



LOS ANGELES COUNTY
CONSUMER & BUSINESS AFFAIRS

Board of Supervisors

February 12, 2026

Hilda L. Solis
First District

Holly J. Mitchell
Second District

Lindsey P. Horvath
Third District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District

To: Supervisor Hilda L. Solis, Chair
Supervisor Holly J. Mitchell
Supervisor Lindsey P. Horvath
Supervisor Janice Hahn
Supervisor Kathryn Barger

Director
Rafael Carbajal

From: Rafael Carbajal
Director

Chief Deputy
Joel Ayala

SIXTEENTH QUARTERLY REPORT REGARDING IMPLEMENTATION OF AN EQUITABLE COMMERCIAL CANNABIS REGULATORY FRAMEWORK (ITEM NO. 6, AGENDA OF FEBRUARY 15, 2022) AND OTHER ACTIVITIES RELATED TO THE LEGALIZATION OF CANNABIS (ITEMS NO. 3 AND NO. 9, AGENDA OF FEBRUARY 7, 2017; ITEM NO. 20, AGENDA OF MAY 21, 2019)

On February 15, 2022, your Board directed the Department of Consumer and Business Affairs (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 an equity program outlined in the Updated Framework and Recommendations for Regulating Commercial Cannabis in Unincorporated Los Angeles County report (December 2021).¹ Your Board further directed OCM to provide quarterly written status updates in collaboration with relevant County departments.

In accordance with your Board's directive, OCM has filed quarterly reports since May 16, 2022.² These reports also incorporate updates previously directed under Cannabis Legalization (Items No. 3 and No. 9, Agenda of February 7, 2017) and the Implementation of the Unlicensed Cannabis

¹ Office of Cannabis Management Report, Updated Framework and Recommendations for Regulating Commercial Cannabis, December 20, 2021: <http://file.lacounty.gov/SDSInter/bos/supdocs/166359.pdf>

² Office of Cannabis Management Quarterly Reports (May 16, 2022, August 15, 2022, November 18, 2022, February 17, 2023, May 15, 2023, August 14, 2023, November 15, 2023, February 15, 2024, May 15, 2024, August 14, 2024, November 18, 2024, February 25, 2025, May 13, 2025, August 15, 2025, and November 13, 2025): <https://file.lacounty.gov/SDSInter/bos/supdocs/166488.pdf>



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Business Closure Plan (Item No. 20, Agenda of May 21, 2019)³, thereby consolidating all relevant information into a single comprehensive report to your Board.

This report provides the most recent quarterly update on the following program areas:

- Development and implementation of the Social Equity Program, including the cannabis entrepreneurship academy;
- Progress on ordinance finalization and continued build-out of the cannabis licensing system;
- Public education and outreach efforts; and
- Enforcement efforts targeting unlicensed cannabis businesses.

SOCIAL EQUITY PROGRAM

Since the last quarterly report, OCM, in direct partnership with the Department of Economic Opportunity (DEO), has made significant progress toward launching the County's Cannabis Social Equity Entrepreneurship Academy. DEO will incorporate this academy as part of its Economic Mobility Initiative and marks a foundational step toward the launch of the County's future Social Equity Program. The academy is designed to equip interested prospective retail entrepreneurs with essential technical skills, legal knowledge, and business acumen needed to succeed in the regulated cannabis retail industry.

Following the release of the Request for Proposal (RFP) in mid-September for subcontractors with direct experience in cannabis licensing, regulatory compliance, and business planning, a review panel comprised of representatives from OCM, DEO, and ICON CDC (the lead contractor), completed its evaluation and selection process. Contract finalization and onboarding were completed in January 2026.

The subcontractor, Kind Works, Inc., is now working closely with ICON CDC, DEO and OCM to develop a tailored accelerator curriculum that reflects the most critical elements of the cannabis retail landscape. While still in development, key modules will focus on licensing readiness, compliance, operational planning, financial sustainability, and applicant protections. OCM is closely coordinating the development of the curriculum with its ongoing public education and outreach efforts (see *Public Education and Outreach* section).

The academy is projected to launch in Spring 2026, ahead of anticipated ordinance and Social Equity Program adoption. This timing is intended to ensure equity applicants receive targeted, practical training in advance of critical program milestones.

³ Consolidated Cannabis Legalization and Implementation of Unlicensed Business Closure Plan Reports:
<http://file.lacounty.gov/SDSInter/bos/supdocs/111534.pdf>

In addition to the progress made on the academy, the County was recently awarded two key funding sources to support the next phase of Social Equity Program implementation. The Care First Community Investment (CFCI) funding will help provide equity-focused service delivery for selected equity applicants, including access to technical assistance providers to assist applicants through the licensing process and access to micro-grants for early-stage financial support. The County was also awarded a grant from the Governor's Office of Business and Economic Development (GO-Biz) through the Cannabis Equity Grants Program for Local Jurisdictions focused on supporting local equity program implementation and services that directly benefit equity applicants and equity licensees. The eligible uses further strengthen the County's ability to expand access to capital and other business costs that help equity participants gain entry to the regulated marketplace.

These funding streams will enable the County to implement more robust support systems and key service delivery components for equity applicants as they prepare to enter the regulated market, complementing and building on the foundational work of the entrepreneurship academy. The timeline for program services will align with the rollout of ordinance adoption.

REGULATORY FRAMEWORK

Ordinance Development

Zoning Ordinance

OCM is coordinating with the LA County Planning Department (Planning) to amend the Title 22-Planning and Zoning ordinance that will establish clear, objective land-use standards for the proposed commercial cannabis licensing program in unincorporated areas. The amendments are designed to identify where cannabis businesses may operate and to create uniform, ministerial approval procedures that promote consistency, reduce subjectivity, and support an efficient licensing process.

In the previous quarterly update, OCM reported that the draft zoning ordinance had reached an advanced stage, with no further substantive revisions anticipated aside from minor technical edits. Since then, OCM's focus has shifted toward coordinating with Planning to prepare for the Regional Planning Commission (RPC) public hearing on the proposed Title 22 amendments and the accompanying Programmatic Environmental Impact Report (PEIR).

OCM continues to work closely with Planning to finalize the draft zoning ordinance, develop public hearing materials, and fulfill public noticing requirements. This coordination will ensure that the ordinance is routed to the RPC in accordance with established County procedures and that the regulatory process moves forward in a timely and transparent manner.

Administrative Ordinance

The Title 8 administrative ordinance is being developed to establish the licensing, operational, and compliance standards for commercial cannabis businesses in unincorporated Los Angeles County. When implemented alongside the proposed Title 22 zoning amendments, Title 8 will form a comprehensive and objective regulatory framework governing how cannabis businesses obtain licenses, operate in compliance with local requirements, support Social Equity Program goals, and uphold public health and safety protections.

As previously reported, OCM continues to work in close coordination with County Counsel to finalize the administrative ordinance. Concurrently, OCM is drafting a set of implementation regulations to guide administrative processes and compliance expectations. These regulations will help clarify procedures for applicants and are being developed to align with existing County protocols.

OCM anticipates finalizing the draft ordinance in Spring 2026, with the formal adoption process expected to begin shortly thereafter. In alignment with the Title 22 zoning ordinance, OCM is developing a coordinated plan to route related County amendments and is actively identifying a target date for the Board's public hearing. This process includes close collaboration with County Counsel and affected departments to ensure that timelines, procedural requirements, and implementation logistics are addressed comprehensively.

Implementation Guidelines

OCM continues to develop implementation guidelines to standardize interdepartmental coordination, permitting workflows, and communication protocols related to commercial cannabis licensing. These guidelines are being designed in collaboration with key departments, including Public Works, Planning, Fire, and the Treasurer and Tax Collector (TTC), to define departmental roles, align review procedures, and support effective program administration. OCM will next engage with Environmental Health (EH) and Agricultural Commissioner/Weights and Measures (ACWM) to complete the initial phase of interdepartmental coordination.

OCM is developing guidelines through a series of one-on-one workgroup meetings with technical staff from each partner agency. This iterative process enables OCM and participating departments to assess existing permitting structures, identify needed changes, and resolve points of friction early. These discussions have also surfaced important distinctions in how different cannabis business types, such as cultivation, manufacturing, or retail, may trigger varying permitting and approval requirements across agencies. For example, an indoor cultivation facility may require more departmental reviews and inspections compared to a storefront retailer with minimal tenant improvements.

Through this process, OCM and its partners have begun proactively identifying potential applicant challenges, including the need to navigate multiple department-specific application systems, conditional requirements that vary on a case-by-case basis, and extensive architectural, engineering, and technical plan submittals. Addressing these challenges now provides an opportunity to design systems, educational resources, and applicant-facing guidance that reduce delays and promote transparency.

Collectively, this work is critical to ensuring the County is fully operational at program launch.

CEQA Programmatic Environmental Impact Report

In the previous quarterly report, OCM reported on preparations to initiate a formal 30-day departmental review period for the Draft PEIR. That review period was officially launched on November 20, 2025, in close coordination with Planning. Although departments are typically given 30 days to review draft environmental documents, this timeline was extended to include technical refinements identified by Public Works in the draft. Departments were permitted to continue their review during this period, while OCM's environmental consultant incorporated the technical updates.

In early January, the fully revised Draft PEIR, with all technical updates, was redistributed to County departments for any additional comments and feedback with a deadline of January 26, 2026.

OCM is currently working closely with its environmental consultant to review departmental feedback and incorporate any necessary revisions into the final Draft PEIR. The next step is to file the document with the State Clearinghouse once completed to formally initiate the next phase of the environmental review and public disclosure process under CEQA.

Next Steps

The Draft PEIR is slated for release in February 2026, triggering the required 45-day public review period. During this period, OCM will conduct stakeholder outreach to notify interested parties, agencies, and the public and provide clear guidance on submitting comments on the draft document.

To support public engagement, OCM will host a public meeting during the review period to present key findings from the Draft PEIR and provide a forum for public comments. OCM will update its website with public meeting information and relevant CEQA materials, including the Draft PEIR, FAQs, maps, and additional educational resources.

Following the close of the 45-day review period, OCM and its environmental consultant will prepare written responses to all substantive comments and revise the document as needed. The Final PEIR is expected to be completed by May 2026. Upon completion, OCM will coordinate with Planning and County Counsel to present the Final PEIR to the Regional Planning Commission for consideration and recommendation, followed by submission to the Board for certification and adoption alongside the proposed commercial cannabis ordinances.

Software Business Solution

OCM is currently conducting comprehensive testing of its licensing payment processing system to ensure functionality, security, and reliability ahead of program launch. The County's Stripe account has been successfully authenticated, and connectivity with the payment processor is established. Additionally, live testing of credit card transactions and refunds has been completed, with bank account functionality as the final component under review. Once testing is complete, OCM will determine whether any additional validation is necessary before launch.

OCM continues to work with TTC to finalize a Memorandum of Understanding (MOU) outlining procedures for handling cash and check payments. A draft MOU is complete and currently under review by departments. Once finalized, implementation will include configuring required transaction types and financial reports, a process expected to take approximately six months.

OCM also explored the feasibility of a two-way integration between OpenGov with EPIC-LA to support data exchange across permitting systems. After assessing the technical complexity, cost, and project scope, it was determined that full integration was not practical at this time. Instead, OCM will leverage read-only EPIC-LA licenses to monitor

applicant progress and verify that required permits and clearances are being obtained. As the main public facing office, this also enables OCM to provide the information directly to applicants. Through ongoing interdepartmental collaboration, OCM is compiling a detailed matrix of required approvals, referral pathways, and designated contacts to assist in tracking idle, incomplete, or rejected applications.

Finally, OCM is updating the OpenGov application interface to align with County and departmental branding guidelines and improve usability for both applicants and administrative reviewers. These enhancements will help ensure consistent user experience and support an efficient application intake and review process.

PUBLIC EDUCATION AND OUTREACH

To broaden public access to foundational legal knowledge and support equitable participation in the cannabis industry, OCM in partnership with Public Counsel, launched an online version of its Legal Education Training Series in February 2026. These sessions offer the same content as the in-person workshops conducted in late 2025, however, in an accessible format with the goal of reaching a wider audience.

The free online training sessions are held biweekly on Wednesdays from February through March 2026, from 12:00 p.m. to 1:30 p.m. The schedule and overview of the returning Legal Education Trainings are outlined below. Registration details and the events calendar are available on OCM's website at cannabis.lacounty.gov.

Date	Topic	Description
Wednesday, February 4, 2026	Understanding Basic Contracts	Learn to recognize red flags, safeguard agreements, and avoid predatory terms.
Wednesday, February 18, 2026	Commercial Leasing Agreements	Tips for negotiating fair lease terms and avoiding pitfalls that can derail new businesses.
Wednesday, March 4, 2026	Choosing a Business Structure	Compare LLCs, corporations, and partnerships to make informed decisions on liability, taxes, and funding.
Wednesday, March 18, 2026	Protecting Your Brand and IP	Navigate trademarks and copyrights to secure your brand in a complex legal landscape.

Promotional efforts for the sessions included targeted e-mails to DCBA subscribers, coordinated communication with County and community partners, and material dissemination through Board offices.

In addition to the legal training, OCM has partnered with Life Development Group (LDG) to launch a comprehensive outreach and education initiative as part of the County's proactive equity engagement strategy. This initiative includes eight in-person workshops in select unincorporated areas of Los Angeles County. Workshop locations are prioritized in communities that have experienced the greatest impacts from past cannabis enforcement policies, ensuring early engagement where support is most needed.

The workshops will introduce prospective entrepreneurs and interested community members with actionable knowledge on licensing options and feature business and workforce development resources to ensure participants are well-informed of the regulated industry. The series will also help build early-stage readiness for potential future licensing. OCM will share program updates, registration details, and additional resources through the OCM website and newsletter e-blasts.

As the County advances commercial cannabis implementation, additional attention may be warranted to ensure public health considerations, including youth substance use prevention and minimizing normalization of use among minors, are addressed alongside licensing, enforcement, and equity goals.

UNLICENSED CANNABIS BUSINESS ENFORCEMENT

Enforcement Coordination

County Counsel continues to litigate existing nuisance abatement cases and anticipates initiating up to four additional civil nuisance abatement actions by the end of February 2026. In the interim, enforcement efforts have continued through investigative and pre-litigation activities, including surveillance operations and the execution of search warrants during November and December 2025.

The Sheriff's Department Narcotics Bureau has executed multiple search warrants at retail storefronts located in unincorporated areas of Los Angeles County that were reportedly engaged in illegal cannabis activities. These actions are the result of targeted enforcement resources, which have been instrumental in facilitating investigative efforts and warrant operations. Despite limited resources, law enforcement continues to address the persistent presence of unlicensed cannabis activity in unincorporated areas. Nonetheless, additional resources for law enforcement would bolster a more robust response to the illicit activity and help foster a conducive environment for a well-regulated cannabis market.

To help maintain progress in addressing unlicensed activity, OCM is continuing to coordinate multi-agency planning with relevant County and state enforcement departments to better align and identify opportunities to leverage cross-jurisdictional resources. Additional investment and sustained coordination are critical to maintaining enforcement momentum and advancing public safety goals.

FUTURE REPORTS

OCM will continue to provide quarterly updates to your Board on the progress of these efforts, with the next report scheduled to be submitted in May 2026.

Should you have any questions concerning these matters, please contact me or Laura Magallanes, Deputy Director of Office of Cannabis Management, at lmagallanes@dcba.lacounty.gov.

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c: Executive Office, Board of Supervisors
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