



CIVIL RIGHTS, INCLUSION AND OPPORTUNITY
Office of Marijuana
Ventures and
Entrepreneurship

Limited Licensing

FAQ

1. What is an equity applicant?

An equity applicant is an individual whose primary residence is located within a disproportionately impacted community or an entity where one or more of such individuals owns and controls at least 51% of the applicant entity.

2. What is a disproportionately impacted community?

Any community where the number of marijuana related convictions are greater than the state of Michigan median, and where 20% or more of the population is living below the federal poverty level according to the 2019 American Community Survey 5-year estimates published by the United States Census Bureau.

3. How would an applicant from outside of Michigan show they are an equity applicant?

The applicant needs to show their primary residence is in a disproportionately impacted community.

- a. The poverty level of a given community can be determined as follows:
 - i. Go to this link —doing so should bring you to a Census Bureau page with various search results. You can adjust the filter to add different communities on the left.
 - ii. Click “Download table” on the large screen to the right under “table is too large to display.” If you’re having trouble getting there, try to access the link on another browser or use Google Chrome’s “incognito” feature.
 - iii. Make sure the 2019 ACS 5-year estimates are selected and click “Download .CSV”.
 - iv. Save the .zip folder to your hard drive.
 - v. Open the .zip folder and click on the excel spreadsheet with “data_with_overlays” in the title.
 - vi. The “IM” Excel column titled “S1701_C03_001E” is the poverty data information.
- b. The State of Michigan’s median number of marijuana convictions was 660 for the period from 2008 through 2018, based on data provided by the Michigan State Police Criminal Justice Information Center of the total number of marijuana convictions, including possession, use, and distribution in Michigan from Nov. 1, 2008, through Oct. 31, 2018. A non-Michigan applicant must provide a conviction number higher than 660 convictions from the same time period in the county where they primarily reside to support their qualification as an equity applicant.
- c. The State of Michigan has identified the disproportionately impacted communities in Michigan here: <https://www.michigan.gov/cra/sections/social-equity-program/michigan-communities-that-meet-criteria-for-the-social-equity-program>

4. Will a purchase agreement or land contract suffice to meet the social equity criteria required for a non-equity limited license applicant?

A completed sale is required, so a purchase agreement would not be acceptable. A land contract is acceptable. The property must be sold or leased at the time of license application. However, the equity applicant buyer or lessee does not need to make an application at the same time in the same application round. It could be for any other type of limited or unlimited use, like a grower or transporter.

5. Can you apply for an adult use retailer license on an existing medical provisioning center location under a separately formed entity, so it is a co-located facility?

The zoning ordinance allows the co-location of multiple types of marijuana uses, including medical and adult use. However, some spacing restrictions may apply to one or all the uses co-located. Equivalent licenses are interchangeable (e.g. adult use retailers and medical marijuana provisioning centers are considered the same for zoning purposes.). There is no restriction on different licensees co-locating in the same building in the licensing ordinance.

6. Can an applicant using the same business name as another applicant both get a license if the owners are different?

Section 20-6-38(a)(3) provides the following:

“A license may not be awarded to an applicant if such applicant or any direct or indirect owner of such applicant is also a direct or indirect owner of (i) any other applicant applying for a license of the same type under this section, or (ii) any licensee that is the holder of a license of the same type under this section.”

Neither the applicant (the entity licensee) nor any individual owners of an interest in the applicant may have an interest in any other limited license of the same type. Each entity and individual can own all or part of ONE each adult use retailer, micro, and consumption. Two or more applicants that are separate legal entities but are using the same dba name would be discouraged.

7. If you are selling a property to an equity applicant, does the site require existing SLU approval, or if the site is already in the green zone and zoned M-4, is that acceptable?

Sec 20-6-38(a)(5) requires the property be "properly zoned and licensable," so zoning approval through the conditional land use process (<https://detroitmi.gov/departments/civil-rights-inclusion-opportunity-department/office-marijuana-ventures-and-entrepreneurship/zoning-building-permit-process-marijuana-business-owners>) is required.

It does not have to be the same property the applicant is applying for, it does not have to be ready for license application in the same round as the selling applicant, and it can be for unlimited or limited use.

8. What is the difference between a building permit, a certificate of occupancy, and a certificate of compliance?

When someone wants to build out a new business, they often pull a building permit, which shows they are authorized to do the construction. When the construction is complete, they get a Certificate of Occupancy to demonstrate that it is complete and ready for business. Then they can get a business license. Going forward, the City requires property maintenance inspections every two years and will issue a Certificate of Compliance for a passed inspection. Any of the three documents are acceptable to use to apply for a limited license.

9. If you sell two properties to equity applicants, can you get extra points?

No, the ordinance offers these options in the alternative; the options are a complete purchase or one of the two lease options.

10. How will the lottery work? For example, for the non-equity retailer license, if 10 applicants score 102, another 10 applicants score 117, and another 15 applicants score 127 do they all go in a lottery?

There are 20 non-equity adult-use retail licenses and 20 equity adult-use retail licenses available in this round. Licenses will first be awarded to the highest-scoring applicants. In this example, the first 15 licenses would be awarded to the 15 applicants who scored 127 points, which would leave 5 licenses available. Next, since 10 applicants scored 117 points, those applicants only would participate in the lottery to receive the remaining 5 licenses. The 10 applicants who scored 102 points would not participate in the lottery because there would not be licenses available after the higher-scoring applicants received licenses.

11. Can you add documents to your limited licensing application after it is submitted, as long as the supplemental information is provided before the closing date of the applications (October 1)?

Applications cannot be supplemented; however, an applicant may cancel the submission and re-submit. In that case, the applicant should use the same DivDat payment ID received with the first submission and will not have to pay another application fee. To complete the cancellation, the applicant must email homegrown@detroitmi.gov with the request to cancel and include the reference number provided to the applicant with the first submission and the address. The applicant will receive a confirmation email that the submission was canceled.

12. Because I am a Legacy Member, does that mean I already have a limited license? If not, then what are my next steps?

Applicants who are unsure how to proceed should review the information at www.homegrowndetroit.org and email homegrown@detroitmi.gov with any questions.

13. How much does it cost for a limited license, and will those fees be discounted due to me being a Legacy member?

All City of Detroit marijuana business licenses cost \$5000.00, with an application fee of \$1000.00. There are no discounts for Detroit Legacy certified applicants.

14. If I am not selected for the limited license, do I have to re-apply, or will you allow me to add to my previous application to get more points?

Any applicant not selected for a limited license in the first round can submit a new application in subsequent application periods. Previous applications cannot be supplemented or changed after submission.

15. What is the timetable for notification of being selected for a license?

This depends on the number of applications received and their relative complexity to review. However, we estimate notifications will be made 6-8 weeks after the application ends.

16. Can I apply for an Unlimited and Limited license for different businesses? (Grower and or microbusiness)

Yes. An individual may have one of each of the limited licenses (retailer, microbusiness, and consumption lounge) and may have an unlimited number of the remaining license types available.