

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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January 23, 2018

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

**Dear Supervisors:** 

Board of Supervisors HILDA L. SOLIS First District

MARK RIDLEY-THOMAS Second District

SHEILA KUEHL Third District

JANICE HAHN Fourth District

KATHRYN BARGER Fifth District

RECOMMENDATIONS REGARDING THE REGULATION OF COMMERCIAL MEDICAL AND ADULT-USE CANNABIS IN UNINCORPORATED AREAS (ALL DISTRICTS AFFECTED) (3 VOTES)

#### **SUBJECT**

This letter offers your Board recommendations regarding the regulation of commercial medical and adult-use cannabis in unincorporated areas. These recommendations were developed in response to your Board's directives on February 7, 2017, and November 7, 2017, and are based on input received by the CEO's Office of Cannabis Management (OCM) during its public outreach efforts from May through August 2017. All recommendations reflect the CEO's close consultation with affected County departments.

# JOINT RECOMMENDATION WITH THE DIRECTORS OF THE DEPARTMENTS OF REGIONAL PLANNING, PUBLIC HEALTH, AND THE TREASURER AND TAX COLLECTOR, THAT THE BOARD:

- Direct the CEO, in coordination with County Counsel, to prepare appropriate ordinances and take other actions necessary to establish a new five-member, Board-appointed cannabis commission to serve as the primary County agency to hold public hearings and exercise appropriate discretion to approve, conditionally approve, or deny applications, among other duties specified below, and direct the CEO to report back in writing within 60 days on a budget and staffing plan for the cannabis commission, including any necessary resources, positions, software and/or systems;
- 2. Direct the Department of Public Health, in coordination with the CEO, to finalize a health impact assessment on the health equity impacts of cannabis regulation; direct the CEO, in coordination with the Department of Public Health and County Counsel, to prepare appropriate ordinances to require that cannabis businesses applying to locate in an unincorporated area mitigate the businesses' incremental "To Enrich Lives Through Effective And Caring Service"

potential negative health equity impacts, in accordance with recommendations of the health impact assessment; and direct the CEO and the Department of Public Health to report back to the Board within 120 days on other recommended measures to reduce health equity impacts, including but not limited to establishing a health equity grant program;

- 3. Direct the CEO, in coordination with County Counsel, to prepare appropriate ordinances to create permits for indoor cultivation, manufacturing, distribution, cannabis stores, cannabis delivery-only services, microbusinesses, and testing laboratories, as specified in greater detail below;
- 4. Direct the CEO, in coordination with County Counsel, to prepare appropriate ordinances to implement a strategic phase-in for cannabis permitting in unincorporated areas that will allow a maximum of 20 cannabis stores, with no more than five stores in any one supervisorial district; a maximum of 20 delivery-only services, with no more than five delivery-only services in any one supervisorial district; and a maximum of 10 cultivators, 10 manufacturers, 10 distributors, and 10 testing laboratories countywide;
- 5. Direct the Department of Regional Planning, in coordination with the CEO and County Counsel, to prepare an amendment to Title 22 of the County Code (Zoning Code) to implement the recommended zoning detailed below, which will allow cannabis stores, delivery-only services, and testing laboratories in heavy commercial and manufacturing zones; allow all other cannabis business types in manufacturing zones; and prohibit commercial cannabis activity in all other zones, including agricultural and residential zones;
- 6. Direct the Department of Regional Planning, in coordination with the CEO and County Counsel, to prepare an amendment to the Zoning Code to require that cannabis stores be located at least 1,000 feet from schools (K-12); 600 feet from day cares (including preschools), public parks, public libraries, drug and alcohol treatment facilities, and other cannabis stores, and 300 feet from offsite alcohol sales such as liquor stores; and require that all other cannabis businesses be located at least 1,000 feet from schools (K-12), and 600 feet from day cares (including preschools), public parks, and public libraries.
- 7. Direct the CEO to conduct a culturally competent public workshop to obtain stakeholder feedback on equity issues related to cannabis legalization, and report back in writing in 120 days with recommendations to establish an equity program for commercial cannabis that will reduce barriers to ownership and employment in the cannabis industry for people who have been disproportionately impacted by the war on drugs or who reside in impacted areas identified by the health

#### impact assessment;

- 8. Direct the CEO, in coordination with County Counsel, to prepare necessary ordinances to create a 15-member, Board-appointed cannabis equity review panel, which will be advisory to the Board of Supervisors and the cannabis commission, and will periodically issue public reports evaluating the effectiveness of the County's equity programs, the impacts of cannabis legalization on health equity, and any other equity issues associated with the County's cannabis-related programs and the civil and criminal enforcement of cannabis laws;
- 9. Direct the CEO to collaborate with the Sheriff, District Attorney, County Counsel, Treasurer and Tax Collector, and Director of Public Health to prepare an unlicensed cannabis business elimination plan that will include, at a minimum, planned direct enforcement activities (e.g., lawsuits), consumer education campaigns, and legislative policies, as well as a recommendation whether current unlicensed cannabis businesses should be allowed to become permitted, and provide the plan and recommendation to the Board in writing within 120 days;
- 10. Direct the Treasurer and Tax Collector, in coordination with the CEO and County Counsel, to prepare ordinance amendments to Title 7 of the County Code (Business Licenses) to license and regulate, from a business license perspective, commercial medical and adult-use cannabis businesses:
- 11. Direct the CEO to work with departments to determine the budget impacts of these recommendations and report back in writing to the Board within 120 days on such impacts, including any new necessary staff or resources, including but not limited to software and/or systems' needs; and
- 12. Direct all affected departments to return to the Board within 120 days with necessary ordinance amendments that implement the above recommendations, for the Board's consideration.

#### PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On February 7, 2017, your Board directed the CEO to coordinate with multiple other departments to prepare regulations to allow and license medical and adult-use cannabis businesses in unincorporated areas, including cultivation, distribution, testing, manufacturing, and retail.

Pursuant to your Board's directives on February 7, 2017, the OCM conducted extensive outreach to solicit feedback on stakeholder desires and concerns for commercial cannabis regulation. Outreach efforts included the convening of the Advisory Working

Group, more than 12 presentations to community groups, town councils, and County commissions, and 20 public workshops (listening sessions) throughout the County to solicit feedback from community members. The CEO published reports documenting the OCM's outreach efforts in October 2017. These reports are available online at <a href="http://cannabis.lacounty.gov/documents-and-reports">http://cannabis.lacounty.gov/documents-and-reports</a>.

On November 7, 2017, your Board directed the CEO to work with County Counsel and the Department of Public Health and its Center for Health Equity to develop a health equity model for commercial cannabis permitting, including a discretionary hearing process for cannabis retailer and phased-in permitting, among other things.

The recommendations in this letter respond to your Board's directives in February and November 2017, and reflect the recommendations provided by the Advisory Working Group, input received from the public, and close consultation with affected County departments, including but not limited to County Counsel, the District Attorney, the Sheriff, the Treasurer and Tax Collector, and the Departments of Agricultural Commissioner/Weights and Measures, Consumer and Business Affairs, Human Resources, Fire, Public Health, Public Works, and Regional Planning.

The following documents are attached to this letter:

- Attachment I: Analysis of Recommendations. Attachment I contains a detailed analysis of, and the justification for, each of the recommendations in this letter. For your Board's convenience, this letter describes each recommendation in summary form.
- Attachment II: Advisory Working Group Recommendations. In June 2017, the OCM convened the Los Angeles County Advisory Working Group on Cannabis Regulation (Advisory Working Group), a group of experts and stakeholders, to provide advisory direction on cannabis regulations in unincorporated areas. The Advisory Working Group's recommendations are provided in Attachment II.
- Attachment III: Maps. Attachment III contains maps showing where cannabis businesses would be allowed to locate if the Board adopts these recommendations. These maps are available online at http://planning.lacounty.gov/cannabis/maps.

#### Recommendation No. 1: Create a new cannabis commission

(See Attachment I, pages 3-5, for analysis)

The CEO, jointly with the Department of Regional Planning and the Treasurer and Tax Collector, recommend creating a new, five-member cannabis commission appointed by the Board of Supervisors. This would include:

- Directing the CEO to work with County Counsel to establish the cannabis commission to conduct public hearings on cannabis business applications, advise the Board of Supervisors on the effectiveness of cannabis regulations in unincorporated areas, and recommend cannabis-related policy or ordinance changes to the Board of Supervisors, among the other duties specified in Table 1, below.
- Adding the Treasurer and Tax Collector, the County Agricultural Commissioner, the Fire Chief, the Health Officer, the Director for Center for Health Equity, and the Director of Regional Planning, or their designees, as advisory, non-voting members of the cannabis commission.

Table 1 Cannabis Commission Duties and Functions		
Quasi-Judicial	Oversight and Advisory	
<ul> <li>Conduct public hearings and approve, conditionally approve, or deny an application to establish or continue operating a cannabis business.</li> </ul>	Conduct routine "status hearing" after a cannabis permit has been approved to check on the status of the business, and compliance with conditions and regulations.	
<ul> <li>Conduct permit renewal hearings.</li> <li>Conduct permit revocation hearings.</li> <li>Act as the lead County agency pursuant to the California Environmental Quality Act (CEQA) for a cannabis permit application.</li> <li>Other duties as needed to carry out the commission's quasi-judicial functions.</li> </ul>	<ul> <li>Conduct "corrective action hearings" when a cannabis business has been cited for violating a condition of approval or has received an excessive amount of community complaints.</li> <li>Direct the preparation of and review staff reports regarding the effectiveness of cannabis regulations in unincorporated areas, health equity considerations, and unpermitted cannabis business activity, among other cannabis-related issues.</li> </ul>	
	<ul> <li>Recommend cannabis-related policy or ordinance changes to the Board of Supervisors.</li> </ul>	
	Other duties as needed to carry out the commission's oversight and advisory functions.	

### Recommendation No. 2: Finalize a health impact assessment to develop health equity models for cannabis permitting

(See Attachment I, pages 5-6, for analysis)

The CEO, jointly with the Department of Public Health, recommends that your Board:

- Direct the Department of Public Health to coordinate with the CEO to finalize a
  health impact assessment<sup>1</sup> on the health equity impacts of permitting cannabis
  businesses in unincorporated areas.
- Direct the CEO to work with the Department of Public Health to utilize the results of the health impact assessment to develop health equity models for commercial cannabis permitting.
- Direct the CEO to work with County Counsel and the Department of Public Health to require cannabis businesses to mitigate their incremental potential negative health equity impacts according to the recommendations of the health impact assessment.
- Direct the CEO and the Department of Public Health to identify data points and establish a system to monitor community health information as cannabis permitting is implemented, using the health impact assessment as the baseline for relevant health conditions and outcomes in unincorporated areas.

In addition, the CEO and the Department of Public Health will report back to your Board within 120 days on other recommended measures to reduce health equity impacts resulting from cannabis permitting, including establishing a health equity grant program consistent with your Board's directives on November 7, 2017.

#### Recommendation No. 3: Cannabis permit types

(See Attachment I, pages 7-9, for analysis)

The CEO recommends that your Board implement the permit types identified in Table 2, below, for unincorporated areas. These permit types adequately address all commercial cannabis activity allowed under State law, except for outdoor commercial cultivation,

<sup>&</sup>lt;sup>1</sup> A health impact assessment is a systematic process for assessing the potential impacts of pending policy, program or project decision outside of the traditional health sector on the health of populations and the distribution of those effects within populations. Health impact assessments inform decision-makers by providing recommendations on ways to augment the potential health benefits and/or mitigate the potential harms of proposed programs, projects or policies using a broad conception of health that includes both health outcomes (e.g., diseases, disabilities, conditions) and the social determinants of health (e.g., housing, income, social connections).

which will not be allowed pursuant to your Board's direction on February 7, 2017.

Table 2 Cannabis Permits for Unincorporated Areas		
Activity	Recommended County Permits	Description
Cultivation	Cultivation-Indoor	Authorizes the cultivation of cannabis in a fully enclosed facility that uses only artificial light.
Manufacturer—General Authorizes extracti mechanical means labeling of cannabi Authorizes the		Authorizes extractions using volatile or nonvolatile solvents and mechanical means, infusion operations, and the packaging and labeling of cannabis products.
		Authorizes the packaging, repackaging, labeling, and relabeling of cannabis products only.
Distribution	Distributor-General	Authorizes the transportation of cannabis and cannabis products between permitted cannabis businesses, storage of cannabis and cannabis products, packaging and labeling of cannabis, and quality control practices, including arranging for the sampling and testing of cannabis and cannabis products by a permitted cannabis testing laboratory.
	Distributor-Transporter	Authorizes the transportation of cannabis products between permitted cannabis businesses, except that Distribution-Transporter permittees may not transport cannabis products to retailers other than immature plants and seeds from a cannabis nursery licensed by the State.
	Retail-Store	Authorizes the sale of cannabis and cannabis products to consumers at a retail store, and the delivery of cannabis and cannabis products to consumers.
Retail	Retail-Delivery-Only	Authorizes the delivery of cannabis and cannabis products to consumers only. "Delivery-only" retailers will still be required to maintain a physical location from which all deliveries will originate.
Microbusiness	Microbusiness–Store Microbusiness–No Store	Authorizes a minimum of three of the following activities on the same premises: (1) cultivation of less than 10,000 square feet of cannabis; (2) manufacturing using nonvolatile or no solvents; (3) distribution; and (4) retail. The three-activity minimum is required by State regulations. A microbusiness proposing to have onsite retail will require a Microbusiness—Store permit.
Laboratory Testing	Tester	Authorizes the testing of cannabis and cannabis products for quality and potency, as well as the sampling of cannabis and cannabis products at a distributor's premises and the transportation of the samples to the testing facility.

#### Recommendation No. 4: Strategic Permitting Phase-In

(See Attachment I, pages 9-12, for analysis)

In the first three years of cannabis permitting, the CEO recommends permitting a maximum of 20 cannabis storefront retailers and 20 delivery-only retailers. These permits will be allocated by supervisorial district based on unincorporated area population to ensure equity in availability and siting. Proposed permit allocations are shown in Table 3, below.

The CEO also recommends permitting in the first three years a maximum of 10 cultivators, 10 manufacturers, 10 distributors, and 10 testing laboratories, as shown in Table 4, below. In the initial permitting phase, these businesses would not be required to locate in each supervisorial district based on population, as potential development patterns for non-retail businesses are unknown. In addition, many businesses may choose to "vertically integrate" by obtaining multiple cannabis permit types (other than a testing laboratory permit, which must remain separate), meaning the number of total businesses operating in unincorporated areas may be less than the total number of available permits (e.g., one business could hold permits to cultivate, distribute, and manufacture at the same site, rather than having such activity occur at three separate sites by three businesses).

The cannabis commission will be tasked with denying cannabis permit applications that will result in undue concentrations or community impacts, along with monitoring development patterns and the effectiveness of regulations. After three years of permitting, the cannabis commission will provide your Board with recommendations to increase or decrease the number of permits, or keep them the same.

The Department of Public Health concurs with the proposed initial phase-in and the safeguards in place to ensure that no one community is unduly impacted by cannabis businesses. As stated above, the Department of Public Health's health impact assessment will inform the cannabis commission's decision-making on permit applications, including imposing conditions that will mitigate a proposed businesses' incremental or cumulative impacts to the health outcomes of a community.

Table 3 Phase-In for Retail Cannabis Permits				
Supervisorial District	Unincorporated Area Population	% of Unincorporated Area Population	Max. # of Retail– Store Permits (@ 1 per 52,000 pop., min. one)	Max. # of Retail– Delivery-Only Permits (@ 1 per 52,000 pop., min. one)
SD1	267,733	25%	5	5
SD2	262,249	25%	5	5
SD3	21,505	2%	1	1
SD4	222,630	21%	4	4
SD5	295,511	28%	5	5
Total	1,069,628	100%	20	20

Table 4 Phase-In for Non-Retail Cannabis Permits		
Business Type	Permits Included	Max. # of Permits
Cultivation	Cultivation – Indoor	10
Manufacturing	Manufacturer–General Manufacturer–Processor	10
Distribution	Distributor–General Distributor–Transporter	10
Laboratory Testing	Tester	10
	Total:	40

<sup>\*</sup> NOTE: For microbusiness permits, each type of activity conducted will count against the maximum numbers in Tables 3 and 4, above.

#### Recommendation No. 5: Zoning

(See Attachment I, pages 13-14, for analysis)

The Department of Regional Planning, jointly with the CEO, recommends your Board institute zoning for cannabis businesses as shown in Table 5, below.

These recommended zones are consistent with your Board's directives on February 7, 2017, with respect to zoning and will ensure that cannabis businesses are compatible with the type and scale of surrounding development. Also consistent with your Board's direction on February 7, 2017, commercial cannabis activity will remain precluded in agriculturally or residentially zoned areas.

Zoning	Retail-Store Retail-Delivery-Only Tester	Cultivation-Indoor Manufacturing-General Manufacturing-Processor Distribution-General Distribution-Transporter Microbusiness-Store Microbusiness-No Store
C-3 (General Commercial)	ок	Not allowed
C-M (Commercial Manufacturing)	ок	Not allowed
M-1 (Light Manufacturing)	ок	ОК
M-1.5 (Restricted Heavy Manufacturing)	ок	ОК
M-2 (Heavy Manufacturing)	ок	ОК

#### Recommendation No. 6: Buffers from sensitive uses

(See Attachment I, pages 15-18, for analysis)

The Department of Regional Planning, jointly with the CEO, recommends your Board adopt the buffers from sensitive uses shown in Table 6, below. These proposed buffers protect places where children congregate against the impacts of cannabis businesses, and ensure that cannabis stores do not locate close to existing drug or alcohol treatment centers. These buffers also protect communities from an overconcentration of cannabis retailers by ensuring that cannabis stores are located away from other cannabis stores. The buffers additionally address the potential combined impacts from cannabis stores locating near liquor stores by ensuring cannabis stores are located away from places that sell alcohol for offsite consumption.

The Department of Regional Planning has prepared maps depicting where cannabis businesses can locate based on recommended zoning and buffering. These maps are attached to this letter and available online at <a href="http://planning.lacounty.gov/cannabis/maps">http://planning.lacounty.gov/cannabis/maps</a>.

Table 6 Buffers from sensitive uses		
Buffers (feet)	Retail-Store Microbusiness-Store	Retail-Delivery-Only Cultivator-Indoor Distributor-General Distributor-Transporter Manufacturer-General Manufacturer-Processor Microbusiness-No Store Tester
School	1,000	1,000
Day Care	600	600
Public Library	600	600
Public Park	600	600
Alcohol/Drug Rehab	600	None
Other Cannabis Stores and Microbusinesses	600	None
Alcohol Sales (Off-site)	300	None

### Recommendations No. 7 & 8: Equity workshop and cannabis equity review panel (See Attachment I, pages 18-20, for analysis)

Residents of communities disproportionately criminalized by the "war on drugs" often face steep barriers to entry into the cannabis industry, such as lack of access to information, capital, and experience. Cities such as Oakland and Los Angeles are seeking to reduce such barriers to entry by establishing a cannabis "equity program." The "equity program" typically defines categories of persons who would qualify for benefits under the program, along with provisions to ensure that "equity applicants" are able to establish a cannabis business and succeed over the long term.

The Advisory Working Group strongly recommended that the County follow suit and establish its own cannabis equity program for unincorporated areas. Members of the public at listening sessions echoed the Advisory Working Group's concerns about equity.

For these reasons, the CEO recommends that your Board direct the CEO to convene a culturally competent public workshop to solicit stakeholder feedback about who should qualify for benefits under such a program and what types of benefits should be offered.

The CEO also recommends that your Board establish a 15-member, Board-appointed cannabis equity review panel, which will be advisory to the Board of Supervisors and the cannabis commission, and will periodically issue public reports evaluating the effectiveness of the County's cannabis ownership equity program, the impacts of cannabis legalization on health equity, and any other equity issues associated with the County's cannabis-related programs and the civil and criminal enforcement of cannabis laws.

### Recommendation No. 9: Unlicensed cannabis business elimination plan

(See Attachment I, pages 20-21, for analysis)

On November 7, 2017, County Counsel provided your Board with a verbal report indicating that new unlicensed cannabis businesses are opening at about the same rate as the District Attorney, Sheriff, and County Counsel are closing existing unlicensed businesses. This phenomenon has been described as "whack-a-mole," because new cannabis businesses quickly take the place of cannabis businesses that are shut down.

Recent experience shows that a more comprehensive approach is needed to eliminate unlicensed commercial cannabis activity. It is therefore recommended that your Board direct the CEO to collaborate with the Sheriff, District Attorney, County Counsel, Treasurer and Tax Collector, Director of Regional Planning, and Director of Public Health to prepare an unlicensed cannabis business elimination plan that will include, at a minimum, direct enforcement activities (e.g., lawsuits), consumer education campaigns, and legislative policies.

As part of plan development, the CEO will work with participating departments to develop a recommendation as to whether current unlicensed cannabis businesses should be allowed to become permitted.

## Recommendations No. 10, 11 & 12: Updates to Title 7 (Business Licensing), Analysis of Budget Impacts, and Timeline

(See Attachment I, pages 21-22, for analysis)

Should your Board approve the recommendations identified above, it is further recommended that your Board:

 Direct the Treasurer and Tax Collector, in coordination with the CEO and County Counsel, to prepare ordinance amendments to Title 7 of the County Code

(Business Licenses) to license and regulate, from a business license perspective, commercial medical and adult-use cannabis businesses;

- Direct the CEO to work with departments to determine the budget impacts of these recommendations and report back in writing to the Board within 120 days on such impacts, including any new necessary staff or resources, including but not limited to software and/or systems' needs; and
- Direct all affected departments to return to your Board within 120 days with necessary ordinance amendments that implement the above recommendations, for the Board's consideration.

#### FISCAL IMPACT/FINANCING

In the long term, costs associated with the activity of the cannabis commission and its staff will be recoverable through application and permit fees paid by cannabis business owners and applicants. In the short term, the CEO will provide your Board within 60 days with a staffing plan for the cannabis commission and identify any new resources which may be required to operate the cannabis commission.

In addition, the CEO will work with all affected departments to provide your Board with detailed budgetary impacts within 120 days. At this time, the CEO has preliminarily concluded that most affected departments have existing positions and resources sufficient to implement the above recommendations, with the following exceptions:

- The Department of Public Health has preliminarily identified a need for a chief public health administrator, staff analyst, and chief research analyst to conduct health impact assessments and address issues of health equity in the cannabis context. These positions may not be cost-recovered. The CEO will continue to work with the Department of Public Health to identify new positions and available funding.
- The Treasurer and Tax Collector may need to upgrade case processing and tracking software. Acquisition and implementation costs are estimated at \$250,000 to \$300,000. Ongoing maintenance and service costs are expected to be cost recovered through licensing fees. The CEO is working with the Treasurer and Tax Collector to finalize software and systems' needs and associated costs.
- The Sheriff has requested additional deputies to conduct background checks and pre-permitting inspections, and to review security plans submitted by applicants.
   The CEO is continuing to work with the Sheriff to identify the appropriate number of new deputies based on the permitting phase-in identified above.

In addition, Proposition 64 allows the County to impose an excise (gross receipts) tax on cannabis businesses operating within the County. An excise tax would require voter approval. The next regularly scheduled opportunity to place a cannabis tax measure on the ballot is June 5, 2018. Your Board would need to approve the tax measure by March 6, 2018.

The CEO is finalizing revenue projections and other background activity related to a cannabis tax and expects to report back to your Board in February 2018, should your Board wish to place a tax measure on the June 5, 2018, ballot.

#### FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In November 2016, California voters approved Proposition 64 (Adult Use of Marijuana Act), which legalized the possession, use, and cultivation of cannabis by adults age 21 and over within certain quantity limits, and established a regulatory framework for commercial adult-use (recreational) cannabis.

On February 7, 2017, your Board adopted a motion directing, among other things, the CEO to work with affected County departments to conduct public outreach and prepare ordinances to allow and regulate commercial cultivation, manufacture, distribution, testing, and sale of medical and adult-use (recreational) cannabis.

On November 7, 2017, your Board adopted a motion directing the CEO to collaborate with the Director of Public Health and County Counsel to develop health equity models for cannabis regulation in unincorporated areas.

#### **ENVIRONMENTAL DOCUMENTATION**

The recommended actions do not commit the County to undertaking any discretionary project that will result in a physical change in the environment, and therefore do not constitute a "project" under the California Environmental Quality Act (CEQA). (California Code Regulations, title 14, section 15061(b)(3).) In the alternative, CEQA does not apply to the recommended actions because they would establish the discretionary review and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity. (Business & Professional Code section 26055(h).)

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommendations in this letter would have no direct impact on existing County services or projects. However, should your Board adopt these recommendations, significant work and efforts will be needed to create a new cannabis commission, staff the commission appropriately, and acquire other necessary infrastructure, such as permitting

software. Existing personnel resources may need to be reallocated, and new personnel may be needed.

Should you have any questions or concerns about this matter, please contact me or Joseph M. Nicchitta, Cannabis Management Officer, at (213) 974-4530 or inicchitta@ceo.lacounty.gov.

Respectfully submitted,

Sachi A. Hamai Chief Executive Officer

SAH: JJ:JMN DSK:MT:RF:rld

#### Attachments

c: Executive Office, Board of Supervisors

County Counsel

Assessor

District Attorney

Sheriff

Agricultural Commissioner/Weights and Measures

Alternate Public Defender

Consumer and Business Affairs

Fire

**Human Resources** 

Public Defender

Public Health

Public Works

Regional Planning

Sherriff Civilian Oversight Commission

Treasurer and Tax Collector