



# CITY OF CARSON

## PLANNING COMMISSION STAFF REPORT

**PUBLIC HEARING:** September 24, 2019

**SUBJECT:** Zone Text Amendment 184-19

**APPLICANT:** City of Carson  
Community Development Department  
Planning Division  
701 E. Carson Street  
Carson, CA 90745

**REQUEST:** Recommend approval of Proposed Amendment to the Zoning Ordinance regarding Discount Stores to the City Council

**PROPERTY INVOLVED:** Citywide

### COMMISSION ACTION

AYE	NO		AYE	NO	
		Chairman Pimentel			Palmer
		Vice-Chair Cainglet			Rahman
		Fe'esago			Rashad
		Madrigal			Valdez
		Mitoma			Alt. Diaz Alt. Hellerud Alt. Zuniga

***Item No. 7B***

## **I. Background**

On November 1, 2016, the City Council adopted Ordinance No. 16-1603, which amended the City's Zoning Ordinance to establish land use regulations applicable to discount stores.

The adoption of Ordinance No. 16-1603 added Section 9138.19 (Discount Stores) to the City's Zoning Ordinance. Section 9138.19 contains, among other provisions, a "minimum separation" requirement which provides that new discount stores shall not be located less than one-half (1/2) of a mile from an existing discount store.

Due to the proliferation of discount stores in the South Bay region and the release of information regarding the adverse health and economic impacts such stores can have, Staff was directed to re-evaluate the City's existing development standards to determine whether the City may be able to establish additional regulations or restrictions on such uses to better protect the public health and welfare of the City's residential neighborhoods and commercial centers, specifically in regards to ensuring the ability of City residents to have access to healthy food options.

## **II. Analysis and Discussion**

Discount store chains have a tendency to target poor communities. For instance, Dollar General, a leading discount store chain, has acknowledged that its core customers earn around \$20,000 per year below the national median income.

Discount store chains often intentionally cluster multiple stores in low-income areas, a business strategy which discourages new full-service grocery stores from opening. The business model is built on saturation, in that a concentration of discount stores in a given area will decrease or eliminate the incentive for full-service grocery stores to locate in that area; and unlike full-service grocery stores, discount stores generally do not offer fresh produce, precluding availability of healthy food options in areas saturated by discount stores.

Discount stores, despite not offering fresh produce, can pose serious competition issues to full-service grocery stores, because discount stores frequently offer household products and daily essentials, which are some of the higher profit-margin items sold by full-service grocers, at lower prices than such grocers, thereby putting economic pressure on grocers to lower prices to levels that reduce or eliminate their profit margin. As a result, the addition of new discount stores into an area where full-service grocery stores are operating can threaten the ability of existing grocers to continue operating in the area.

Limiting the ability of new discount stores to commence operation within one mile of an existing discount store in the City will facilitate the City's ability to attract and/or retain full-service grocers in such areas, thereby promoting the ability of the residents of such areas to gain and/or retain convenient access to full-service grocers or other local grocers or businesses that sell fresh produce or provide other healthy food options. This limitation will have the effect of improving the overall quality of the diet of the residents of such areas, thereby protecting and promoting the public health and welfare of such



residents, without interfering with the ability of existing discount stores to continue operating.

Based on the foregoing, staff recommends amending the minimum separation requirement applicable to discount stores, as set forth in Section 9138.19(C) of the City's Zoning Ordinance, to increase the minimum required separation distance from one-half (1/2) of a mile to one (1) mile.

### III. Proposed Text Amendment

The following is the proposed amendment to CMC Section 9138.19 (Exhibit No. 3) (deletions shown in ~~double-strike-through~~):

#### **"9138.19 Discount Stores.**

A. Use Classification. Retail establishments that sell a broad range of outlet, close-out, discontinued, liquidation, or overstock and general merchandise, primarily at a single discount price and/or in the low and very low price ranges.

B. Minimum Lot Area. Discount stores shall not be permitted on lots less than six (6) acres of net area.

C. Minimum Separation Requirement. New discount stores shall not be less than one-half (1/2) mile from an existing discount store.

D. Hours of Operation. Business hours, including truck loading hours, shall be limited to 8:00 a.m. to 9:00 p.m., seven (7) days a week.

E. Parking Requirement. One (1) space per two hundred fifty (250) square feet of gross floor area."

### IV. Environmental Review

Pursuant to Section 15060(c)(2) of the California Environmental Quality Act (CEQA) Guidelines, the proposed Zoning Ordinance amendment is not subject to CEQA because the activity will not result in direct or reasonable foreseeable indirect physical change in the environment. The proposed Zoning Ordinance amendment is also exempt from CEQA, and/or does not constitute a "project" under CEQA, for the reasons and authority provided in Section 3 of the proposed ordinance (attached to Exhibit No. 1).

### V. Public Notice

Public Notice of this proposed Zoning Ordinance amendment was advertised in the September 12, 2019 edition of Our Weekly.



**VI. Recommendation**

That the Planning Commission:

- **RECOMMEND APPROVAL** of Zone Text Amendment No. 184-19 to the City Council; and
- **WAIVE** further reading and **ADOPT** Resolution No 19-\_\_\_\_, entitled “**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CARSON, CALIFORNIA, RECOMMENDING APPROVAL OF TEXT AMENDMENT NO. 184-19 BY THE CITY COUNCIL BY ADOPTING AN ORDINANCE AMENDING SECTION 9138.19 (DISCOUNT STORES) OF DIVISION 8 (SPECIAL REQUIREMENTS FOR CERTAIN USES) OF PART 3 (COMMERCIAL ZONES) OF CHAPTER 1 (ZONING) OF ARTICLE IX (PLANNING AND ZONING) OF THE CARSON MUNICIPAL CODE REGARDING DISCOUNT STORES.**”

**VII. Exhibits**

1. PC Resolution
  - A. *Draft City Council Ordinance 19-1938*
2. Copy of CMC Section 9138.19

Prepared by: Alvie Betancourt, Planning Manager

**CITY OF CARSON**  
**PLANNING COMMISSION**  
**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CARSON, CALIFORNIA, RECOMMENDING APPROVAL OF TEXT AMENDMENT NO. 184-19 BY THE CITY COUNCIL BY ADOPTING AN ORDINANCE AMENDING SECTION 9138.19 (DISCOUNT STORES) OF DIVISION 8 (SPECIAL REQUIREMENTS FOR CERTAIN USES) OF PART 3 (COMMERCIAL ZONES) OF CHAPTER 1 (ZONING) OF ARTICLE IX (PLANNING AND ZONING) OF THE CARSON MUNICIPAL CODE REGARDING DISCOUNT STORES**

**WHEREAS**, pursuant to Article XI, Section 7 of the California Constitution, the City has the police power to regulate land uses within its jurisdictional boundaries; and

**WHEREAS**, on November 1, 2016, the City Council adopted Ordinance No. 16-1603, which amended the City's Zoning Ordinance to establish land use regulations applicable to discount stores; and

**WHEREAS**, the adoption of Ordinance No. 16-1603 added Section 9138.19 (Discount Stores) to the City's Zoning Ordinance. Section 9138.19 contains, among other provisions, a "minimum separation" requirement which provides that new discount stores shall not be located less than one-half (1/2) of a mile from an existing discount store.

**NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF CARSON, CALIFORNIA, HEREBY FINDS, RESOLVES AND ORDERS AS FOLLOWS:**

**SECTION 1.** The foregoing recitals are true and correct, and are incorporated herein by reference.

**SECTION 2.** The Planning Commission hereby finds as follows:

**A.** Discount store chains have a tendency to target poor communities. For instance, Dollar General, a leading discount store chain, has acknowledged that its core customers earn around \$20,000 per year below the national median income.

**B.** Discount store chains often intentionally cluster multiple stores in low-income areas, a business strategy which discourages new full-service grocery stores from opening. The business model is built on saturation, in that a concentration of discount stores in a given area will decrease or eliminate the incentive for full-service grocery stores to locate in that area.

**C.** Unlike full-service grocery stores, discount stores generally do not offer fresh produce, precluding availability of healthy food options in areas saturated by discount stores.

**EXHIBIT NO. -1**



**D.** Discount stores, despite not offering fresh produce, can pose serious competition issues to full-service grocery stores, because discount stores frequently offer household products and daily essentials, which are some of the higher profit-margin items sold by full-service grocers, at lower prices than such grocers, thereby putting economic pressure on grocers to lower prices to levels that reduce or eliminate their profit margin. As a result, the addition of new discount stores into an area where full-service grocery stores are operating can threaten the ability of existing grocers to continue operating in the area.

**E.** Limiting the ability of new discount stores to commence operation within one mile of an existing discount store in the City will facilitate the City's ability to attract and/or retain full-service grocers in such areas, thereby promoting the ability of the residents of such areas to gain and/or retain convenient access to full-service grocers or other local grocers or businesses that sell fresh produce or provide other healthy food options. This limitation will have the effect of improving the overall quality of the diet of the residents of such areas, thereby protecting and promoting the public health and welfare of such residents, without interfering with the ability of existing discount stores to continue operating.

**F.** There has been a proliferation of discount stores in the South Bay region, and there are numerous discount stores existing in the City.

**G.** The City's Planning Division staff duly noticed a hearing of the Planning Commission on Text Amendment No. 184-19, to take place on September 24, 2019, by advertising such notice in the September 12, 2019 edition of Our Weekly; and

**H.** On September 24, 2019, at the time and place specified in the notice, the Planning Commission held a public hearing to consider Text Amendment No. 184-19, and received public testimony thereon.

**I.** Text Amendment No. 184-19 is consistent with the City's General Plan, including without limitation by furthering:

(1) General Plan Policy LU-6.7, to attract land uses that generate revenue to the City of Carson, while maintaining a balance of other community needs. Restricting the proliferation of discount stores will enable the City to attract and retain full-service grocers that provide fresh produce and healthy food options that meet the needs of the community and generate revenue to the City.

(2) General Plan Policy LU-7.1, to review and amend if necessary, the City's Zoning Ordinance to ensure the compatibility of uses allowed within each zoning district. The text amendment modifies the use classification and development/location standards for Discount Stores to ensure the compatibility of uses allowed within each zoning district.

**J.** Text Amendment No. 184-19 is consistent with all applicable specific plans.



**SECTION 3.** The Planning Commission further finds that Text Amendment No. 184-19 is exempt from the requirements of the California Environmental Quality Act (CEQA) because: (1) it does not constitute a “project” under CEQA Guidelines Section 15378(b)(2) in that it constitutes general policy and procedure making; (2) it does not constitute a “project” under CEQA Guidelines Section 15378(b)(5) in that it has no potential for resulting in physical change to the environment, either directly or indirectly; and (3) in the alternative, it is exempt from CEQA pursuant to CEQA Guidelines Section 15060(c)(2), since the activity will not result in direct or reasonably foreseeable indirect physical change in the environment, and Section 15061(b)(3), since it can be seen with certainty that there is no possibility that this Ordinance will have a significant effect on the environment, because the Ordinance merely regulates the placement or location of new discount stores.

**SECTION 4.** The Planning Commission further finds that Text Amendment No. 184-19 protects and promotes the health, welfare, and quality of life of the City’s residents.

**SECTION 5.** Based on the foregoing findings, and after considering all evidence and testimony presented during the public hearing, the Planning Commission hereby recommends that the City Council approve Text Amendment No. 184-19 by adopting Ordinance No. 19-1938, an “Ordinance of the City Council of the City of Carson, California, amending Section 9138.19 (Discount Stores) of Division 8 (Special Requirements for Certain Uses) of Part 3 (Commercial Zones) of Chapter 1 (Zoning) of the Carson Municipal Code Regarding Discount Stores,” in substantially the form attached as Exhibit “A.”

**SECTION 6.** The Secretary shall certify to the adoption of the Resolution and shall transmit copies of the same to the City Council of the City of Carson.

**PASSED, APPROVED AND ADOPTED THIS 24<sup>th</sup> DAY OF September, 2019.**

\_\_\_\_\_  
**CHAIRMAN**

**ATTEST:**

\_\_\_\_\_  
**SECRETARY**



**ORDINANCE NO. 19-1938**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, AMENDING SECTION 9138.19 (DISCOUNT STORES) OF DIVISION 8 (SPECIAL REQUIREMENTS FOR CERTAIN USES) OF PART 3 (COMMERCIAL ZONES) OF CHAPTER 1 (ZONING) OF ARTICLE IX (PLANNING AND ZONING) OF THE CARSON MUNICIPAL CODE REGARDING DISCOUNT STORES**

**WHEREAS**, pursuant to Article XI, Section 7 of the California Constitution, the City has the police power to regulate land uses within its jurisdictional boundaries; and

**WHEREAS**, on November 1, 2016, the City Council adopted Ordinance No. 19-1938, which amended the City's Zoning Ordinance to establish land use regulations applicable to discount stores; and

**WHEREAS**, among other things, the adoption of Ordinance No. 19-1938 added Section 9138.19 (Discount Stores) to the City's Zoning Ordinance. Section 9138.19 contains, among other provisions, a "minimum separation" requirement which provides that new discount stores shall not be located less than one-half (1/2) of a mile from an existing discount store; and

**WHEREAS**, discount store chains have a tendency to target poor communities. For instance, Dollar General, a leading discount store chain, has acknowledged that its core customers earn around \$20,000 per year below the national median income; and

**WHEREAS**, discount store chains often intentionally cluster multiple stores in low-income areas, a business strategy which discourages new full-service grocery stores from opening. The business model is built on saturation, in that a concentration of discount stores in a given area will decrease or eliminate the incentive for full-service grocery stores to locate in that area; and

**WHEREAS**, unlike full-service grocery stores, discount stores generally do not offer fresh produce, precluding availability of healthy food options in areas saturated by discount stores; and

**WHEREAS**, discount stores, despite not offering fresh produce, can pose serious competition issues to full-service grocery stores, because discount stores frequently offer household products and daily essentials, which are some of the higher profit-margin items sold by full-service grocers, at lower prices than such grocers, thereby putting economic pressure on grocers to lower prices to levels that reduce or eliminate their profit margin. As a result, the addition of new discount stores into an area where full-service grocery stores are operating can threaten the ability of existing grocers to continue operating in the area; and

**WHEREAS**, limiting the ability of new discount stores to commence operation within one mile of an existing discount store in the City will facilitate the City's ability to attract and/or retain full-service grocers in such areas, thereby promoting the ability of the residents of such areas to gain and/or retain convenient access to full-service grocers or other local grocers or businesses that sell fresh produce or provide other healthy food options. This limitation will have

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the effect of improving the overall quality of the diet of the residents of such areas, thereby protecting and promoting the public health and welfare of such residents, without interfering with the ability of existing discount stores to continue operating; and

**WHEREAS**, based on the foregoing, the City Council desires and intends to amend the minimum separation requirement applicable to discount stores, as set forth in Section 9138.19(C) of the City's Zoning Ordinance, to increase the minimum required separation distance to one mile.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA DOES ORDAIN AS FOLLOWS:**

**SECTION 1.** The foregoing recitals are true and correct, and are incorporated herein as findings of fact.

**SECTION 2.** The City Council finds that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) because: (1) it does not constitute a "project" under CEQA Guidelines Section 15378(b)(2) in that it constitutes general policy and procedure making; (2) it does not constitute a "project" under CEQA Guidelines Section 15378(b)(5) in that it has no potential for resulting in physical change to the environment, either directly or indirectly; and (3) in the alternative, it is exempt from CEQA pursuant to CEQA Guidelines Section 15060(c)(2), since the activity will not result in direct or reasonably foreseeable indirect physical change in the environment, and Section 15061(b)(3), since it can be seen with certainty that there is no possibility that this Ordinance will have a significant effect on the environment, because the Ordinance merely regulates the placement or location of new discount stores. The Planning Division is hereby directed to file a Notice of Exemption in accordance with the requirements of CEQA.

**SECTION 3.** The City Council finds that this Ordinance is consistent with the City's General Plan, including with respect to General Plan Policies LU-6.7 and LU-7.1, and all applicable specific plans.

**SECTION 4.** Section 9138.19 (Discount Stores) of Division 8 (Special Requirements for Certain Uses) of Part 3 (Commercial Zones) of Chapter 1 (Zoning) of Article IX (Planning and Zoning) of the Carson Municipal Code is hereby amended to read in its entirety as follows (additions shown in ***bold italics***, deletions shown in ~~double-strike through~~):

**"9138.19 Discount Stores.**

A. Use Classification. Retail establishments that sell a broad range of outlet, close-out, discontinued, liquidation, or overstock and general merchandise, primarily at a single discount price and/or in the low and very low price ranges.

B. Minimum Lot Area. Discount stores shall not be permitted on lots less than six (6) acres of net area.



C. Minimum Separation Requirement. New discount stores shall not be less than one-half (1/2) mile from an existing discount store.

D. Hours of Operation. Business hours, including truck loading hours, shall be limited to 8:00 a.m. to 9:00 p.m., seven (7) days a week.

E. Parking Requirement. One (1) space per two hundred fifty (250) square feet of gross floor area.”

**SECTION 5. SEVERABILITY.** If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

**SECTION 6. EFFECTIVE DATE.** This ordinance shall be in full force and effect thirty (30) days after its adoption.

**SECTION 7. CERTIFICATION.** The City Clerk shall certify to the adoption of this ordinance, and shall cause the same to be posted and codified in the manner required by law.

**PASSED, APPROVED and ADOPTED** at a regular meeting of the City Council on this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
ALBERT ROBLES, Mayor

ATTEST:

\_\_\_\_\_  
DONESIA GAUSE-ALDANA, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
SUNNY K. SOLTANI, City Attorney



**9138.19 Discount Stores.**

A. Use Classification. Retail establishments that sell a broad range of outlet, close-out, discontinued, liquidation, or overstock and general merchandise, primarily at a single discount price and/or in the low and very low price ranges.

B. Minimum Lot Area. Discount stores shall not be permitted on lots less than six (6) acres of net area.

C. Minimum Separation Requirement. New discount stores shall not be less than one-half (1/2) mile from an existing discount store.

D. Hours of Operation. Business hours, including truck loading hours, shall be limited to 8:00 a.m. to 9:00 p.m., seven (7) days a week.

E. Parking Requirement. One (1) space per two hundred fifty (250) square feet of gross floor area. (Ord. 16-1603, § 3)

