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To: Council President Pro-Tem James Tate
From: Anthony Zander, Director
Civil Rights, Inclusion and Opportunity
Date: March 23, 2023
Re: Responses to March 17, 2023, Memo

Please find below responses to your questions dated March 17, 2023 regarding the proposed Fiscal Year 2024 Proposed Budget for CRIO.

1. Can CRIO list and define the categories of business certifications?

There are 8 categories of business certifications:

- a. **Detroit-Based Business (DBB)** certification is for businesses located within City limits, that pay personal or property taxes to the City and have done so for at least one year prior to date of application for certification, that can provide verification of these items and can verify that they can employ an adequate number of employees at their City location.
- b. **Detroit-Based Micro Business (DBMB)** certification is for businesses that meet the criteria for DBB certification and that meet the microbusiness size criterion: it has average annual gross receipts of \$1 mil or less and no more than 15 employees. The business cannot be a subsidiary of another (non-microbusiness) as defined here.
- c. **Detroit-Based Small Business (DSB)** certification is for businesses that meet the criteria for DBB certification and that meet the general definition of a small business: they have been operating for at least one year prior to date of application for certification; they not fit the definition of a microbusiness; they cannot be an affiliate or subsidiary of another business that is not a small business.
Specific size criteria apply for small businesses in manufacturing, in general construction, in specialty construction, in wholesale, in retail, in the nonprofessional service sector, and in the professional service sector:
Manufacturing: Has employed not more than 500 employees FT for three fiscal years preceding the date of application for certification.
General Construction: Has average annual gross receipts of not more than 28 million for the three fiscal years preceding the date of application for certification.
Specialty Construction: Has average annual gross receipts of not more than 12 million in the three fiscal years preceding the date of application for certification.

Wholesale: Has employed not more than 100 persons full time for each of the three fiscal years preceding the date of application for certification.

Retail: Has average annual gross receipts of not more than 6 million for the three fiscal years preceding the date of application for certification

Nonprofessional services: Has average annual gross receipts of not more than 6 million for the three fiscal years preceding the date of application for certification.

Professional services: Has average annual gross receipts of not more than 6 million for the three fiscal years preceding the date of application for certification.

- d. **Detroit Headquartered Business (DHB)** certification is for businesses that have received DBB certification and have their administrative center in Detroit. The CEO and highest-level management staff must perform more than half of their management functions within the City.
- e. **Detroit Resident Business (DRB)** certification is for businesses that employ a minimum of four employees and 51% of its employees are City residents.
- f. **Detroit Start-Up (DSU)** certification is for businesses that have been located in Detroit for fewer than two taxable years.
- g. **Woman-Owned Business Enterprise (WBE)** certification is for businesses that are 51% woman-owned.
- h. **Minority-Owned Business Enterprise (MBE)** certification is for businesses that are 51% minority-owned.

2. Please list the names of businesses in above mentioned categories.

CRIO maintains a business registry listing all businesses and their certification types at the following:

<https://detroitmi.maps.arcgis.com/apps/dashboards/c995c91ef6c44fee9d329b26bd422c87>

3. Does CRIO capture racial and ethnic demographic information of business owners annually?

No, except for businesses that certified as minority owned in which, as part of the application, owners identify their race.

4. Does CRIO request racial and ethnic demographic information from employers regarding employees annually?

No, CRIO does not collect employees' racial and ethnic information from employers.

5. Does CRIO request residency information from employers regarding employees annually?

Under Executive Order 2021-2, CRIO request Detroiters proof of residency monthly.

Under the Detroit Business Certification Program, for Detroit Resident Certification (DSB), CRIO request residency proof for the Detroit Employees on an annual basis.

6. How often does CRIO engage in compliance efforts to ensure that employers are complying with various city mandates, such as Executive Order 2021-02 or Community Benefit Agreements?

*Pertaining to projects that fall under **EO 2021-2**, analysts review General and Subcontractors certified payroll and proofs of residency which allow them to calculate the percentage of qualified hours and workforce contribution fees. Executive Order 2021-2 projects are monitored on a monthly basis. Additional monitoring activities include:*

- *Attending pre-bid and pre-construction meetings*
- *Hosting on-boarding meetings for public projects (Public Works and Water Department) to inform contractors of their compliance responsibilities*
- *Pro-active outreach and onboarding meetings for private DEGC projects*
- *Monthly update meetings with multiple City Departments and DEGC to gain updates on current and upcoming Executive Order projects*
- *Daily compliance efforts during the life of a project*
- *Monthly engagement with contractors regarding EO compliance, including site visits for those projects that fall below 30%*

*For projects falling under the **Community Benefits Ordinance**, CRIO releases community benefits reports twice a year detailing each project's progress and compliance standing for each provision in its Community Benefits Agreement. In order to produce these reports, CRIO engages in the following monitoring activities:*


- *Surveys the developer with a targeted twice per year with a questionnaire asking the developer to provide detailed information on each of its commitments*
- *Conducts site visits and interviews the developer*
- *Engages with the developers and City departments through the duration of the project to adequately measure progress outside of the biannual reporting periods*
- *Works with relevant City Departments to investigate informal and formal complaints that it receives regarding the Community Benefits Agreement from citizens and members of the Neighborhood Advisory Council*

7. Which divisions within the department staff compliance officers?

The division is 290030-CRIO Compliance Fees.

8. What is the difference between inspectors and compliance officers?

CRIO has Compliance Analysts, a manger and a Compliance Director, all who are responsible for compliance; we do not employ "inspectors."

DocuSigned by:

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