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EL PUEBLO DE LOS ANGELES HISTORICAL MONUMENT

ARTURO CHAVEZ
General Manager

125 PASEO DE LA PLAZA, SUITE 300
LOS ANGELES, CA 90012

TEL: (213) 485-6855
TDD: (213) 473-5535
FAX: (213) 485-8238

Report: 22-0004

Date: April 22, 2022

To: Board of Commissioners
El Pueblo de Los Angeles Historical Monument

From: Arturo Chavez, General Manager

Subject: **Rental Abatement for Olvera Street Space W-17(A) & W-17(B)
(La Golondrina Café)**

On September 21, 2021, the Board of Commissioners for the El Pueblo de Los Angeles Historical Monument (“El Pueblo”) approved the transfer of interest from La Golondrina Café Inc., LTD to Bertha and David Gomez for Olvera Street Space W-17(A) (C-119124) and Space W-17(B) (C-119124). These spaces are known collectively as the La Golondrina Café restaurant.

The new lease holder tenants took possession of the La Golondrina space on March 1, 2022.

After a series of thorough inspections of the space by staff as well as in-depth discussions with the new tenants concerning required approvals, permits, and licenses for opening the restaurant to the public, El Pueblo staff recommend that the El Pueblo Commission approve and grant four (4) months of rent abatement.

BACKGROUND

La Golondrina Café (also known as “Casa La Golondrina Café) opened its doors on April 30, 1930, the same year that Olvera Street opened. Founded by Consuelo Castillo de Bonzo, the restaurant and its space constitutes one of the oldest Mexican restaurants in Los Angeles. Due to its size and location on Olvera Street, the restaurant is also recognized by El Pueblo as an anchor restaurant for Olvera Street.

In 2011, the City of Los Angeles and Vivien Bonzo, President & Executive Officer of La Golondrina Café Inc., entered into Concession Agreements for the space for a term



commencing on November 1, 2010 and ending on October 30, 2030. The Concession Agreements included one twenty-year option to extend the term. Starting in June 2021, Vivien Bonzo engaged existing Olvera Street merchants who were concessionaires since at least 1999 and eligible for a transfer of interest under Section 12.1.1.2. On July 14, 2021 El Pueblo received a formal communication to transfer the interest in the Concession Agreements to Bertha and David Gomez.

On September 21, 2021, the El Pueblo Commission approved the transfer of interest from La Golondrina Café Inc., LTD to Bertha and David Gomez for Spaces W-17(A) (C-119124) and W-17(B) (C-119124). The Gomez family took possession of the restaurant space on March 1, 2022.

PAST COMMISSION APPROVALS FOR RENTAL ABATEMENT

In the recent history of the Department, the El Pueblo Commission has previously approved rent abatement for Olvera Street merchants, in particular for medium-sized and larger restaurant establishments in and around Olvera Street.

Most recent rent abatements approved by the El Pueblo Commission:

- On October 21, 2016, the El Pueblo Commission approved a half-month rent waiver for 103 Paseo de la Plaza (Chiguacle Restaurant) owing to delays with a Health Department permit and installation of a gas meter.
- On April 13, 2017, the El Pueblo Commission approved a temporary rent assistance in the form of a 50% rent reduction to be repaid to the city over a two-year period. Cited as justification for the rental abatement was delays with a Liquor Permit application. This rental abatement was equivalent to cost of the alcohol permit application (~\$7,800).

CURRENT & ONGOING IMPROVEMENTS AND REPAIRS ADDRESSING DEFERRED MAINTENANCE

The La Golondrina restaurant encompasses buildings and structures facing both Olvera Street and N. Main Street. With an estimated construction date of 1855, the two-story Pelanconi Warehouse building facing Olvera Street is in fact nearly 170 years old and is documented as the oldest surviving brick building in the City of Los Angeles. The Pelanconi Warehouse building facing N. Main Street was constructed in 1910.

After a thorough review of the condition of the building and the required permits and licenses for regular restaurant operations, both El Pueblo and the new tenants have determined that the restaurant is unable to immediately open to customers nor in the immediate future.

The following items are currently being addressed by the lease holder tenants and the El Pueblo Department in coordination with General Services Department (GSD):

- 1) **Plumbing Repairs and Sewer Inspection:** A recent inspection by GSD revealed a need to replace the entire sewer line from the restaurant kitchen to N. Main St.
- 2) **Gas Line:** A recent inspection by GSD and private contractors has determined that the gas line has to be inspected and repaired.
- 3) **Electrical:** Electrical upgrades need to be pursued throughout the building. Department of Water & Power (DWP) has in fact turned off power and has had delays in transferring service. As of this current report DWP will return power to the building on April 25, 2022. Lack of electricity and lighting is preventing ongoing repairs.
- 4) **Interior and Exterior Lighting:** General repairs and upgrades need to be made to both the interior and exterior of the building.
- 5) **Termite Damage on Wooden Elements:** Termite damage has been identified on sections of the exterior verandah facing Olvera Street. The city will most likely be the lead on addressing this exterior wood damage. Current tenants will cover the costs of interior wooden damage.
- 6) **Interior Safety Upgrades:** With various levels and stairwells in the interior of the restaurant, new railings need to be installed to address safety concerns. The restaurant's exposed fireplace also requires some minor safety modifications.
- 7) **Landscaping:** The large grapevine located on the Olvera Street elevation needs to be carefully cut back to prevent overgrowth on the façade.
- 8) **Decorative and Cosmetic:** The restaurant is in general need of upgrading finishes, fixtures, paint, floors, signage, and decorative elements to refresh the appearance of the restaurant while maintaining its historic charm.

REQUIRED LICENSING & PERMITS

The following required licenses and permits are still in progress for approval and are needed for the restaurant to legally open to the public:

- A. Los Angeles City Business License**
- B. Los Angeles County Health Permit**
- C. Liability Insurance**
- D. Alcoholic Beverage Control (ABC) License:** Issuing of the ABC license is considerably behind and has not been transferred the new tenants.

RECOMMENDATION

That the El Pueblo Historical Monument Commission approve rental abatement of four (4) months for Spaces W-17(A) and W-17(B) under Contract No. C-119124 and Contract No. C-119123 for the total amount including Common Area Maintenance (CAM) of \$58,521.40 in response to current and ongoing needed repairs, approvals, and licensing requirements preventing opening of the business.