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September 29, 2026

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADVANCING IMPLEMENTATION OF LOS ANGELES COUNTY'S PROPOSED COMMERCIAL CANNABIS PROGRAM (3 VOTES – ALL DISTRICTS)

SUBJECT

Request delegated authority from the Board of Supervisors (Board) for the Director of the Department of Consumer and Business Affairs (DCBA), or designee, to accept funds and execute agreements related to implementing services, including grant-funded activities, which support launching the proposed Los Angeles County (County) Commercial Cannabis Social Equity Program (Social Equity Program).

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of DCBA or his designee to:

1. Accept, receive, administer, and manage the Governor's Office of Business and Economic Development (GoBiz) Cannabis Equity Grants Program award, including any amendments, augmentations, extensions, or reallocations associated with the awarded grant.

2. Apply to and accept funds and future grants up to $5 million per award through Fiscal Year (FY) 2031-32 related to implementing services and grant-funded activities supporting the County's proposed Social Equity Program, by providing the Board advanced notification before acceptance of each grant.

3. Execute, amend, and terminate agreements and other instruments related to implementing services and grant-funded activities supporting the County's proposed Social Equity Program. Unless otherwise required by law or ordered by the Board, waive the requirements of County Board Policy No. 5.100 and authorize the Director of DCBA, or their designee, to enter into or amend as necessary any agreements and other instruments to implement this program. These agreements and any subsequent amendment(s) shall be approved as to form by County Counsel.

4. Execute, amend, and terminate agreements for the administration of a lottery for licenses and/or grants, disbursement of awards post lottery, and auditing of lottery services.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will authorize DCBA to accept and administer the recently awarded GoBiz Cannabis Equity Grant and provide DCBA with the administrative authorities necessary to efficiently implement services and grant-funded activities supporting the County's proposed Social Equity Program. The requested authorities will enable DCBA to timely execute grant agreements, administer financial assistance, enter into agreements with qualified entities, and carry out other activities necessary to comply with State grant requirements, while maximizing the impact of available funding.

The recommended actions will also provide continuity for future GoBiz Cannabis Equity Grant opportunities by extending delegated authority to apply for and accept future grant awards through FY 2031-32. Maintaining this authority will reduce administrative burdens associated with routine grant acceptance, support timely implementation of activities consistent with Board direction and applicable State grant requirements, and help ensure that grant-funded assistance can be delivered to eligible participants as expeditiously as possible. The requested delegated authorities are administrative in nature and are intended solely to facilitate implementation of these activities.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These recommended actions support *North Star 1 – Make Investments that Transform Lives* – by advancing the County's proposed Social Equity Program, which is designed to expand economic opportunity for individuals and communities disproportionately impacted by cannabis prohibition. Through State-funded financial assistance and related support, the Social Equity Program seeks to reduce barriers to entrepreneurship, promote pathways to business ownership, and help create long-term economic mobility for eligible participants while investing in communities that have historically experienced disproportionate enforcement and economic disinvestment.

These recommended actions also support *North Star 3 – Realize Tomorrow's Government Today* – by advancing implementation of the County's proposed Social

Equity Program through consistent, transparent, and equitable administrative practices. The proposed Social Equity Program and accompanying Commercial Cannabis regulatory framework are designed to institutionalize the use of an equity lens in County policies and program administration by embedding objective eligibility criteria, standardized administrative processes, and targeted investments intended to reduce barriers to participation for communities disproportionately impacted by cannabis prohibition. Providing delegated authority further supports efficient, accountable, and responsive government by enabling timely implementation of Board-approved activities while maintaining appropriate fiscal and administrative oversight.

FISCAL IMPACT/FINANCING

All of the recommended actions outlined herein will be fully funded with Go-Biz, other local funds such as fees, CFCI dollars, other grants, and/or Net County Cost funds, if available and/or allocated through budgetary requests.

DCBA will increase its appropriation, as necessary, through the annual budget process or mid-year budget adjustments.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 15, 2022, the Board directed DCBA and its Office of Cannabis Management (OCM), in consultation with relevant County departments, to proceed with the development of a commercial cannabis regulatory framework and a Social Equity Program outlined in the *Updated Framework and Recommendations for Regulating Commercial Cannabis in Unincorporated Los Angeles County* report (December 2021). Since then, OCM has continued to provide quarterly reports documenting progress toward development of the County's proposed Commercial Cannabis Program, including advancement of the proposed Social Equity Program.

The Board has consistently recognized the disproportionate impacts that cannabis prohibition has had on certain individuals and communities and has directed the development of a Social Equity Program as a foundational component of the County’s proposed Commercial Cannabis framework to promote equitable access to participation in the regulated commercial cannabis industry.

To support these efforts, GoBiz administers the Cannabis Equity Grants Program for Local Jurisdictions, which provides funding to eligible local governments to expand access to capital and support other eligible activities benefiting social equity applicants and licensees.

The County was recently awarded $250,000 through the GoBiz Cannabis Equity Grant Program to support activities associated with the Social Equity Program. Timely administration of the awarded grant will require DCBA, through its OCM, to administer and manage grant funds, including establishing grant-funded financial assistance

programs, entering into agreements with qualified service providers and eligible recipients, and carrying out all activities necessary to comply with State grant requirements.

The recommended delegated authorities will enable DCBA to efficiently administer the awarded grant while maintaining appropriate oversight and accountability. The requested authorities are administrative in nature and are limited to implementation of activities consistent with Board direction and applicable State grant requirements. The recommendation to extend delegated authority for future grant awards through FY 2031-32 is intended to maintain continuity of grant administration and avoid unnecessary delays associated with routine grant acceptance actions.

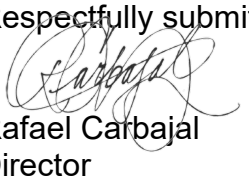
IMPACT ON CURRENT SERVICES

Approval of the recommended actions will enable DCBA to administer the awarded GoBiz Cannabis Equity Grant and implement grant-funded activities supporting the Social Equity Program through existing County administrative processes. The requested delegated authorities will improve operational efficiency by allowing DCBA to execute routine grant administration activities, including entering into agreements, administering financial assistance, and complying with State grant requirements, without requiring separate Board action for each administrative activity. Existing County fiscal, contracting, procurement, and legal review processes will continue to apply, ensuring appropriate oversight, accountability, and stewardship of State grant resources.

CONCLUSION

Approval of the recommended actions will provide DCBA with the administrative authorities necessary to efficiently administer the awarded GoBiz Cannabis Equity Grant, accept additional grant awards, and implement grant-funded activities supporting the County's proposed Social Equity Program. Approval of the recommended actions will help maximize available resources, maintain continuity for future grant opportunities, reduce administrative delays, and support timely delivery of financial assistance and related services to eligible Social Equity Program participants.

Respectfully submitted,



Rafael Carbajal
Director

RC:AB:LM:FM

c: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel