

ISSUANCE OF ORIGINAL NEIGHBORHOOD-RESTRICTED SPECIAL ON-SALE GENERAL LICENSES

Instructions: Please read this entire form before filing your application.

INTRODUCTION:

Business and Professions Code section 23826.13 authorizes the Department to issue up to five (5) new original neighborhood-restricted special on-sale general licenses each year, until a total of thirty (30) new licenses authorized by this section are issued, to premises located in the following census tracts within the city and county of San Francisco; 612000, 232000, 234000, 233000, 230030, 258000, 257020, 264030, 255000, 256000, 260020, 260010, 260040, 261000, 263010, 309000, 310000, 312010, 330000, 329010, 328010, 353000, 354000, 382020, 329020, 351000 and 352010. In issuing these licenses, the statute requires that the department utilize its established procedures for issuing original general licenses, as set forth in Business and Professions Code section 23961. Neighborhood-restricted special on-sale general licenses are required to be operated as bona fide eating places in compliance with section 23038 but are restricted from any off-sale privileges. In addition, neighborhood-restricted special on-sale general licenses are generally non-transferrable to any other entity or to another location outside the census tracts listed in paragraphs (1) to (7) of subdivision (b) of Section 23826.13.

APPLICATION FILING PERIOD:

During the period of **September 14, 2020 to September 25, 2020**, ABC offices will accept applications for new original neighborhood-restricted special on-sale general licenses in San Francisco County.

APPLICATION FEES: \$15,835

The application fee must be paid by certified check, cashier's check, or money order only. Additional fees (i.e.; fingerprint, annual fees, etc.) are to be collected at the time of filing the formal application.

Unsuccessful drawing participants or those who withdraw their interest in a priority license prior to the drawing or prior to filing a formal application, may request a full refund, minus a \$100 service charge.

Successful participants who file a formal application for a priority license will be entitled to a refund in accordance with Business and Professions Code Section 23320. ***Please note that B&P Section 23320 was amended as of July 1, 2019.*** Refunds will be made payable to the applicant(s) listed on the ABC-522, unless noted otherwise.

If an applicant owes money to California taxing agencies, a claim against the priority application fee may be made by the taxing agency. If such a claim is made, the amount owed will be deducted from the priority application fee at the time of refund and remitted to the taxing agency.

NAME(S) ON APPLICATION:

The application for an original restricted service special on-sale general license must include the names of all persons or entities who have an ownership interest in the application or in the business to be licensed. *Failure to include all is grounds for disqualification and loss of application status. There can be no "hidden owners" or "silent partners".*

RESIDENCY:

To be eligible to participate in a drawing for a neighborhood restricted on-sale general license, an applicant must have been a resident of California for at least 90 days prior to the date of the drawing. If a drawing is necessary, an applicant for a

neighborhood restricted on-sale general license will be required to prove residency via submission of the below described documents:

- Individuals — Proof of residency can be established via documents such as a California Driver License, utility bills, voter registration, etc.

Partnerships — Each partner must provide proof of residency; see information under “Individuals”, above.
- Corporations — The 90-day residence begins with the date its Articles of Incorporation are filed with the Secretary of State. For out-of-state corporations, the 90-day residency begins with the date registered with the Secretary of State to do business in California.
- Limited Partnerships — The 90-day residency begins with the date the form LP-1 is filed with the Secretary of State. For out-of-state limited partnerships, the 90-day residency begins with the date registered with the Secretary of State to do business in California.
- Limited Liability Companies — The 90-day residency begins with the date the form LLC-1 is filed with the Secretary of State. For out-of-state limited liability companies, the 90-day residency begins with the date registered with the Secretary of State to do business in California.

FILING THE APPLICATION:

Applications may be filed in person by going to the ABC San Francisco District Office, located at 33 New Montgomery Street, Suite 1230, San Francisco, CA 94105 or by mail to that address or any other ABC office. During the drawing period, ABC offices will be open Monday through Friday from 8:00 a.m. until 5:00 p.m. **Please note that due to the COVID-19 pandemic, we encourage all applicants to mail in their priority application. Some offices have experienced periodic closures throughout the pandemic, and we cannot guarantee at this time that each office will be open for public access during the priority filing period.**

Deadline:

In person: On **Friday, September 25, 2020**, only those applicants within the doors of an ABC office by 5:00 p.m. may file priority applications. **(Please see the note above regarding the potential for office closures and plan accordingly. If dropping an application off, please contact the local office first to ensure they are open).**

By mail: An envelope containing Items (1) and (2) below must be **postmarked on or before Friday, September 25, 2020.**

The following items are to be included:

- (1) Fee - certified check, cashier's check or money order, payable to: Alcoholic Beverage Control.
- (2) Form ABC-522, Neighborhood-Restricted Special On-sale General License Application— To be completed in full by all applicants, including previously qualified '**P-12**' licensees. The application requires a single signature on behalf of the applicant entity. If not signed in the presence of an ABC employee, the application must be notarized. In signing Form ABC-522, the applicant agrees to comply with conditions and requirements unique to the neighborhood- restricted special on-sale general license application process. Failure to comply with the conditions and requirements may result in automatic withdrawal of the application and cancellation of an applicant's drawing position.

An incomplete or inaccurate application will not be accepted and will likely make the applicant ineligible for a priority license.

CONDITIONS AND RESTRICTIONS:

Applicant:

No person or entity who files for a neighborhood-restricted special on-sale general license may have an interest in any other application for the same type of license.

- Applicants may not pool funds to file more than one neighborhood-restricted special on-sale general license application.
- A married couple may file only one neighborhood-restricted special on-sale general license application.
- No corporation, limited partnership or limited liability company may file a neighborhood-restricted special on-sale general license application if it holds the controlling interest in another entity that has filed for the same type of license.
- If more than one corporation, limited partnership or limited liability company is a subsidiary of the same parent, only one may file a neighborhood-restricted special on-sale general license application.
- A person or entity who holds ownership interest in a neighborhood-restricted special on-sale general license applicant entity, or who is a principal (officer, director, LLC manager, general partner, etc.) of an applicant entity, may not hold interest in or be a principal of another applicant entity for the same type of license.

Each neighborhood-restricted special on-sale general license application must show the names of all persons having an interest in the license application and related business, including **all**:

- Partners
- General & limited partners of a Limited Partnership
- Corporate officers and directors
- Stockholders or prospective stockholders
- Limited liability company officers, managers, and members

Additional partners may not be added after the priority application period. Any changes in ownership or management that occur within an applicant entity between the time of filing a neighborhood-restricted special on-sale general license application and actual issuance of such a license which results in the entity, via its principals or owners, having more than one opportunity in a single drawing, will be cause for disqualification.

PRIORITY OF APPLICANTS

If the number of applicants is equal to or less than the number of neighborhood-restricted special on-sale general licenses available, all applicants will be notified that they have 90 days to complete a formal application for their specific premises in the identified, authorized census tracts.

If there are more applicants than neighborhood-restricted special on-sale general licenses available, a public drawing will be held; the time, date, and place of any drawing will be posted on the department's website (www.abc.ca.gov). After the drawing is held, the department will notify each applicant by mail of their position in the drawing.

Successful Drawing Participants:

A successful drawing participant is one whose position (number) is not higher than the number of licenses available. These applicants will be notified that they have 90 days to complete a formal application for their specific premises in an identified, authorized census tract. Completion of all standard application forms for an original retail license is required. A successful applicant who holds an on-sale general license may not make formal application for a neighborhood-restricted special on-sale general license at the premises where that on-sale general license is held. Any existing on-sale license held at an applicant premises must be canceled upon issuance of a neighborhood-restricted special on-sale general license.

Prior to submitting a formal application for a neighborhood-restricted special on-sale general license, a successful applicant must conduct at least one pre-application public meeting, at a location within one mile of the proposed premises, with neighbors and members of the community within the census tract in which the premises are located. At least 14 days prior to the pre-application meeting, the applicant must mail notification of the meeting to the Chief of Police of the San Francisco Police Department, to residents within a 500 foot radius of the proposed premises. and to 'relevant' neighborhood associations as identified by the city's planning department.

Form ABC-522-1, to include signed verification by the San Francisco Board of Supervisors, or their designee, that the applicant completed the required pre-application meeting requirements for the neighborhood-restricted special on-sale general license, is to be included at the time of submission of formal application for the license.

The neighborhood-restricted special on-sale general license application fee, less service charge, will be refunded to successful drawing participants who later withdraw their applications (See Application Fees [page 1]) regarding claims by California taxing agencies.

Unsuccessful Drawing Participants:

An unsuccessful drawing participant is one whose drawing position (number) is higher than the number of licenses available. The neighborhood-restricted special on-sale general license application fee, less a \$100 service charge, will be automatically refunded to each unsuccessful drawing participant. Refund checks will be mailed within 90-120 days of the drawing (See Application Fees [page 1]) regarding claims by California taxing agencies).

Unsuccessful drawing participants will maintain their position assigned at the drawing. In the event a successful applicant is disqualified or withdraws, the next drawing participant in order of position will be contacted and will have 30 days to repay the previously refunded application fee, and an additional 90 days to file a formal application. In order to maintain drawing position, unsuccessful drawing participants are encouraged to notify ABC of any change in mailing address that occurs while the drawing list is active.

After Issuance of neighborhood-restricted special on-sale general licenses:

Neighborhood-restricted special on-sale general licenses are restricted from being transferred to any other person or entity. Limited allowance for transfer of ownership of licensed entities exists via sections 24071, 24071.1 and 24071.2.

Neighborhood-restricted special on-sale general licenses are restricted from being transferred to any other premises outside the specified census tracts listed in paragraphs (1) to (7) of subdivision (b) of Section 23826.13. There is an exception when the licensed premises have been destroyed by fire or any act of God or other force beyond the control of the licensee (see section 24081). Additionally, neighborhood-restricted special on-sale general licenses are restricted from being transferred to any other county and from being exchanged for a public premises license.

If a neighborhood-restricted special on-sale general license is canceled, the department is authorized to issue an additional neighborhood-restricted special on-sale general license pursuant to the above described drawing and application procedures.

References: Article XX, Section 22 of the State Constitution and sections 23038, 23826.13, 23961, 24071, 24071.1, 24071.2 and 24081 of the California Business and Professions Code.