



# Marijuana Limited License

## Social Equity FAQ

Social equity programs provide opportunities to get involved in the legal cannabis market and have been implemented across the country to level the playing field for communities that have been disproportionately impacted by the war on drugs.

*THIS FAQ SHOULD NOT REPLACE A COMPLETE READING OF THE 2019 DETROIT CITY CODE, CHAPTER 20 HEALTH, ARTICLE VI. "MEDICAL MARIJUANA FACILITIES AND ADULT USE MARIJUANA ESTABLISHMENTS"*

### What is a cannabis social equity program?

As the legalization of cannabis has become more prevalent, states and localities have implemented programs to address inequities that exist because of disproportionate enforcement by the government against Black and Brown people. Cannabis legalization has resulted in business opportunities for activity that used to be illegal, but these opportunities are primarily for the well capitalized, well-connected entrepreneurs. Social equity programs seek to ensure that Black and Brown people are represented in the industry. The Michigan and Detroit social equity programs seek to counteract the impact of these policies by providing these communities with additional resources and opportunities within the cannabis industry.

### What advantages does the social equity program provide?

Social equity applicants can take advantage of a number of resources. These resources include Technical Assistance (T.A.), workshops, business plan immersive, cannabis business incubator, and more. Social equity applicants that are eligible for Detroit Legacy status can take advantage of the land lottery program and additional resources.

### What is an equity applicant?

An equity applicant is an individual whose primary residence is located within a disproportionately impacted community. There are numerous ways to qualify for this status including being a Detroit Legacy applicant. Equity applicants must control 51% of the applicant entity.

### What is a disproportionately impacted community?

A disproportionately impacted community is defined by the city of Detroit as any community where marijuana related convictions are greater than the state of Michigan median and where 20% or more of the population is living below the poverty line. The estimates are based off the 2019 American Community Survey from the U.S. Census.



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## What is Technical Assistance (T.A.)?

Technical Assistance (T.A.) is when governments provide organizations with consulting, education, and support. The Office of Marijuana Ventures and Entrepreneurship provides T.A. support for those in the Detroit legacy program by providing resources and support to applicants that can help their business.

## What is the scoring system?

Detroit scores applicants on a 100-point scale for general scoring criteria and a 27-point scale for social equity. To be eligible for the qualified applicant lottery, applicants must score a minimum of 100 points on the general scoring criteria and a minimum of 5 points on the social equity scoring criteria. For more information on the scoring criteria, please view the *Adult-Use Limited Marijuana License Scoring Criteria: For Social Equity Applicants*.

## What are the ownership disclosure requirements?

Detroit will use the State of Michigan ownership disclosure regulations. The State regulations require that applicants include any entity or individual with greater than 10 percent of the ownership interest, either directly or indirectly, in the main application.

## Can the 51% ownership be split between social equity applicants?

Yes. For example, if 5 qualifying individuals each owned 20% of a business, the city will view that as a 100% equity owned business. Equity applicants can be combined to meet the threshold.

## What is the cannabis business incubator?

The cannabis business incubator is a program with daily classes and weekly small group discussions. This program focuses on providing learning opportunities to diverse cannabis entrepreneurs across a wide variety of subjects to help get their cannabis business operational. The program is intended for applicants who have started the licensing process but still need support to develop their business. Some of the class topics include: financial statements & valuations, marketing, operational strategy, real estate guidance, accounting best practices, and compliance guidelines. Previously recorded classes can be found [here](#).



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### What documentation is needed to be established as a social equity applicant?

Documentation is needed to prove residency status in a disproportionately impacted community. Please find more information on documents required for applying [here](#).

### What is Detroit Legacy Certification?

Applicants that have resided in Detroit for at least 10 years may qualify for Detroit Legacy Certification. This program offers mentoring, business education, and networking opportunities for qualifying individuals. Legacy Detroiters may also participate in the city's Land Lottery if they need assistance finding a proposed location.

### Who qualifies for Detroit Legacy Certification?

Detroit legacy certification is awarded to long time residents of the city. To be eligible applicant must provide proper documentation of evidence of meeting the qualifications. Detroit Legacy certification requires the applicant to be a current resident of Detroit for at least a year prior and at the time of the application. Additionally, applicants must meet one of the following requirements:

1. Be a City of Detroit resident for 15 of the past 30 years preceding the date of application, and continues to so reside throughout the period of licensure; or
2. Be a City of Detroit resident for 13 of the past 30 years preceding the date of application, and continues to so reside throughout the period of licensure, and is a low-income applicant at the time of application, as defined in this section; or
3. Be a City of Detroit resident for the 10 of the past 30 years preceding the date of application, and continues to so reside throughout the period of licensure, and has a prior controlled substance record, as defined in this section, or a parent with a prior controlled substance record as defined in this section under the following circumstances:
  - a. The parent is named on the applicant's birth certificate, and the parent's conviction took place before the applicant's 18th birthday; or
  - b. The parent has claimed the applicant as a dependent regularly on federal income tax filings, and the parent's conviction took place before the applicant's 18th birthday.

### How do you apply to become a Legacy Detroiter?

Applications for the Legacy Detroiter can be completed on the form found [here](#). More information about the program as well as the documents required to apply can be accessed [here](#).