that fewer establishments with on-site alcohol sales are subject to discretionary review (e.g. reducing the required separation from residential districts).

- Time and expense of obtaining approval

The length of time it takes to get a permit and the cost of obtaining necessary approvals are a major obstacle for small and new business owners who often enter into leases without understanding the requirements for obtaining approval to open. In response to a survey question about the major problems with the City's practices for approving new businesses or changes to existing establishments, 12 of the 18 survey participants answered either “permit costs” or “length of time to secure approval.”

Interview Summaries

The following sections summarize discussion points organized by theme. The points do not necessarily represent consensus among all participants interviewed, but are observations or ideas raised by at least one person. Any explicit disagreements that arose during the discussions are noted.

Decisions Requiring Discretionary Review

The following stakeholder comments relate to the types of businesses that require CUPs and the discretionary review process, in general.

- Require fewer CUPs and allow more approval at Staff level as the Planning Commission's CUP process is subjective, lengthy, and does not clearly yield benefits to the community.
- Public hearings often result in requirements that seem to appease the public but may be unrelated to public health and welfare. Instead, conditions should be codified so they are standardized and are applicable without requiring a public hearing. With more consistent conditions established before the project planning process, developers will be able to meet the requirements more easily.
- Long Beach grants relatively few CUPs (35 last year, half of which were related to wireless communication facilities) and only two applicants were denied suggesting that the procedure seems to discourage applicants from seeking approval who might be able to obtain a permit if they had assistance negotiating the process.
- The decision of whether a business requires a CUP or not should not be a subjective decision. For example, uses that raise public safety concerns, such as bars and small manufacturing, should require a CUP; other uses, such as drive-through's, doctor's offices, small retail, and thrift stores should not. Although some uses might have been nuisances historically, current industry practices make CUPs unnecessary.

Standards and Conditions for Specific Uses

The following comments from stakeholders relate to 1) requirements and standards for specific uses that are stipulated in the Long Beach Zoning Code and 2) conditions that are attached to a CUP as result of discretionary review by staff or the Planning Commission. Although the codified requirements are standardized and those attached as a result of discretionary review are not, the difference between these two different types of conditions may have been conflated during some interviews.

- More stringent codified standards are preferable to lenient, subjective requirements imposed through discretionary review.
- The Long Beach Zoning Code is unique due to the large number of overlay zones. It would be helpful if the City could provide information on how standards and conditions would vary based on location—for example, if the proposed business moved its location by a few blocks, how would the standards and requirements change?
- In response to a survey question about suggested improvements to the City's practices, one out of ten survey participants suggested making requirements consistent for uses that have similar impacts.

- In response to a survey question about whether the survey participant has found it easier to secure approval for opening or changing a business in another city, seven out of nine survey participants responded “yes.”

Conditions Inappropriate for Urban Setting

- Zoning Code seems to have been written for a suburban environment, rather than urban neighborhoods. For example, the distance required between a use that sells alcohol on-site and a school is prohibitively large and inappropriate for Downtown Long Beach.

Parking

- Even though there are underutilized spaces in the Downtown, the City requires property owners to provide free parking. Instead, the City should focus on managing the existing parking for efficient use of parking already available. Suggested parking management strategies include pricing, shared parking, and improved wayfinding to public parking structures.
- Parking requirements seem to be frequently reduced after negotiation so that they will not be prohibitive.
- Parking requirements are primarily an obstacle for businesses with more than 6,000 square feet, which does not include most businesses in the city, but is some cases an issue for businesses under 3,000 square feet.
- In response to a survey question about obstacles to business operations, two out of 11 survey participants listed “parking requirements.”
- In response to a survey question about requirements and practices other cities use that Long Beach should consider, one out of seven survey participants suggested allowing community spaces and events to use public parking.

Alcohol Sales

- Requirements related to alcohol service are particularly problematic. In most cases, any alcohol service automatically triggers the need for a CUP, even though an AUP could be appropriate in many situations.
- Lack of consistency and coordination between City requirements and procedures and the State ABC requirements is a problem. After the applicant finally obtains a CUP, they have to meet all of the ABC requirements, and the City does not assist with that process. Sometimes, a business owner can pay for and obtain a CUP, and then fail to meet the ABC requirements. Could City better coordinate with ABC, so that if an applicant meets the CUP requirements, they can be assured that they will meet the ABC requirements?
- The Code should not differentiate between alcohol sales from a bar and from a table given that many full-service restaurants still make most of their revenues from alcohol sales.

Other

- The CUP requirement for changes in hours of operation is problematic. Could possible effects be handled with standard conditions?

Permit Fees

A number of stakeholder comments related to the cost of permit fees and possible strategies for making fees more affordable.

- Fees are prohibitively expensive, and even after an applicant pays the fees, there is no guarantee that a CUP will be granted.
- Recommendation to implement a new system to phase fees, perhaps with a down payment up front with the balance paid as the applicant went through the process instead of charging the entire sum at beginning.
- Recommendation that the City charge by the hour, which would reward simple applications that need less review.
- It was noted that the Health Department offered classes on food sales at events, and that attendance at the class was rewarded with a discount on permit fees. These kinds of services build relationships between the City and businesses and foster valuable communication.
- In response to a survey question about major problems with the City's practices related to permits, four out of 18 survey participants chose "permit costs."
- In response to a survey question about suggested improvements to the City's practices, two out of 10 survey participants described reducing permit fees.

Procedures

The following stakeholder comments relate to the City's permit procedures, including the permit review process, public notification, and permit processing. Recommendations for improvements are included for each topic.

Review Process

- Appreciation that the City offers pre-submittal meetings.
- The approach to the review process could be more amenable to small businesses. There are some staff members who are quick to say "no" rather than wanting to get to "yes"; in other words, there are staff who are quick to decline project approval, rather than working with the applicant to revise the project in ways that will allow permit approval.
- Frustration with a lack of transparency. Although the Business Portal helps, it is not sufficient. For example, there is no way for an applicant to know what the status of the project is in the review process.
- Recommendation for City to provide an informative "roadmap" that illustrates a simple outline of steps in the review process.

- Recommendation for City to provide a computerized permit tracking system.
- Recommendation for City to provide concurrent plan review. Small businesses spend an average of \$15,000 per month in holding costs, so a concurrent business permit and CUP process could yield significant cost savings.
- Recommendation for City to provide expedited planning review for a fee, as the Building Department does. The cost of the fee is much less compared to the cost of a delay in the development process.
- Recommendation for City to provide Planning Director with more leniency in interpreting the Code. For example, if a development proposal does not meet the requirements for a setback by one to three feet, the Planning Director could have the authority to excuse that discrepancy, without requiring a variance.
- In response to a survey question about issues related to the review process, four out of eight survey participants listed inconsistent opinions among different departments and staff.

Public Notification

- Notification requirements should be expanded to include Business Improvement Districts (BIDs) and Property and Business Improvement Districts (PBIDs) that are not notified of CUPs.
- Large notification radius may encourage residents who are unlikely to be affected by an establishment to voice objections.
- In response to a survey question about major problems with the City's practices related to permits, two out of 18 survey participants listed "notification requirements."

Processing Time

- The greatest problem with the CUP process is the length of time it takes to obtain approval. One stakeholder explained that most cities take between three and five months, and Long Beach is on the high end of that range at about five months.
- The site plan review stage has the most potential to be improved—although the noticing and Planning Commission review processes are efficient, there is a lot of back and forth during site plan review, which seems inefficient. Instead, a more collaborative site design review process could expedite the process. For example, if the developer and the decision-makers could sit down together, then in one meeting they could revise the site plan together to meet the City's requirements.
- In response to a survey question about major problems with the City's practices related to permits, seven out of 18 survey participants chose "length of time to secure approval."
- In response to a survey question about suggested improvements to the City's practices, two out of 10 survey participants described a faster time line.

City Programs and Practices

The following stakeholder comments relate to communication about the requirements, including business owners' knowledge of the requirements, coordination among city agencies, and availability and understandability of requirements.

Knowledge of Requirements

- Lack of new business owners' awareness of the potential requirements and costs in opening a business. The information is available, and the Business Portal helps to provide resources and information but new business owners do not know where to look for costs and requirements. One stakeholder explained that she had had no idea that she would need a CUP and that her business was unknowingly open for three months before the City processed the business license and informed her.
- The Business Improvement District (BID) plays a role in helping businesses through the application process, but the point of engagement with BIDs is often too late in the process to prepare the applicants and to improve potential outcomes.
- Recommendation for City to provide a "point person" who could work with and inform applicants. This ombudsman could also help coordinate communication among different departments, the Planning Commission, and City Council on issues relating to development. The city planners are helpful, but the department is too understaffed to provide adequate assistance in navigating the multiple processes and requirements. Several stakeholders explained that historically there was a staff member who served as an ombudsman but the funding was lost for the position. The Business Portal is a valuable resource and could supplement the ombudsman, but the Business Portal is inadequate by itself.
- Recommendation for City to engage with real estate brokers who could help inform potential small business owners earlier in the process of planning for and opening the business. However, there are potential challenges in engaging brokers including their invested role in the real estate transactions.
- Recommendation for City to invest in an on-line mapping tool to help outline the requirements. Code for America and Open Counter have products by which a potential business owner can enter a type of business, and a map shows where that type of business is allowed and what review process is required.
- In response to a survey question about suggested improvements to the City's practices, one out of 10 survey participants described the need for better assistance from the City.

Coordination Among City Agencies

- Lack of consistency within and among City departments. Different staff members give different responses to the same question.
- Difficulty working with different City departments, each with its own process, costs, and permit requirements.

- Recommendation for City to design a more transparent and straightforward process to help ensure that direction from the City does not vary among staff.
- In response to a survey question about major problems with the City's practices related to permits, one out of 11 survey participants described lack of coordination among City departments.
- In response to a survey question about which requirements and practices other cities use that Long Beach should consider, five out of seven survey participants describe a more streamlined process and coordination among departments.

Availability and Understandability of City Requirements

- The requirements are generally written in understandable language but they are not always easy to find.
- There are language barriers. For example, Long Beach has a Cambodian population, as well as a Spanish-speaking population, who are reliant on language assistance.
- Recommendation for City to provide handouts explaining the more complicated requirements, such as sign regulations, would be helpful.
- In response to a survey question about major problems with the City's practices related to permits, one out of 18 survey participants chose "availability and understandability of requirements."
- In response to a question about whether the survey participant had had any difficulty obtaining information about or understanding the City's requirements, 14 out of 18 survey participants answered "yes."
- In response to a survey question about suggested improvements to the City's practices, two out of 10 survey participants described having a clear written process establishing the permit review process or an organizational chart describing the functions of each department in the permit review process.

Enforcement

- Problems arise from the City practicing "complaint-based" enforcement, which stakeholders said results in confusion and animosity among property owners who follow the requirements to different degrees.
- A major challenge in the CUP process is that the permit requirements are not enforced. Lack of enforcement of CUP requirements results in substandard conditions and disparities among different businesses and uses.
- In response to a survey question about major problems with the City's practices related to permits, two out of 18 survey participants identified "the process for handling appeals."

Appendix A: Interview Participants

City of Long Beach Staff and Officials

Seyed Jalali, Economic Development Officer, City of Long Beach

Carrie Tai, Planner, City of Long Beach

Business Organization Representatives

Adam Carillo, Downtown Long Beach Alliance

Blair Cohn, Bixby Knolls Business Association

Cameron Crockett, East Anaheim Street Business Alliance

Annie Greenfield-Wisner, Magnolia Industrial Group

Jeremy Harris, Chamber of Commerce

Kraig Kojian, Downtown Long Beach Alliance

Austin Montoya, Downtown Long Beach Alliance

Monorom Neth, Midtown Property and Business Owners Association

John Surge, Long Beach Music Council

Business Owners

Chrysteen Braun, Christian Outreach in Action

Amy Eriksen, Small Business Development Center, Restaurant Owner

Kerstin Kansteiner, Berlin Restaurant

Eric Verduzco-Vega, Planning Commission, Bar Owner

Developers and Architects

Tom Carpenter, Frontier Real Estate

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Appendix B: Interview Questions

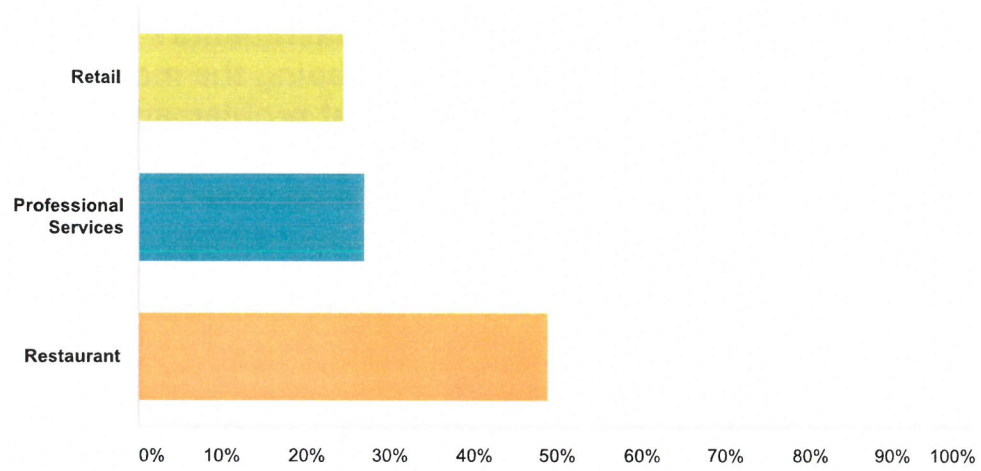
1. With what type or types of business are you most familiar?
2. Generally speaking from your own perspective, what do you see as the major problems with the City's procedures and practices for reviewing and approving new businesses or changes to existing establishments? Procedures and practices include issues such as permit costs, length of time to secure approval, notification requirements, availability and understandability of requirements, and the process for handling appeals.
3. Which development standards and design requirements have been obstacles to your business operation and why? These requirements and standards regulate features such as parking requirements, hours of operation, floor area limits, landscaping and fencing.
4. Have you had any difficulty obtaining information about or understanding the City's requirements? What improvements would you suggest?
5. What issues or concerns, if any, were raised as a result of the review process for your application? Were you aware of these issues at the time you submitted your application? Did you make any changes to your proposal as a result?
6. Have you found it easier to secure approval for opening or changing a business in other cities? What requirements and practices do other cities use that you think Long Beach should consider?
7. Are there other issues we have not covered that are important for us to consider?

Appendix C: DLBA Survey Responses

Rethinking Conditional Use Permit (CUP) Process Survey

Q1 How would you classify your business?

Answered: 41 Skipped: 0

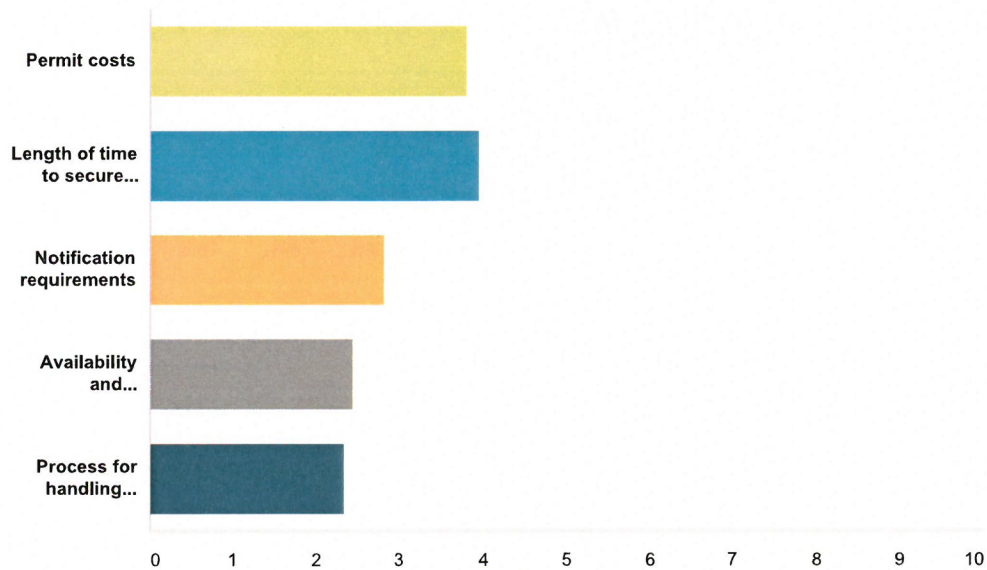


Answer Choices	Responses	
Retail	24.39%	10
Professional Services	26.83%	11
Restaurant	48.78%	20
Total		41

Rethinking Conditional Use Permit (CUP) Process Survey

**Q2 What do you see as the major problems with the City's procedures / practices for reviewing and approving new businesses or changes to existing establishments?
(Please rank in order with 1 being the most problematic, 5 being the least problematic)**

Answered: 18 Skipped: 23



	1	2	3	4	5	Total	Score
Permit costs	33.33% 5	20.00% 3	40.00% 6	6.67% 1	0.00% 0	15	3.80
Length of time to secure approval	41.18% 7	35.29% 6	5.88% 1	11.76% 2	5.88% 1	17	3.94
Notification requirements	12.50% 2	12.50% 2	31.25% 5	31.25% 5	12.50% 2	16	2.81
Availability and under-stability of requirements	6.25% 1	12.50% 2	25.00% 4	31.25% 5	25.00% 4	16	2.44
Process for handling appeals	11.11% 2	16.67% 3	11.11% 2	16.67% 3	44.44% 8	18	2.33

Rethinking Conditional Use Permit (CUP) Process Survey

Q3 Which development standards and design requirements have been an obstacle to your business operations? (Ex. parking requirements, hours of operations, floor area limits, landscaping)

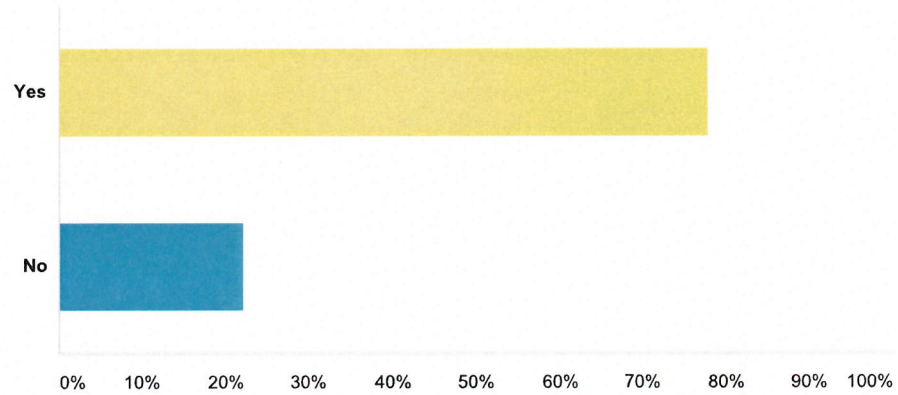
Answered: 11 Skipped: 30

#	Responses	Date
1	1 1 1 1 3 that is to fill the blanks on question#2 hours of operations	6/13/2017 5:29 PM
2	Our Patio Permit and new Regulations after 20years.	6/12/2017 1:56 PM
3	installation of new equipment.	6/12/2017 10:08 AM
4	None	6/9/2017 11:23 AM
5	Honestly any dealing with the city is confusing, unclear, changes from department to department, mixed messaging and way too many hoops to jump through	6/8/2017 6:50 PM
6	N/A yet	6/8/2017 6:25 PM
7	Each department not communicating with the other... Engineering saying it is a planning decision, while planning saying it needs to go through the health department, but nobody will say anything until fire signs off, but fire won't look at it until planning approves it, but planning won't approve until fire approves, but engineering hasn't agreed. It's a complete runaround.	6/8/2017 5:47 PM
8	Use restrictions related to retail storefronts and parking requirements.	6/8/2017 5:43 PM
9	None	6/8/2017 11:24 AM
10	Parking requirements	6/7/2017 4:13 PM
11	Na	6/7/2017 3:44 PM

Rethinking Conditional Use Permit (CUP) Process Survey

Q4 Have you had any difficulty obtaining information about or understanding the City's requirements?

Answered: 18 Skipped: 23



Answer Choices	Responses	
Yes	77.78%	14
No	22.22%	4
Total		18

Rethinking Conditional Use Permit (CUP) Process Survey

Q5 What improvements would you suggest?

Answered: 10 Skipped: 31

#	Responses	Date
1	quicker time line. less price understanding the needs of business	6/13/2017 5:30 PM
2	A Parking permit for Buisness owners	6/12/2017 1:57 PM
3	Not requiring plans for an entire facility when equipment installation requires less than 1% of the overall space. Having appropriate staffing instead of a part-time person that causes a backlog of work. Better assistance with problems instead of passing the buck.	6/12/2017 10:14 AM
4	A clear written process with clear directions and clear requirements.	6/8/2017 6:51 PM
5	Permit costs are ridiculously high, especially for someone opening up a new small business. Lowering these or having a scale system would help.	6/8/2017 6:26 PM
6	Someone needs to make a decision without passing the buck to another department	6/8/2017 5:48 PM
7	Fast track to review uses that garner broad approval/support from community leaders.	6/8/2017 5:45 PM
8	Lower permit costs / faster approvals / less bull and red tape	6/7/2017 7:57 PM
9	A system that doesn't have different requirements for different businesses that have similar impact on the area.	6/7/2017 4:14 PM
10	An organization chart and description of what function and sequence-in-the-process each plays.	6/7/2017 3:54 PM

Rethinking Conditional Use Permit (CUP) Process Survey

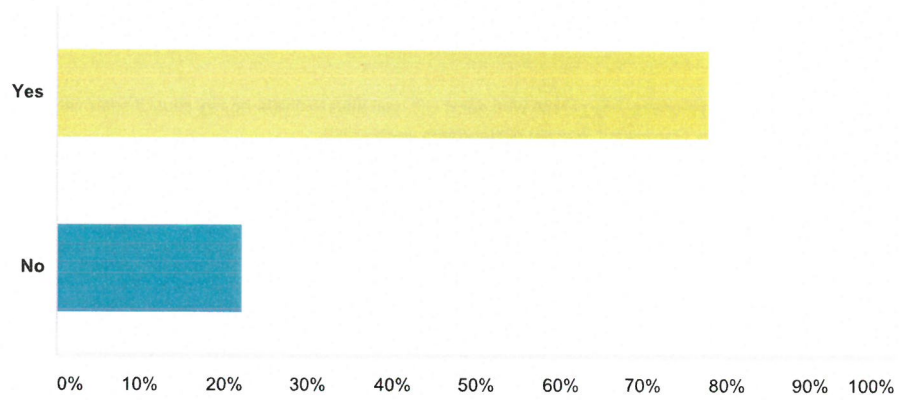
Q6 What issues or concerns, if any, were raised as a result of the review process for your application?

Answered: 8 Skipped: 33

#	Responses	Date
1	hours of operation, understanding the needs of business	6/13/2017 5:31 PM
2	Many.....	6/12/2017 1:57 PM
3	None	6/9/2017 11:24 AM
4	Nobody is consistent from department to department on questions or answers	6/8/2017 5:49 PM
5	inconsistent opinions from planning, no sense of urgency, a culture of "no"	6/8/2017 5:47 PM
6	Too much hassle	6/7/2017 7:58 PM
7	Requires information from multiple departments. Each department says it's authority of another department. Spend hours going in circles with multiple departments to get little to no information or movement. Nobody knows of any business operating as I have. Requirements are not clearly stated and there is no assistance from city of what to be done if physically impossible to meet requirements for issues that do not extend to the building itself/business itself (ex. parking).	6/7/2017 4:17 PM
8	It may take weeks to know who to talk to about the next step in the process	6/7/2017 3:55 PM

Q7 Have you found it easier to secure approval for opening or changing a business in other cities?

Answered: 9 Skipped: 32



Answer Choices	Responses	
Yes	77.78%	7
No	22.22%	2
Total		9

Rethinking Conditional Use Permit (CUP) Process Survey

Q8 What requirements and practices do other cities use that you think Long Beach should consider?

Answered: 7 Skipped: 34

#	Responses	Date
1	Simplicity in the application process- one person who deals with you start to finish- no city council approval, no complaint driven stoppages. One format, one set of standards, lower costs.	6/8/2017 6:54 PM
2	Someone needs to take charge and be able to make decisions	6/8/2017 5:50 PM
3	streamlined processes for concepts with broad support from business groups	6/8/2017 5:48 PM
4	More options to process on line and a single point of contact.	6/8/2017 11:26 AM
5	Not so much red tape	6/7/2017 7:59 PM
6	Allow assembly hall and/or community spaces to make use of public parking. For example, Downtown Pomona allows the Glasshouse to use the city parking lot in the area and has seen the Downtown area flourish. The area is safer, and the city now allows/organizes art walks. Use city resources to create more public parking, instead of selling off land to develop into more condo/housing projects that have 1.2 spaces per 2 bedroom which will only impact parking even greater.	6/7/2017 4:20 PM
7	Less expensive permits	6/7/2017 3:45 PM

Rethinking Conditional Use Permit (CUP) Process Survey

Q9 Are there any additional comments / concerns?

Answered: 5 Skipped: 36

#	Responses	Date
1	As are doing a fine job. Keep it up.	6/9/2017 11:24 AM
2	The runaround is time consuming and costly. The high permit fees, applicaiton fees, planning fees take money out of our pocket when starting a business. This means, less money to advertise, to build, to hire, and more importantly, less operating capital to survive during the first several months when cash flow is vitally important. Quit taking so much at the beginning and allow us to put our money into building the business instead of taking our capital before we can even open the doors.	6/8/2017 5:51 PM
3	time from plan submittal to permits through planning to building & safety takes way too long. 6-8 weeks for permits and months for building & safety is horrible. Takes nearly 1 year to open a restaurant in Long Beach with a use change.	6/8/2017 5:50 PM
4	Stop making things so difficult and slow	6/7/2017 7:59 PM
5	There is no source of assistance within the city when coming to a problem that creates a brick wall. We have no access to parking and no property owner in their right mind will sign an easement that will lower the value of their property (we have contacted the few that have parking in this area).	6/7/2017 4:22 PM