

# GOOD NEIGHBOR PLAN OPTIONS & FAQ



Civil Rights, Inclusion  
and Opportunity  
OFFICE OF CANNABIS AFFAIRS

## GOOD NEIGHBOR PLAN OPTIONS

Licensees must select and comply with at least one of the following Good Neighbor Plan options. See page two for more details about each option.

- **Option A** — Maintained at least 50% of full-time employees who are Detroit residents or have a prior controlled substance record for jobs paying at least \$15 an hour in 2025.
- **Option B** — A retailer purchasing and displaying products from a Detroit licensed processor or grower at least 12 times in 2025. Each purchase must have been at least \$2,500.
- **Option C** — A grower or processor that made 25% of Detroit retailer sales in 2025 to an equity retailer destination.
- **Option D** — Must be either: (1) a processor in a CRA approved management agreement with a Detroit resident-owned brand that produced and distributed the product to licensed retailers in Detroit for the brand at least twelve (12) times in 2025; or  
(2) a retailer that purchased and displayed Detroit resident-owned brands developed under a CRA approved management agreement at least twelve (12) times in 2025. Each sale or purchase must be at least \$1,000 wholesale, and Detroit residency must be verified.
- **Option E** — Donate annually a minimum of one quarter of one percentage point (.25%) of the licensee's annual gross sales for 2025 to a duly organized Detroit-based 501(c)(3) charitable organization; or to the Homegrown Social Equity Fund established by the City of Detroit for the purpose of funding social equity initiatives, licensee programming and substance use prevention programs.

# Good Neighbor Plan Options

**Option A**—Licensees may satisfy their GNP obligation by maintaining at least 50% of full-time employees (averaging 30+ hours per week or 130+ hours per month) as either Detroit residents or individuals with a prior controlled substance record related to marijuana offenses before November 7, 2018.

**Option B**—Retailer licensees may satisfy their GNP obligation by making at least 12 purchases during the measurement period from Detroit-licensed processors or growers with each purchase totaling at least \$1,000 wholesale and displaying those products.

**Option C**—Grower or processor licensees may satisfy their GNP obligation by making at least 25% of their sales to Detroit retailers during the measurement period to equity retailer destinations. Transactions between entities with common ownership are prohibited for purposes of meeting this threshold.

**Option D**—This option allows processors or retailers to satisfy their GNP obligation through CRA-approved management agreements with Detroit resident-owned brands, requiring at least 12 transactions during the measurement period with each transaction meeting the \$1,000 wholesale minimum.

**Option E**—Licensees may satisfy their GNP obligation by donating at least 0.25% of annual gross sales to either a Detroit-based 501(c)(3) charitable organization or the Homegrown Social Equity Fund. Donations to organizations where a licensee owner serves as a board member or founder are not accepted. Licensees are encouraged to support organizations providing services such as housing assistance, food security, reentry programs, youth programs, community health and workforce development.

**Homegrown Information**—Licensee may make a donation to the City of Detroit Homegrown Social Equity Fund. Donations to the Homegrown Social Equity Fund may be made as follows:

- By ACH or wire transfer to the MiCIA Detroit Homegrown Fund at Dart Bank, Account No. 27452192, Routing No. 072410903
- By check made payable to "MiCIA Detroit Homegrown" mailed to MiCIA, 101 S. Washington Square, Suite 820, Lansing, Michigan 49933

**How to Initiate the Audit Process**—Unlike last year, licensees will no longer need to initiate the audit process by contacting the auditor directly. To begin the audit process, licensees should do the following:

1. Complete the 2026 Detroit Cannabis Business License Renewal Application.
2. Upload all documentation required to complete the renewal application and the GNP audit.
3. Address any outstanding document requests and/or questions regarding the GNP audit or renewal application by the close of the renewal season on Sept. 30, 2026.

**Licensees are strongly encouraged to complete and submit the 2026 Detroit Cannabis Business License Renewal Application as early as possible within the renewal season to avoid processing delays.**

**Documentation Requirements**—Each option has specific documentation requirements that must be submitted during the audit process. Documentation typically includes:

- METRC transaction reports in PDF format
- Employee rosters and payroll summaries (for Option A)
- Verification of residency or CRA-approved agreements (as applicable)
- Donation acknowledgments and financial reports (for Option E)



# Good Neighbor Plan FAQs



**Who Must Comply**—The Good Neighbor Plan Audit applies to all adult-use cannabis licensees that have been operational for at least twelve (12) months. All such licensees must comply with GNP audit as a condition precedent to renewal of any applicable license.

**Measurement Period**—The measurement period for all GNP options is January 1 through December 31 of the calendar year immediately preceding the audit year. For the 2026 renewal cycle, the measurement period is the 2025 calendar year. All adult-use licensees' progress will be measured by the time they have been operational — licensees do NOT need to be operational for 12 months.

**Administrative Flexibility**—The Department may issue administrative guidance, forms and procedures to implement and administer the Good Neighbor Plan Audit. Some guidelines may conflict with previous practices as the City adjusts and aligns all licensees on the same timeline for administrative efficiency.

**Review Process**—Following the submission of documents that correspond to the selected GNP option, the licensee will be contacted by an auditor. The licensee will be notified that their GNP audit is complete or that additional documentation will be required before the audit can be closed for the year.

**Contact Information**— Good Neighbor Plan auditors:

**Joe Peterson and Lizbeth Lopez-Bermudez**

Email: [GNPAudit@plunkettcooney.com](mailto:GNPAudit@plunkettcooney.com)



**Civil Rights, Inclusion  
and Opportunity**

**OFFICE OF CANNABIS AFFAIRS**

# City of Detroit Office of Cannabis Affairs

## Cannabis Business License Renewal

### 2026 Good Neighbor Plan Guidelines

#### **Measurement Period and Process**

These guidelines are provided to assist licensees in complying with the 2026 Good Neighbor Plan (GNP) Audit.

The measurement period for all Options discussed below shall be January 1 through December 31 of the calendar year immediately preceding the audit year. For the 2026 renewal cycle, the measurement period shall be the 2025 calendar year. All adult use (“AU”) Licensees’ progress will be measured for the period in which they have been operational even if that is less than twelve (12) months. Licensees do NOT need to be operational for 12 months.

#### **General Provisions**

The following provisions govern compliance by licensees with the annual Good Neighbor Plan Audit.

1. The guidelines set forth herein are intended to assist licensees in complying with the annual Good Neighbor Plan Audit and shall apply to all AU cannabis licensees that were operational in 2025.
2. All licensees must comply with the GNP audit as a condition to renewal of any applicable City of Detroit license.
3. The Office of Cannabis Affairs (“OCA”) or the auditor may issue administrative guidance, forms, and procedures to implement and administer the GNP Audit.

#### **Audit Process**

1. Each licensee shall be responsible for initiating the required annual Good Neighbor Plan Audit prior to renewal of its license or licenses.
2. To initiate the audit, licensees must complete and submit the Good Neighbor Plan Audit Submission form (email sent to all applicants from the OCA) and submit all required documentation.

3. If a licensee does not initiate the audit, the auditor shall provide electronic notice to the licensee during the renewal season of each calendar year, requesting documentation demonstrating compliance with the GNP commitment selected upon renewal in the prior year.
4. Licensees are encouraged to commence the audit process as early as possible once they receive the Good Neighbor Plan Audit Submission form. All submissions must be received no later than June 1<sup>st</sup> to be considered during the license renewal process.

### **Good Neighbor Plan Options**

A licensee must select and comply with at least one of the following GNP options.

#### **Option A – Maintained at least 50% of full-time employees who are Detroit residents or have a prior controlled substance record for jobs paying at least \$15 an hour in 2025**

1. A licensee may satisfy its GNP obligation by maintaining, during the applicable measurement period, at least fifty percent (50%) of its full-time employees as a combination of:
  - a. Residents of the City of Detroit; and/or
  - b. Individuals who have a prior controlled substance record, as defined in subsection 3 of this option.
2. For purposes of this option, “fulltime employee” means an individual who averages at least thirty (30) hours of service per week, or one hundred thirty (130) hours of service per month, with the licensee. The employee must earn a minimum of \$15 per hour.
3. “Prior controlled substance record” means that the employee has been convicted as an adult or adjudged to be a ward of the juvenile court for any crime relating to the sale, possession, use, cultivation, processing, or transport of marihuana prior to November 7, 2018, as defined in Sec. 20-6-2 of Ordinance No. 2022-11.
4. Documentation required for Option A shall include, at a minimum:
  - a. A current employee roster; and
  - b. An Annual Hiring Summary Sheet that lists each person employed by the licensee during the measurement period, identifies each as a Detroit resident or non-Detroit resident, states the hourly rate for each, and, if applicable, the date employment ended; and
  - c. Quarterly payroll summaries that include a list of employees, their hourly rate, and payroll information; and

- d. Copies of current government issued identification for each Detroit resident employed by the licensee during the measurement period, sufficient to verify residency; and
- e. Identification of any owners included in the calculation who are paid as employees.

**Option B – A Retailer purchasing and displaying products from a Detroit licensed Processor or Grower at least 12 times in 2025. Each purchase must have been at least \$2,500**

1. A Retailer licensee may satisfy its GNP obligation by purchasing and displaying during the **applicable measurement period** products from a Detroit licensed Processor or Grower provided that the licensee makes not fewer than twelve (12) such purchases during the measurement period and that each purchase is at least \$2500 wholesale.
2. Documentation required for Option B shall include, at a minimum:
  - a. Marijuana Enforcement Tracking Reporting and Compliance (“METRC”) transaction reports identifying the seller, provided in PDF format.

**Option C – A Grower or Processor that made 25% of Detroit retailer sales in 2025 to an Equity Retailer destination. \*\***

1. A Grower or Processor licensee may satisfy its Good Neighbor Plan obligation by making at least twenty five percent (25%) of its sales to Detroit retailers during the measurement period to Equity Retailer destinations.
2. For purposes of this Option, only transactions involving Equity Retailers as listed in the above Equity Retailer link found in Option C (1) located within the City of Detroit shall be included when calculating the twenty-five percent (25%) threshold. To meet the 25% threshold, 1 out of 4 transactions to a Detroit retailer shall be to an Equity Retailer.
3. Transactions between a grower or processor and a retailer that share common ownership are may not be counted for the purpose of meeting the 25% sales threshold.
4. Documentation required for Option C shall include METRC transaction reports in PDF format that identify each purchaser.
5. The OCA has made available to licensees the current list of Equity Retailers which can be found here.

**\*\*Required Acknowledgment:** By choosing this Option, the Licensee hereby acknowledges that there is no common ownership<sup>1</sup> between the Grower or Processor and any Equity Retailer counted toward satisfaction of the twenty-five percent (25%) sales requirement under this Option. Any sale made to an Equity Retailer with common ownership will NOT be counted.

**Option D – Must be either (1) a Processor in a CRA approved management agreement with a Detroit resident-owned brand that produced and distributed the product to licensed Retailers in Detroit for the brand at least twelve (12) times in 2025; or (2) a Retailer that purchased and displayed Detroit resident-owned brands developed under a CRA approved management agreement at least twelve (12) times in 2025. Each sale or purchase must be at least \$1,000 wholesale, and Detroit residency must be verified**

1. Documentation required for Option D shall include, at a minimum:
  - a. METRC transaction reports in PDF format that identify the purchaser; and
  - b. Verification that the Processor is in a CRA-approved management agreement with a Detroit resident whose brands are produced and sold under this Option.

**Option E – Donate annually a minimum of one quarter of one percentage point (.25%) of the Licensee’s annual gross sales for 2025 to a duly organized Detroit-based 501(c)(3) charitable organization; or to the Homegrown Social Equity Fund established by the City of Detroit for the purpose of funding social equity initiatives, licensee programming, and substance use prevention programs.**

1. A licensee may satisfy its GNP obligation by donating, on an annual basis, a minimum of one quarter of one percentage point (0.25%) of the licensee’s annual gross sales. To determine the annual donation, a licensee should multiply the total gross sales made in Detroit by .0025.
2. Donations made to satisfy the requirements of Option E should be made to:
  - a. A duly organized, Detroit -based 501(c)(3) charitable organization;
    - I. Detroit-based means:
      - A. An office or physical location in Detroit; or
      - B. Providing programs or services earmarked for Detroit residents

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<sup>1</sup> Common ownership means two or more state operating licenses or two or more equivalent licenses held by one individual or one entity.

b. The Homegrown Social Equity Fund established by the City of Detroit for the purpose of funding social equity initiatives, licensee programming, and substance use prevention programs.

3. Documentation required for Option E shall include, at a minimum:
  - a. A METRC report of all sales **for the measurement period** in PDF format and, if applicable, a letter from a certified public accountant or other qualified professional identifying any transactions to be excluded from gross sales (including, but not limited to, internal transfers for vertically integrated licensees)<sup>2</sup>;
  - b. Verification that all donations were made by the licensee entity; and
  - c. For donations to 501(c)(3) organizations, an acknowledgment from each recipient organization on its letterhead, which shall include the organization's headquarters address, employer identification number (EIN), IRS exemption determination letter [?], the amount and date of the donation, and language substantially similar to the following:

“Acknowledgement of your \$\_\_ donation to [organization name] on [date]. [Organization name] is a 501(c)(3) tax exempt charitable organization. Your contribution is tax deductible to the extent allowed by law. No goods or services were provided in exchange for your generous financial donation.”
4. Donations to the Homegrown Social Equity Fund may be made as follows:
  - a. By ACH or wire transfer to the MiCIA Detroit Homegrown Fund at Dart Bank, Account No. 27452192, Routing No. 072410903; or
  - b. By check payable to “MiCIA Detroit Homegrown” mailed to MiCIA, 101 S. Washington Square, Suite 820, Lansing, Michigan 49933.
5. Donations made to any 501(c)(3) organization where a licensee owner is an affiliated person to the charity as a board member, founder, or in any similar capacity shall not be accepted to satisfy this Option. An “affiliated person” is defined as entities related by common ownership<sup>3</sup>.
6. Licensees are strongly encouraged to direct contributions under this Option to organizations providing one or more of the following services or programs within the City of Detroit:
  - a. Services for individuals who are unhoused;
  - b. Programs addressing food insecurity for children and families;
  - c. Reentry services for formerly incarcerated individuals, including housing, job placement, and counseling;

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<sup>2</sup> Auditor will review sales and verify whether minimum threshold is met (.0025 x Gross Sales). Auditor may advise Licensee to make an additional donation to meet threshold, if necessary.

<sup>3</sup> <https://www.michigan.gov/taxes/business-taxes/wholesale-marihuana-tax/definitions>; paragraph 5.

- d. Youth programs and violence prevention initiatives that provide positive opportunities and safe spaces for young people;
- e. Community health and wellness programs, including mental health, addiction recovery, and related services, particularly in communities impacted by substance misuse and systemic inequities; and
- f. Workforce development.
- g. 501(c)(3) charities from the list of preferred charities provided by the City of Detroit ('see attached' or provide a link here).

**\*\* Required Acknowledgment:** By choosing this Option, the Licensee hereby represents and guarantees that the 501(c)(3) organization does not have common ownership (i.e., neither the Licensee nor the spouse of the Licensee or their respective spouses, siblings, children, ancestors) is not a board member or founder of the charitable organization). Any donation made to a 501(c)(3) with common ownership will NOT be counted.