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# Using Alcohol to Fuel Community Revitalization: **A Cautionary Tale**

by Zelenne L. Cardenas

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I GRATEFULLY WANT TO RECOGNIZE THE WORK OF SOCIAL MODEL RECOVERY SYSTEMS, INC., WHOSE CORE BELIEFS AND VALUES I SHARE AND HONOR. I REALIZE THAT IN OUR LIFETIME WE WILL NOT CHANGE ALL THAT NEEDS TO BE CHANGED; HOWEVER, I TRUST THAT WE CAN LESSEN THE HURT BY SEEKING TRUTH AND IMPLEMENTING SOUND POLICY.

FINDING SOLUTIONS TO THE ISSUES RAISED IN THIS BRIEF WILL NOT BE AN EASY TASK. WE STRONGLY URGE EVERYONE TO LOOK BEYOND "QUICK FIXES".

THANK YOU!

ZELENNE L. CÁRDENAS

## USING ALCOHOL TO FUEL COMMUNITY REVITALIZATION: A CAUTIONARY TALE

### **Introduction**

Throughout California, cities and counties seem hell-bent on building mega-entertainment complexes ... the bigger the better. Sports stadiums, theaters, shopping plazas are all being planned or built. And they are not merely devoted to a single use; these are instead “destinations”, with shopping, restaurants, nightclubs, even housing and green space incorporated into each development. Many have themes, and are modeled to invoke specific images, such as a quaint Main Street or town square.

It is not hard to understand why local governments have embarked on this quest. They envision their community as home to the next *Downtown Disney* or *Universal CityWalk*. They believe that upscale entertainment venues like those will generate massive amounts of tax revenues, from both tourists and new property owners. Such revenues are sorely needed, particularly after the passage of Proposition 13 in the 1970s, which rolled back property tax levels. Since that time, cities and counties have struggled to meet their obligations to pay for public services such as fire, police, and health care with drastically reduced resources.

Redevelopment is one of the principal strategies local governments are using to generate revenue. State law allows local governments to utilize redevelopment as a tool to promote community revitalization. The goal of redevelopment is quite ambitious: to stimulate new commercial, residential and industrial development, eliminate blight and create jobs – and produce tax revenue. Over 400 cities in California are currently engaged in redevelopment activity.<sup>1</sup>

The results of redevelopment have been mixed. Depending on your perspective, there have been some dazzling successes as well as some spectacular failures. For while there are successful fiscal examples of redevelopment, there are also instances of rampant displacement that uprooted low income people and people of color without adequate relocation assistance. Certainly entertainment districts are not the only projects that are being undertaken, but increasingly, local governments see these projects as “magic bullets” – the type of development that will act as a catalyst for thriving and lucrative redevelopment.

In fact, with or without the use of redevelopment tools, cities and counties are courting such projects, making concessions to attract developers who promise bright lights and big payoffs. Of course not everyone welcomes the prospect of these glitzy entertainment zones. A variety of opponents typically challenge each project, voicing concerns about traffic congestion, noise and pollution. Others contest the investment of

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<sup>1</sup> Kaplan, D. (2007, April 25). Scamming redevelopment. With little oversight, local redevelopment agencies seize private property and spend tax dollars to subsidize developers. [Electronic version]. *Los Angeles Times*.  
<http://www.latimes.com/news/opinion/la-oe-douglkaplan25apr25,0,3373590.story>.

public money in projects such as sports stadiums which yield profit for private interests. While these are all legitimate fears, the development of entertainment districts poses another, less visible threat: a dramatic increase in the retail availability of alcohol in a small target area. Whatever the proposed centerpiece of an entertainment zone may be – i.e., a sports area, stadium or mall, providing for plenty of alcohol seems to be a prerequisite. Restaurants, food stands, bowling alleys, pharmacies, even health clubs that will be incorporated into these projects are proposing to sell alcohol. Local officials seem unwilling to question their ever-present inclusion, and developers claim that alcohol sales are an essential ingredient that will make their projects profitable.

Alcohol prevention and policy groups throughout California should take heed that developers of entertainment districts are working “under the radar screen”, maneuvering around and through planning procedures to add multiple conditional use permits for the sale of alcohol to their projects with little or no public notice or scrutiny. This practice is termed “*bundling*”. Bundling expedites the permit process to serve the convenience of both the developer and the eventual retailers who will operate the businesses selling alcohol within an entertainment district. At first blush, this practice may seem logical and efficient. But consider that bundling could result in dozens of alcohol permits being issued *before* the retailer has been identified, *before* the location of the business has been determined, *before* buildings are even built.

Moreover, such bundling processes blatantly defeats the purpose of utilizing local land use permits to regulate businesses selling alcohol. For more than a decade, alcohol policy and environmental prevention advocates have fought long and hard for some measure of local control over this process. In scores of California cities, a conditional use permit or CUP must now be issued prior to obtaining an alcohol license. A CUP is a land use tool that requires approval by local governments, and is distinct from a license to sell alcohol which in California is issued by the Department of Alcoholic Beverage Control (ABC), a state agency. The main purpose of an alcohol CUP process is to assess the impact of alcohol sales on a case by case basis, in relation to sensitive land uses such as schools, churches or alcohol /drug rehab programs that surround the site of the proposed alcohol business. The CUP process affords the local government the ability to determine whether an alcohol business is appropriate in a particular location, and if so to apply conditions (such as lighting and security) to the operation of the business that will make it conducive to the health and safety of the adjacent community.

These critical determinations cannot be made when CUP’s have been issued en masse for businesses that do not yet exist, and may not exist for years after the permits have been issued. There is no way to tell whether the business will be Spago or a Hooter’s, a pool hall or a wine bar, or whether the operator is inexperienced or has a history of shoddy business practices. There is no way to assess whether the alcohol uses will be scattered throughout an entertainment district or clustered together in a row. And if bundled permits are issued without knowing the specifics of the business, there is no way to craft conditions to protect existing community members and neighboring uses from the problems associated with an over saturation of alcohol.

Awareness of the hazards of bundling is just starting to emerge in Los Angeles. But the situation can occur anywhere in the state. Orange County, San Diego, Vallejo; rural and suburban communities - no area is immune. Clearly, entertainment districts will continue to be sought after, and developers will continue to push for them. Alcohol policy groups must arm themselves with a clear understanding of the scope of the problem and its possible ramifications in their neighborhoods. They must also identify possible allies in the effort to impact land use decision making. Groups committed to environmental justice, decent housing and safe and healthy neighborhoods are likely collaborators.

This policy brief seeks to assist those working on alcohol policy and prevention by exploring the impacts of bundling. To provide some context, recent experiences in three different neighborhoods located in downtown Los Angeles will be profiled. It will also include a discussion of lessons learned from these events, and the policy implications of bundling will be explored. The goal of this document is to alert those working in the field of the changing landscape of alcohol permitting in redevelopment ventures while there is still time to be proactive rather than reactive.

### Case Study: Downtown Los Angeles -- Background

Los Angeles has always been a city of contrasts, of both great affluence and great poverty. It also had a mixture of many different industries: agriculture, manufacturing, real estate, movies/television/music, aerospace, apparel – all have flourished and floundered in L.A. And this is a city of many different communities, an array of cultures and races that have historically lived in segregated neighborhoods. Downtown Los Angeles was no different from the rest of the city. At the turn of the 20<sup>th</sup> century, residential pockets flanked the civic center where government buildings were being constructed. Victorian mansions gradually turned into boarding houses as the rich moved to the Westside. Near the train and bus depots, ethnic enclaves formed as migrants arrived in search of work. At various times, Blacks, Latinos, Chinese and Japanese lived in different pockets of downtown.

By the late 1950's, most people living in downtown were very poor. Faded hotels had become "single room occupancy" or SRO hotels. Drifters and vagrants landed here as many parts became lawless, violent and dirty. In 1955, the City of Los Angeles declared one of its first redevelopment projects in Bunker Hill, using the powerful tool of eminent domain to raze scores of those gracious old Victorian homes, displacing the boarders – mostly single men. Relocation assistance was not required in those days, so many of those men ended up just blocks away in another section of downtown. The result was the expansion of L.A.'s *skid row*, a neighborhood of last resort.

By the 1980's, Bunker Hill had been converted from a blighted area to a canyon of steel high rises. Anchored by a futuristic hotel, upscale apartment buildings and office towers, Bunker Hill became one of the most economically successful projects ever built by the local redevelopment agency. The measure of success was the project's ability to capture tax increment. Tax increment is the increase in the property tax assessment

that results when a new property is built or an existing property changes ownership. Redevelopment law allows local agencies to capture the tax increment and partner with the private sector on community revitalization projects such as commercial development, and affordable housing. (Note: that without redevelopment authority, this tax revenue would be dedicated to purely public purposes, specifically, police, fire, hospitals, museums, libraries.)

Tax revenues from Bunker Hill were so high that there was even enough to devote some funding to the needs of the very poor who were clustering a few blocks away in *skid row*. In response to pressure from advocates for the poor, the city decided to preserve some of the old SRO hotels; some were even rehabilitated with funds from the redevelopment agency. And social services such as drug rehabilitation and counseling programs were opened in the area to make them readily accessible to those in need.

Meanwhile, social and economic forces were impacting other neighborhoods. The Watts riots in 1965 focused attention on the vast disparities in opportunity between Blacks and Whites, and revealed the extent of discrimination in housing, employment and criminal justice that Blacks endured. Yet the aftermath of the riots was an economic tidal wave that swept thousands of manufacturing jobs out of the southern portion of the city. Particularly hard hit were jobs in the auto industry. Unemployed workers lost homes to foreclosure and were evicted from apartments. Many turned to drugs and alcohol. Lacking social services in their South L.A. neighborhoods, they were drawn downtown to *skid row*. Over time, other populations joined them: aerospace workers who lost their jobs, Vietnam veterans suffering from war induced trauma, people with mental illnesses or addiction. Perhaps because services were congregated there, disadvantaged people from all over began to congregate in *skid row*. By the late 1970's, a new term had been coined to describe people in similar circumstances in communities across the country: homeless.

There are *skid rows* in many of America's cities. But L.A.'s has the dubious distinction of being the largest one in the nation. It has grown in size and become more diverse – women and children are now the fastest growing segment of the *skid row* population. Most are homeless because they are poor – they simply cannot afford the cost of housing. The area they call home is extremely harsh – rampant drugs and violence. Yet it is a neighborhood. For many years it co-existed with other downtown neighborhoods. Immediately adjacent were several light industrial zones – the garment district, flower district, toy manufacturers, and fish and produce wholesalers. There were tensions in the area, and efforts were made to eliminate housing as a permitted use in downtown by business advocates. Then a remarkable shift occurred. Vacant industrial and commercial buildings were converted into housing, specifically into lofts. Despite initial skepticism, the approach took off, and within the last eight years, approximately ten thousand upscale units have been built.

This infusion of more affluent residents is gradually changing the character of downtown. Suddenly, retailers that had long avoided the area like the plague are eager to open stores and restaurants. And every square foot of available housing space is

being considered for the construction of yet even more lofts. The uses are also mixed together, as even loft spaces may have a ground floor restaurant with an alcohol license. Many have or desire additional alcohol venues that may carry increased risk – roof top bars or basement lounges. No matter that there already existed a significant amount of alcohol being sold prior to the development of the lofts – with considerable alcohol-related problems as well.

Nevertheless, the increased retail availability of alcohol is apparently underway with the proposed Los Angeles Sports and Entertainment District (LASED) and promises to impact downtown's other residential neighborhoods: Pico Union and South Park.

### **Pico Union and South Park: Downtown Communities**

Some communities are designated for redevelopment after being neglected for years and tax increment financing (TIF) tactics are used to bring the area back to its former glory.<sup>2</sup> Identifying sections of land that are blighted fall into three categories: social, physical or economic. The premise is that after the area is identified for any of the three conditions, a specific revitalization plan is scheduled and redevelopment begins. Unfortunately, the TIF's in many low income communities like Pico Union seldom generate the necessary dollars to allow the proposed redevelopment projects to come to full fruition. So, rather than making structural changes/improvements the money generated only allows for cosmetic improvements such as a new paint job.

The Pico Union parts 1 & 2 redevelopment districts began in early 1970 and are located within one mile of the LASED. The majority of the population in Pico Union is working class, doubled-up in single family housing with limited open green space. Pico Union 1 & 2 is comprised of 382 acres with single-family residences, mom and pop businesses and some historic locations reminiscent of days gone by. Other businesses include small liquor stores, laundromats, check cashing stores, and non-profit agencies. To date, Pico Union 1 & 2 continues with revitalization on a lesser scale, with business façade improvements along major corridors, limited multi-family units and historic preservation.

The South Park area is mainly a blighted business environment dotted by vacant buildings and anchored by the Los Angeles Convention Center. It too was designated for massive revitalization in 2002, with the Convention Center Hotel. South Park sub-area was slated to become a mecca for the upwardly mobile downtown dwellers/workers with an accelerated plan for completion in 2008. The proposed plan has a mix of multi-market rate and affordable housing, commercial, industrial and semi-public uses. This area is also the location of LASED, a 23-acre development that will include a convention hotel, ballroom and banquet facilities and meeting rooms; affordable and market rate housing; a major cultural facility; live performance theater; and retail, entertainment, restaurant and office uses.

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<sup>2</sup> Tax increment financing ("TIF") is a tool to use future gains in taxes to finance the current improvements that will create those gains.

Although they are neighbors geographically, these two communities are vastly different. In the past 30 years, Pico Union has never been able to generate the tax gains it needs to revitalize the community. In contrast, South Park has not only reached its cap, it has surpassed it in tax revenues.

### **Los Angeles Sports and Entertainment District (LASED): “Fast-Forward Gentrification”**

The Anschutz Entertainment Group (AEG)<sup>3</sup> is developing L.A. Live; a 4 million square foot, 2.5 billion dollar project, while the New York-based Moinian Group is developing Figueroa Central both within LASED. Combined, these conglomerate giants are building a 6 million square foot development at an estimated cost of over 3 billion dollars. This comes at the heels of the Staples Arena that AEG opened in 1999, as part of the LASED project. The development promises to bring much to L.A. and the emerging affluent downtown population but utterly fails to meet the needs of the existing low income community that is rapidly being displaced.

For more than a decade members of the Pico Union community had been monitoring 148 off site retail alcohol establishments in the area and have held regular monthly meetings with 30 or more community based organizations to discuss quality of life issues. In 1997, a representative from AEG presented the project to house the Los Angeles Lakers Basketball Team in what is now known as Staples Arena. The community was in agreement with the proposal with some stipulations that the sales of alcoholic beverages be conditioned to limit container size and provide server training.

The Staples Arena opened its doors in 1999. It brought a variety of events that created many vice issues. These included larceny, high priced sex workers, high volume traffic, and limited safe residential parking options. Management of a local hospital began “sig alerts” via email to notify employees of potential traffic jams. Neighbors were forced to coordinate a neighborhood walk with a former Rampart Division Captain, to document the prostitution in the area. The Captain’s eye-witness account finally legitimized the community’s concerns and brought AEG to the table to mitigate problems.

Public safety concerns were fairly well in check until the 2000 L.A. Lakers championship victory, when a mini riot erupted in the immediate area surrounding the sports venue. Finally, Los Angeles and AEG could not avoid acknowledging the explosive blend of fans and alcohol. Business owners became aware as they too became victims to the rioters. So, when AEG introduced their plans to build L.A. Live, the community began dialogue to avert any further problems.

To address this challenge, The Coalition for Safe Practices partnered with United Coalition East Prevention Project (UCEPP). Both groups are comprised of community members, residents, clergy and community based organizations. Each group in their respective community strives to implement practices/policies that address alcoholic

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<sup>3</sup> AEG owns or operates several major entertainment/sporting venues, including Staples Center and Nokia Theatre Times Square, among others. Alone, the Staples Center hosts more than 250 events and attracts nearly 4 million visitors annually.



beverage sales and service. The Coalition for Safe Practices is a proactive group that meets with city officials, law enforcement departments and State representatives, with the goal to mitigate the sale of alcohol in already over concentrated areas; through education, promotion of proper service practices and enforcement techniques to avert unruly criminal incidents. UCEPP works within 1.5 miles from the LASED project and engages the most vulnerable populations of the Central City East or the area commonly referred to as *skid row* to challenge systemic conditions and social disparities that threaten a healthy environment. UCEPP's priority is to prevent and/or reduce the impact of alcohol and other drugs in the community.

AEG and Moinian have promised an array of residential dwellings, including lofts, condominiums, townhouses and luxury penthouses. Alongside is an extensive hospitality/entertainment industry which currently includes 24 opportunities for imbibing alcoholic beverages. While AEG developed the overall concept of LASED it was the City that created a vehicle to rapidly implement this project. However, the collateral damage resulting from this expedited process has nearly eliminated community input regarding alcohol issues and threatens to set a precedent to bypass legally-protected local control.

There were several major issues presented in the initial specific plan that involved alcohol which caused serious concern to the community. Most significantly, the decision to grant a large number of what is termed CUPs "by right", or bundling, within the specific plan for alcohol sales establishments is contrary to two basic fundamental rights protected in the City's Municipal Code:

1. The right of the community and public to participate in an open hearing process, and;
2. The opportunity through the process to create enforceable conditions tailored to mitigate the potential impacts of a proposed use.

These rights should never be taken away from the community as part of the creation of this or any specific plan. Further, the City's CUP process shall not be refashioned on the spot to expedite the larger redevelopment projects. Clearly, some oversight other than City staff is needed in this process.

Astoundingly, staff findings both in the Environmental Impact Report (EIR) and the staff report stated, without any justification, that the inclusion of 30 alcohol establishments within an already over concentrated area did not pose any serious land use impacts.<sup>4</sup> It

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<sup>4</sup> Certain findings in the staff report simply did not make sense and did not address the community's issues. Examples are as follows:

- Staff contended that the Specific Plan set forth a comprehensive program with detailed limitations and conditions applicable to establishments providing for the sale and service of alcoholic beverages, public dancing and live entertainment. The comprehensive program outlined in the Specific Plan simply was not as comprehensive as staff contended. The plan did not have the same "teeth" that individual conditions attached to a CUP provide. Hence, the wording used by staff repeatedly was that the applicant "should" comply, rather than "shall" or "must" comply.
- The operational standards presented in the plan lacked specificity to address the individual business operations which typically generate conditions based on floor plan layout and unique operational practices. This information is not generally known until a tenant is determined and the building plans have been created. There existed a wide range of

is a far stretch to suggest that the allowance of 30 alcohol related land uses “by right” in any densely populated urban area would have no serious land use impacts. This assertion flies in the face of public health research as well as common sense. The environmental document had to be revised to provide a more realistic view before the EIR was certified.

## Lessons Learned

- **IMPORTANCE OF THE COMMUNITY VOICE**

The over concentration issue alone speaks loudly to the need to provide and maintain safeguards to ensure community safety which the traditional CUP process provided, by ensuring community participation and related tenant specific conditions. Redeveloping L.A. at any cost seems to be the order of the day. Our communities can not afford the toll that will be exacted by bringing in additional alcohol outlets. The need to maintain an open process for residents and business owners to participate in community development decisions cannot be diminished or ignored. Shutting out community input is simply an injustice and not in the spirit of the mission of a specific plan itself, which speaks of creating a sense of community.

- **BUNDLING CUPs IN REDEVELOPMENT PROJECTS IS POOR LAND USE PLANNING**

Development projects when proposed to a community are explained and shown in an aesthetically pleasing fashion that oftentimes excites the viewer and understates actual impacts to the community. Any version of redevelopment can be attractive to a community that has been neglected for decades. However, the stark reality of redevelopment that relies too heavily on retail alcohol is too often the actual outcome. For example, if a project estimates 25 alcohol venues, the uses must be clearly defined including each of their location(s) within the plan and type of license as well as individualized mitigating conditions. In the alternative, a community could end up hosting 25 nightclubs in the project area.

- **THE NECESSITY OF COALITION POLITICS**

It is critical to get alcohol preventionists and the community out of being labeled the “crazy isolationists” and find allies in broader debates. Over concentration of retail alcohol is a social justice issue, but sometimes connecting alcohol preventionists with other related anti-poverty groups in the arenas of housing, environment, jobs, school reform, and adequate and fair law enforcement can be very challenging.

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alcohol related uses proposed within the plan, simply limiting the conditions to ‘on-site’ or “off-premises” simply was too generic. To create conditions well in advance of the applicant submittal is problematic at best in terms of creating conditions of approval and is definitely not in the best interest of the community at large.

- The location would exacerbate the already overconcentrated area. Staff ‘s approach seemed to assume that the prudent way to increase the vitality, atmosphere and attractiveness of the specific plan area was to increase the number of alcohol establishments in the area where greater numbers of people are, by virtue of the elements of the plan, encouraged to interact.

- SMART GROWTH: THE CONCEPT VERSUS THE REALITY

Creating a range of quality housing and providing for a healthier environment for people of all income levels is an integral part of smart growth. However, the cost of implementing such balanced redevelopment projects has risen so significantly in L.A. that a more intentional and strategic approach to address the retail proliferation of alcohol in our communities is essential. We must all work towards a comprehensive prevention strategy that requires a shared commitment from many institutions and individuals, including alcohol manufactures and retail businesses, the entertainment industry, local officials, and community advocates.

- “SHADOW SIDE” OF SMART GROWTH: RESIDENTIAL DISPLACEMENT

Smart growth sacrifices mainly poor individuals mostly by displacement; however, it claims to achieve a net balance by creating some affordable housing, jobs and better neighborhoods. However, this trade-off will never truly be balanced as these plans can be modified at an expense the developers are all too happy to pay. In contrast, community members seldom have disposable resources to apply for plan modifications, and communities are generally unable to assert enough political clout to protect or improve upon these critical trade-offs.

- “COMMUNITY BENEFITS” AND TRADE-OFFS

With most redevelopment projects a community is usually provided some kind of defined benefit that is agreed upon by stakeholders. For example, if many residents will be displaced they can receive relocation assistance as a result while the community may get a percentage of affordable housing units and living wage jobs among other things. Many of these agreements are with community stakeholders, some of whom are non-profits, who can then be persuaded to sign a waiver to never challenge the specific plan. Stakeholders must always be vigilant and never should they sign away their right to voice their concerns in the future.

- TIME FRAME FOR “COMMUNITY BENEFITS”

“Community benefits” agreed upon by stakeholders take too long to be implemented. Community stakeholders must wait for the developer to complete its project, which in L.A.’s case it is anticipated to take 10 years, to fully realize the community benefits the package. Obvious economic trends will dilute the value of the agreed upon package, not to mention that the community’s need may have changed as a result of displacement and changing demographics. Therefore, benchmarks must be created for the community benefits to ensure that they actually benefit the community that was impacted.

- COMMUNITY COLLABORATION AND PUBLIC SECTOR ACCOUNTABILITY

Community groups must ensure they have proper notice of any application filed to amend the specific plan, or of any hearing or action under the specific plan related to alcohol by creating an alcohol advisory group that is named and recognized within the plan. The plan itself must call for the formation of such a group and require the operators to participate alongside community members and law enforcement to mitigate problems to ensure the health and safety of the surrounding neighborhood.

- **TERM LIMITS ON CUPs**

Just as the developers need the flexibility to change plans based on economic success or lack thereof, communities also need the flexibility to modify uses based on need/problems. Alcohol term limits become an appropriate tool to mitigate problems and/or allow for flexibility needed as the change in variables occur. CUPs bundled in development projects should be given a term limit of 3-5 years. Thereafter, the applicant must reapply at which time their manner of operation is open for review and the community input is welcomed.

## **Policy Implications**

The bundling issue presents some real challenges for communities. Thinking about policy solutions to this issue is also daunting, as there are no magic solutions, local or statewide. Perhaps the best approach, at least at the outset, is also the simplest – communities need to understand current laws, and ensure that they are implemented and enforced in a uniform and consistent manner.

There are two specific areas where this approach can be most effective:

- First, *public convenience or necessity* (“PCN”)<sup>5</sup>, a relatively new tool that can directly engage communities and local government into off-sale state liquor licensing processes. However, a city or county needs to take affirmative steps to activate these powers by designating a local PCN governing body.
- Second, as mentioned previously, local zoning laws provide for community input, which is then considered in land use decisions, including those relating to retail alcohol. Bundling multiple CUPs is poor public policy as this does not afford the community the necessary time and ability to comment on each permit application.

From a state level, it is always worthwhile to assess whether forging a specific statewide legislative solution is the best long-term solution. In the case of retail alcohol availability, the delicate nature of local/state powers in this area warrants a very close look at all Sacramento-based solutions. Sometimes, providing a small measure of state sanctioning of local powers can boomerang into unwanted and far-reaching state-wide policy responses that, in the end, may erode critical local powers. Thus, a state bill idea like an outright ban on bundling at the local level may provide short-term relief but could also put general local powers over retail alcohol availability at risk.

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<sup>5</sup> Current state law limits the issuance of new licenses in geographical regions defined as high crime areas or in areas of “undue concentration” of retail alcohol outlets. However, the law also states these restrictions can be sidestepped in specified circumstances when the state ABC or the local jurisdiction makes a determination that the applicant license proves that the proposed outlet would serve “*public convenience or necessity*” (PC or N). In other words, “public convenience and necessity” is demonstrated when the liquor license applicant proves that the business operation will provide some kind of benefit to the surrounding community. Thus, in addition to making local zoning decisions about alcohol outlet locations and operations, localities now have formal say into the state liquor license process when they actively utilize their authority to make PC or N determination. For more information about PCN please see [http://www.ca-cpi.org/Publications/CARS\\_PCorN.pdf](http://www.ca-cpi.org/Publications/CARS_PCorN.pdf).

As for vaulting any other new state-wide policy ideas, it will be critical for the various localities engaged in these bundling battles to come together and discuss common problems and possible solutions. Experiences from the local level should be carefully weighed before any state-wide solutions are debated and proposed.

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Contact Us:

**Community Prevention Initiative (CPI)**  
**Center for Applied Research Solutions (CARS)**

923 College Avenue, Santa Rosa, CA 95404

(707) 568-3800 TEL

(707) 568-3810 FAX

Toll Free 1-877-568-4227 (1-877-568-4CARS)

[www.cars-rp.org](http://www.cars-rp.org)

