



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Planning Commission Staff Report**  
**April 24, 2023**

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**Topic:** Conditional Use Permit No. 2023-06 – 61 Hundred Bread ABC License

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**RECOMMENDED ACTION**

Adopt a resolution approving Conditional Use Permit No. 2023-06 as conditioned

**EXECUTIVE SUMMARY**

Michael Cho with Palmieri Tyler and representing Arsenal Restaurant Group, LLC. dba "61 Hundred Bread" (Applicant) and Harvey's Industries, Inc. (Property Owner), is requesting approval of Conditional Use Permit (CUP) No. 2023-06 to allow the sale of alcoholic beverages for on-premises consumption at a new bakery and eating establishment under construction at 728 North Poinsettia Street, Unit A. Pursuant to Section 41-196 of the Santa Ana Municipal Code (SAMC), establishments wishing to sell alcoholic beverages for on-premises consumption require approval of a CUP. Staff is recommending approval of the applicant's request because the site is located within a commercial area intended for such uses, the site is located away from sensitive land uses, and the site complies with City standards. Additionally, the proposed operational standards and conditions of approval will ensure that the sale of alcoholic beverages for on-premises consumption will not negatively affect the surrounding community.

**DISCUSSION**

**Project Description**

The applicant is requesting approval of a CUP to allow the sale of beer and wine for on-premises consumption, through a Type 41 license from the Department of Alcoholic Beverage Control (ABC), at a new eating establishment and bakery that is under construction (61 Hundred Bread). 61 Hundred Bread will occupy an existing 2,339-square feet commercial unit within an existing 4,100-square-foot Quonset Hut building located on the southwestern corner of Poinsettia Street and Civic Center Drive. The restaurant will accommodate up to 23 patrons within the indoor and ancillary outdoor dining area. If the CUP request is approved, the alcoholic beverages will be stored within a walk-in cooler, storage located in the rear, and small display areas located by the coffee bar area. The restaurant will contain an overall alcohol storage area of approximately 20.5 square

feet, which is less than five percent of the gross floor area of the tenant space as allowed by Section 41-196(g)(25) of the SAMC. The proposed hours of operation are Monday through Sunday from 6:00 a.m. to 8:00 p.m. The sale of alcoholic beverages for after-hours operations and entertainment are not being proposed at this time. Should the applicant seek to sell alcoholic beverages between 12:00 a.m. (midnight) and 7:00 a.m., a separate CUP will be required in accordance with SAMC Section 41-196(g)(3). In addition, an entertainment permit would be required for on-site entertainment pursuant to SAMC Section 11-6.

**Table 1: Project and Location Information**

Item	Information	
Project Address and Council Ward	728 N. Poinsettia Street, Unit A – Ward 6	
Nearest Intersection	Civic Center Drive and Poinsettia Street	
General Plan Designation	Urban Neighborhood (UN-30)	
Zoning Designation	Transit Zoning Code/Specific Development No. 84 (SD-84) with an Industrial Overlay Zone (I-OZ) for Light Industrial (M1)	
Surrounding Land Uses	North	Single-Family Residences
	East	Multi-Family Residences
	West	
	South	Industrial
Property Size	0.52 acres (22,503 square feet)	
Existing Site Development	The subject site is developed with two 4,100 sq. ft. Quonset Hut buildings, one 7,500 sq. ft. industrial building, and a surface parking lot with 8 parking spaces.	
Unit Size	2,339 square feet	
Use Permissions	Allowed with approval of a CUP	
Zoning Code Sections Affected	Uses	SAMC Sections 41-196 (a)
	Operational Standards	SAMC Section 41-196(g)
Census Tract and License Information	Census Tract No.	744.05
	No. of Allowed and Existing Licenses	8 Allowed; 4 Existing

**Table 2: Operational Standards**

Standards	Permissible by SAMC	Provided
Eating Establishment Type	Bona-Fide	Bona-Fide
Hours of Operation for ABC Sales	7:00 a.m. to 12:00 a.m. (midnight), unless extended by a separate after-hours CUP	61 Hundred Bread is proposing to operate daily from 6:00 a.m. to 8:00 p.m. However, the ABC sales will be limited to operate from 8:00 a.m. to 8:00 p.m.
Window Display	25% of Window Coverage	Complies
Alcohol Storage and Display	5% of G.F.A	0.87% of G.F.A.

### **Project Background**

The subject site was developed in 1948 with two 4,100-square foot Quonset Hut industrial buildings and an additional 7,500-square foot industrial building was constructed on the site in 1956. The applicant is currently working to finalize tenant improvements that were approved by the City's Building Division in January 2021. As a condition of approval for this application, the applicant will be required to finalize all outstanding permits and inspections for the tenant improvements.

61 Hundred Bread is a home-based bakery based in San Juan Capistrano that specializes in artisan bread. The business owner prepares the dough and bakes the bread and provides pick-up services for customers to pick-up the dough or fully baked bread. The location at 728 North Poinsettia would be the first physical bakery and café to be open for customers as a retail/dine-in operation. Similar to Black Market Bakery, which previously operated at 211 North Broadway in Santa Ana with full-service menu and beer and wine approved under CUP No. 2014-43, 61 Hundred Bread will offer a menu of baked goods and food, with on-sale alcoholic beverage service as an ancillary component to the establishment.

### **Project Analysis**

CUP requests are governed by Section 41-638 of the SAMC. CUPs may be granted when it can be shown that the proposed project will not adversely impact the community. If these findings can be made, then it is appropriate to grant the CUP. Conversely, the inability to make these findings would result in a denial. The purpose of regulating establishments that sell alcoholic beverages is to set forth operating practices and procedures and to minimize impacts to surrounding areas. Staff has reviewed the applicant's request for the sale of alcoholic beverages for on-premises consumption and has determined that the sale of alcoholic beverages for on-premises at the subject location will not be detrimental to the health, safety, and welfare of the community.

61 Hundred Bread will provide a unique dining experience with an ancillary service to its customers by allowing them the ability to purchase a variety of alcoholic beverages with their meal. The menu for 61 Hundred Bread consists of artisan bread, pastries, different types of toast, coffee, sandwiches, salads, among other café foods. Allowing the sale of alcoholic beverages for on-premises consumption will allow 61 Hundred Bread to be economically viable and compete with nearby eating establishments that offer similar services to their patrons.

The subject site is located within SD-84 which encourages a cluster of land uses ranging from residential to eating establishment and retail uses. Even though the site is located within close proximity to sensitive land uses such as Saint Joseph Church and single-

family residences, the operational standards applicable to an ABC license, per Section 41-196(g) of the SAMC, will mitigate any potential impacts created by the use and will ensure that the use will not negatively affect the surrounding community. Additionally, staff is recommending, through conditions of approval, to limit the sale of alcoholic beverages from 8:00 a.m. to 8:00 p.m. daily.

In addition, the outdoor patio is 262 square-feet and can only accommodate about sixteen customers. A condition to cease alcohol sales on the outdoor patio thirty-minutes prior to closing time will be included with the approval of the CUP. This will help mitigate any potential impacts for the adjacent residential uses.

### *General Plan Consistency*

Approval of the proposed CUP will be consistent with several goals and policies of the General Plan. Goal 2 of the Land Use Element (LU) encourages a balance of land uses that meet Santa Ana's diverse needs. Policy 2.2 of the LU encourage a range of commercial uses to capture a greater share of local spending and offer a range of employment opportunities and Policy 2.7 of the LU supports land use decisions that encourage the creation, development, and retention of business in Santa Ana. Approval of CUP No. 2023-06 will contribute to providing a balance of diverse commercial land uses, which will then encourage local spending, strengthen local businesses and increase economic opportunities. In addition, Goal 3 of the LU encourages the preservation and improvement of the character and integrity of the existing neighborhoods and districts. Policy 3.7 promotes a clean, safe, and creative environment for Santa Ana's residents an, workers, and visitors. Approval of CUP No. 2023-06 will provide reinvestment into the commercial site and enhance the overall consumer environment of the area by increasing activity during business hours. Moreover, providing a variety of full-service restaurants that offer alcoholic beverages as part of their menu offers additional dining options for Santa Ana residents and visitors. Lastly, Policy 4.1 of the LU, encourages complete neighborhoods by introducing a mix of complementary uses, community services, and people places within a walkable area. Approval of CUP No. 2023-06 will contribute to creating complete neighborhoods by providing an additional service to residents and employees within SD-84.

### *Police Department Analysis*

The Police Department has reviewed this request and has no concerns, as the operational standards applicable to on-premises ABC licenses will mitigate any potential impacts to the surrounding community. The Police Department reviews such applications for the sale and service of alcoholic beverages in order to ensure that the potential crime and nuisance behaviors associated with alcohol consumption are mitigated to the greatest extent possible. For on-premises licenses, the Police Department analyzes the crime rate in the area using the standards and definitions contained in the Business and

Professions Code Section 23948.4(c)(2), which are also utilized by ABC. This section defines “reported crimes” as criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny theft, and motor vehicle theft, combined with all arrests for other crimes, both felonies and misdemeanors, except traffic citations.

The Police Department then compares the number of such crimes in the reporting district as compared to the number of crimes in other reporting districts. In keeping with the standard used by ABC and Business and Professions Code, should the Police Department determine that the reporting district has a 20 percent greater number of reported crimes than the average number found in all reporting districts, the Police Department will consider this information in making its recommendation.

As part of the application process, the Police Department has reviewed the applicant’s request for sale of beer and wine for on-premises consumption and has no concerns, as the operational standards applicable to the ABC license and conditions of approval will mitigate any potential impacts to the surrounding community. The Police Department carefully evaluated a 500-foot radius for the site’s vicinity and determined that there has been approximately 550 service calls in the project site’s vicinity since January 1, 2022. Of those 550 calls, thirty (30) resulted in reports taken in. None of the service calls received were due to violent crimes. The reports were in result of parking issues, recovery of stolen items, and outstanding alarm activations. According to the Police Department, the number of calls for service is commensurate with the 500-foot radius. Based on its review, the Police Department has no issues of concern regarding this application.

**Table 3: Police Department Analysis and Criteria for Recommendation**

<b>Police Department Analysis and Criteria for Recommendation</b>	
Police Grid No. and Rank	Police Grid No. 185; ranked 9 out of 102 Police Reporting Grids (8th percentile).
Threshold for High Crime	This reporting district is within the 20 percent threshold established by the State for high crime.
Police Department Recommendation	Although the property falls within the 20-percentile high crime threshold, the Police Department is satisfied that the operational standards applicable to an on-premises ABC licenses and conditions of approval will mitigate any negative impacts to the surrounding community, and therefore, does not oppose the granting of CUP No. 2023-06.

### **Public Notification and Community Outreach**

Project notifications were posted, published, and mailed in accordance with City and State regulations. Copies of the public notice, including a 1,000-foot notification radius map, and the site posting are provided in Exhibit 6. The site is located within the boundaries of the Lacy Neighborhood Association and their representatives were contacted to identify

any areas of concerns due to the proposed application request. At the time this report was printed, no issues of concern were raised regarding the proposed CUP.

### **ENVIRONMENTAL IMPACT**

In accordance with the California Environmental Quality Act (CEQA) and the CEQA Guidelines, the project is categorically exempt from further review per Section 15301 (Class 1 – Existing Facilities) of the CEQA Guidelines. Class 1 exemption applies to the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use as determined by the lead agency. The project proposes to allow the sale of alcoholic beverages for on-premises consumption at a bona-fide eating establishment. As such, a Notice of Exemption, Environmental Review No. 2023-18, will be filed for this project.

### **FISCAL IMPACT**

There is no fiscal impact associated with this action.

### **EXHIBIT(S)**

1. Resolution for CUP No. 2023-06
2. Vicinity Zoning and Aerial View
3. Site Photo
4. Site Plan
5. Floor Plan
6. Copy of Public Notices

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