

CITY COMMISSION POLICY

 GRAND RAPIDS MICHIGAN	POLICY NUMBER: 900-59 DATE: August 9, 2022 PROCEEDING#: 91937 DEPARTMENT: Planning	PROCEEDING#	DATE
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SUBJECT: CANNABIS SOCIAL EQUITY POLICY

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1 INTRODUCTION

1.1 Foreword

The replacement of underground cannabis markets with licensed cannabis businesses has the potential to have an unprecedented impact on our consumer economy and social system at all levels. As we transition into the age of legalized cannabis, it is important that we prioritize the first objective listed in the City’s Strategic Plan, which is to “embed equity throughout government operations.” With that objective in mind, we are committed to creating equitable policies and opportunities that address the historical systemic and institutional injustices often connected to cannabis. To achieve success, it is critical that we support and incentivize a diverse, equitable, and inclusive cannabis industry. To reach this goal, we will embrace our core values of accountability, customer service, equity, innovation, collaboration, and sustainability.

In their 2013 report, “The War on Marijuana in Black and White,” the American Civil Liberties Union found that “despite the fact that marijuana is used at comparable rates by Whites and Blacks, state and local governments have aggressively enforced marijuana laws selectively against Black people and communities.” As such, African Americans are more likely to be arrested and prosecuted for possession of cannabis. The report further states that “the higher arrest, conviction and incarceration rates in communities of color is not reflective of a greater percentage of illegal activity, but rather of systemic discrimination including, but not limited to, disparate policing of urban areas, low income communities, and communities of color.”

Nationwide, significant harm has been caused to communities of color by the War on Drugs and oppressive cannabis regulation. Through partnerships with business allies and community we have the ability to be on the right side of history and help make real change – equitably. This Policy is intended to be a step toward helping to support equitable economic initiatives, including job creation, removing barriers to local ownership, and contracting opportunities for traditionally disadvantaged groups within the community. The Strategic Plan for the City of Grand Rapids details our commitment to “advancing equitable outcomes and opportunities.” This Cannabis Social Equity Policy is an important extension of that commitment.

1.2 Authority, Purpose, and Applicability

Authority

- City Commission “Resolution approving a City Commission policy to advance social equity within the cannabis industry” (7/7/2020)

- Chapter 105 "Cannabis Related Municipal Licensing" of the City Code authorizes the City to discount fees, issue multi-year licenses, and prioritize the review of applications in accordance with the Cannabis Social Equity Policy
- Chapter 61 "Zoning Ordinance" of the City Code regulates land use by cannabis facilities

Purpose

In support of the City’s Strategic Plan, the purpose of this Policy is to:

- Establish expectations and voluntary commitments for all recreational cannabis applicants
- Employ strategies that enhance the growth and development of traditionally disadvantaged local, small, and emerging businesses
- Enhance business and real-estate ownership by people from communities that have been disproportionately affected by cannabis prohibition and enforcement, and to positively impact those communities
- Increase employment opportunities for socioeconomically disadvantaged groups
- Improve supplier opportunities for socioeconomically disadvantaged groups
- Increase opportunities within our Neighborhoods of Focus; and
- Eliminate and reduce barriers of entry into the cannabis industry.

2 DEFINITIONS

As used in these Policy guidelines, the following definitions apply:

TERM	DEFINITION
Cannabis	Medical: Cannabis as recommended by a doctor in the treatment of a diagnosed medical condition as evidenced by the issuance of a state medical card. Recreational: Cannabis that is used without diagnosis of a specified medical condition and user is not issued a state medical card.
Cannabis Conviction	Conviction(s) related to cannabis within the limitations specified below (limitations to qualification under this definition are as follows) <ul style="list-style-type: none"> • Conviction occurred between 1971-2018 • Conviction occurred in Kent County • Applicant must not have a conviction for selling cannabis to a minor as this conviction does not meet application criteria¹
City	City of Grand Rapids.
Community Cannabis Reinvestment Fund	An innovative financial mechanism to help increase the flow of capital to desired initiatives outlined in this policy.
Compliance	Acting in conformity with a rule, policy, standard, law, or regulation.
Diversity	Inclusion of different types of people.

¹ See Section 4(c) of the Michigan Regulation and Taxation of Marihuana Act (MRTMA) explicitly states “any person under the age of 21 to possess, consume, purchase or otherwise obtain, cultivate, process, transport, or sell marihuana.”

TERM	DEFINITION
Equity	Exists when an organization succeeds in removing and preventing barriers created by systemic and institutional injustice.
Equity Applicant (EA)	<p>An Equity Applicant is an individual that meets 3 of 6 of the criteria:</p> <ol style="list-style-type: none"> 1. Has a Kent County cannabis conviction(s) and/or a finding of responsibility for violation of City of Grand Rapids Charter Paragraph 292 “Restrictions of Marijuana” Section (a)² between the years 1971-2018 2. A guardian, grandparent, parent, sibling, or current spouse has a record of cannabis related offenses or was incarcerated due to a cannabis related conviction in Kent County and/or a finding of responsibility under Charter 292³ 3. Grand Rapids Resident was displaced from housing due to cannabis related offenses, or other documented experiences of housing injustice as determined on a case-by-case basis (within Kent County) 4. Grand Rapids Residency - at least 10 years between 1971-2016 within Neighborhoods of Focus 5. Income is no more than 80% of current Kent County area median income for five of the last ten years as calculated by Housing and Urban Development (HUD) at time of application.⁴ 6. Suffered at least one type of economic harm due to cannabis-related infractions <ol style="list-style-type: none"> a. Education injustice <ol style="list-style-type: none"> i. Denial of FAFSA ii. College expulsions iii. High school suspensions b. Employment <ol style="list-style-type: none"> i. Cannabis-related discipline c. Public Assistance <ol style="list-style-type: none"> i. Loss of public assistance d. Any other form of economic harm, as defined on a case-by-case basis
Equity Employee	An employee that meets the same criteria listed for Equity Applicant.
Incubator	A company or organization committed to nurturing the growth and success of startup and early stage companies.
Micro-Local Business	<p>A business designation provided by the City of Grand Rapids to businesses that meet all of the following criteria:</p> <ol style="list-style-type: none"> 1. Business Age: Verification that the business has been in operation for a minimum of two full years

² City of Grand Rapids Charter Paragraph 292 “Restrictions of Marijuana” Section (a) “No person shall possess, control, use, or give away marijuana or cannabis, which is defined as all parts of the plant cannabis sativa L., whether growing or not; its seeds or resin; and every compound, manufacture, salt, derivative, mixture, or preparation of the above, unless such possession, control, or use is pursuant to a license or prescription as provided in Public Act 196 of 1971, as amended. This definition does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compounds, manufacture, sale, derivative, mixture or preparation of the mature stalks, except the resin extracted therefrom, fiber, oil or cake, or the sterilized seed of the plant which is incapable of germination.”

³ City of Grand Rapids Charter §292(a)

⁴ <https://www.grandrapidsmi.gov/Government/Programs-and-Initiatives/Homebuyer-Assistance-Fund/Community-Development-Program-Income-Limits>

TERM	DEFINITION
Enterprise (MLBE) ⁵	<ol style="list-style-type: none"> 2. Registration: Verification of registration with the following entities: <ol style="list-style-type: none"> a. Federal Government’s System for Award Management (SAM), formerly known as the Central Contractors Registry (CCR), database as a small business b. City of Grand Rapids Purchasing Department 3. Location: Verification that the principle place of business has been in operation for at least six (6) months from a fixed office located in Kent County, Michigan. The local office must operate in accordance with the following criteria: <ol style="list-style-type: none"> a. The local office functions on a daily or regular basis, and provides all services to operate the business for which certification is sought b. The local office contains all fixtures, equipment and/or space necessary to operate, including but not limited to, as appropriate, floorplan, computer(s), software, copy machine(s), furniture, vehicle(s), tools, appliances and/or machinery necessary to operate the business for which certification is sought c. The local office must be the main office for assigned personnel who conduct the business' activities necessary to operate the local business for which certification is sought 4. Business Size: Verification that the latest three-year average business revenue or number of permanent employees is 25% or less of the Small Business Administration’s (SBA) NAICS industry small business standards 5. Personal Net Worth: Verification that the controlling owners’ (totaling 51% or more) individual personal net worth, as determined for SBA (8a) status (13CFR124.104), is \$250,000 or less at the time of initial application. For continued Micro-LBE eligibility after admission to the program, net worth shall not exceed \$750,000
Minority	<p>A person who is actual or perceived to be:</p> <ol style="list-style-type: none"> a. Black, a person having origin in any of the black racial groups of Africa b. Hispanic or Latino, a person of Cuban, Mexican, Puerto Rican, South or Central American ancestry. Persons with European Spanish ancestry are not included as Hispanic or Latino for purposes of these administrative guidelines c. Asian American, a person having origins in any of the original people of the Far East, Southeast Asia, the Indian sub-continent, or the Pacific Islands d. American Indian, a person having origins in any of the original peoples of North America
Minority Business	<p>A business whose majority owner(s) and operators identify and/or certified as one or more of the identified minority groups listed in our Minority definition.</p>

⁵ See Equal Business Opportunity-Construction (City Commission Policy 600-12) and Goods and Services (City Commission Policy 600-15) Administrative Guidelines.

TERM	DEFINITION
Enterprise (MBE) ⁶	
Neighborhoods of Focus (NOF)	17 Census tracts in Grand Rapids, Michigan as defined by the W.K. Kellogg Foundation.
Prioritization	The ranking earned through establishment of Equity Applicant status or through voluntary participation in the social justice program as an Applicant Advancing Equity under these policy guidelines.
Resident Owner	Residents who: <ol style="list-style-type: none"> 1. Have lived in Grand Rapids for at least 10 years between 1971-2016 2. Maintain a minimum of a 25% financial stake in the company, decision-making rights and/or incur the potential for economic risk and reward as defined by the company's Articles of Incorporation and/or Operating Agreement
Sanction	A penalty for actions that are contrary to a prior written agreement with the City of Grand Rapids.
Supplier Diversity	A proactive business program which encourages the use of diverse suppliers. A diverse supplier is, in the broadest sense, a business owned and operated by an individual or group that is part of a traditionally underrepresented or underserved group.
Women Business Enterprise (WBE)	A business whose majority owned and operated by one or more women.

3 POLICY OVERVIEW

3.1 Voluntary Participation

This document shall be made available for use by all applicants applying for a City of Grand Rapids cannabis related business license or related zoning approval.

Participation in the Cannabis Social Equity Program, and any components thereof, is entirely voluntary. The selection by the applicant of any voluntarily offered conditions on the form provided by the City is at the applicant's sole discretion. However, once a completed and signed and witnessed form has been submitted with a license or a zoning application and is accepted by the City, it shall be considered legally enforceable if approved. All conditions voluntarily offered by the Applicant shall be included on the form provided by the City and shall be part of the final approval of the license and zoning.

3.2 Participation Point Allocation

The social equity commitment levels in each category detailed below accumulate points that determine the priority for license and zoning application review and approval, as well as renewal license duration and frequency of license renewal. Points may be earned in any or all five categories. Up to 3 unweighted points may be earned in each category.

⁶ See Equal Business Opportunity-Construction (City Commission Policy 600-12) and Goods and Services (City Commission Policy 600-15) Administrative Guidelines.

The points achieved in each category are then weighted according to a factor assigned to each category in order to produce a weighted point total. Up to 45 weighted points may be gained by participation.

CATEGORY	POINTS	WEIGHT
Local Ownership	0-3	3
Workforce Diversity	0-3	3
Supplier Diversity	0-3	2
New Business Development (Minority Business Incubator)	0-3	3
Cannabis Community Fund Investment	0-3	4

Each category detailed below will accumulate prioritization points for application review and approval. Participation allows a total of 45 points. The City will use the weighted point totals included in each application to determine:

- Prioritization order of applicant review for a cannabis license and zoning approval from the City of Grand Rapids
- License renewal for duration and frequency

3.3 Equity Applicant

An Equity Applicant is an individual that meets at least three of the following six criteria:

1. Has a Kent County cannabis conviction(s) and/or a finding of responsibility for violation of City of Grand Rapids Charter Paragraph 292 “Restrictions of Marijuana” Section (a) between the years 1971-2018
2. A guardian, grandparent, parent, sibling, or current spouse has a record of cannabis related offenses or was incarcerated due to a Kent County cannabis related conviction and/or a finding of responsibility under Charter 292⁷
3. Grand Rapids Resident was displaced from housing due to cannabis related offenses, or other documented experiences of housing injustice as determined on a case-by-case basis (no farther than Kent County)
4. Grand Rapids Residency – at least 10 years between 1971-2016 within NOF
5. Income is no more than 80% of current Kent County area median income for five of the last ten years as calculated by Housing and Urban Development (HUD) at the time of application⁸
6. Suffered different types of economic harm due to cannabis-related infractions
 - a. Education injustice
 - i. Denial of FAFSA
 - ii. College expulsions
 - iii. High school expulsion
 - b. Employment
 - i. Cannabis-related discipline
 - c. Public Assistance

⁷ City of Grand Rapids Charter §292(a)

⁸ <https://www.grandrapidsmi.gov/Government/Programs-and-Initiatives/Homebuyer-Assistance-Fund/Community-Development-Program-Income-Limits>

- i. Loss of public assistance
- d. Any other form of economic harm, as defined on a case-by-case basis

For purposes of assigning priority consideration for zoning and licensing applications, businesses more than 50% owned by Equity Applicants shall be considered Tier 1 applicants (See section 4.2).

3.4 Application Advancing Equity

An Application Advancing Equity is determined by achieving at least 20 of 45 points accumulated through voluntary participation the Cannabis Social Justice program that significantly advances equity.

3.5 Social Justice Policy Administration & Nonprofit

CITY ADMINISTERED	NONPROFIT ADMINISTERED
<i>Non-discrimination policy (Mandatory)</i>	<i>HR Diversity, Equity, and Inclusion Policy</i>
<i>Socioeconomically disadvantaged and Neighborhoods of Focus</i>	<i>Socioeconomically disadvantaged and donor specific gifts in line with nonprofit purpose and bylaws</i>
1. Supplier Diversity (Sec. 3.6.3)	1. Supplier Diversity
2. Regular Employee Diversity (Sec 3.6.2)	2. Regular Employee Diversity
3. Management Diversity (Sec. 3.6.1)	3. Management Diversity
4. Voluntary Investment in Community Fund (Sec. 3.6.4)	4. Community Investment Funding and Administration
5. License Renewals (Various Intervals)	5. Wage Rate Considerations
6. Real Estate Ownership (Sec. 3.6.1)	6. Non-Cannabis Business Incubators in NOF
	7. Cannabis Business Incubators in NOF
	8. Distribute Loans and Grants
	9. Receive Equity Champion Certification

3.6 Social Equity Policies

3.6.1 Local Ownership

Local ownership is achieved when Resident Owners have at least 25% of the ownership of the cannabis business or real estate interest, which may include either an operating company or a real estate holding company, or both.

The total percentage calculated will be based upon the total financial allocation of risk and reward to the Resident Owners as a percentage of the total.

Local Ownership Point System – Meet the criteria and earn points for either A or B below:

A. Local ownership in the facility

OWNERSHIP %	POINTS
0%-24.9%	0
25%-33.9%	1

34%-65.9%	2
66%-100%	3

- B.** Local ownership in the underlying real estate owned or leased by the applicant/licensee for this business

OWNERSHIP %	POINTS
0%-24.9%	0
25%-49.9%	1
50%-74.9%	2
75%-100%	3

3.6.2 Workforce Diversity

Workforce Diversity is achieved when companies are committed and demonstrate the intent to recruit, hire and promote equity applicants from diverse backgrounds for positions throughout the company.

A commitment to maintaining a diverse workforce and supporting actions to further diversity within the cannabis industry is critically important to reduce economic disparities and harm experienced by communities of color caused in part by the War on Drugs.

- A.** Year 1 – points are awarded based on submission of a Social Equity Plan that includes the following criteria, along with a commitment to achieve one of the percentage ranges listed in B, below:
- i. Cannabis convictions (other than distribution to a minor) not a barrier to employment
 - ii. Intentional strategies and investments to recruit for employment Grand Rapids residents that meet one or more criteria of Equity Applicant
 - iii. Giving GR NOF residents the first round of interview
 - iv. Other approved strategies as described by the company on a case by case basis
- B.** Year 2 and after – points are awarded based on the actual diversity of the workforce
- i. Percentage of workforce diversity defined as employees that meet one or more Equity Employee criteria

WORKFORCE DIVERSITY %	POINTS
0% - 24.9%	0
25.0% – 49.9%	1
50.0% - 74.9%	2
75% - 100%	3

3.6.3 Supplier Diversity

Supplier Diversity is a proactive business program which encourages the use of diverse suppliers. A diverse supplier is, in the broadest sense, a business owned and operated by an individual or group that is part of a traditionally underrepresented or underserved group. There are many different diverse businesses categories. A common example is Minority-owned Business Enterprises (MBE's). This requirement can be met by utilizing Minority-Owned Business Enterprises, Women-Owned Businesses or Micro-Local Businesses whenever possible in construction activity and purchasing of supplies.

Companies committed to integrating local minority-owned businesses into their supply chain will be awarded points based on their annual spend percentage with these firms. Annual spend is determined by the total fiscal/year end operational cost and the percentage of these costs spent with minority business enterprises. Operational costs exclude utilities and taxes.

The following is a schedule of point percentages based upon minority business enterprise participation achieved by the company:

SUPPLIER DIVERSITY %	POINTS
0% - 4.9%	0
5.0% - 9.9%	1
10.0% - 23.9%	2
24.0% - 100%	3

Documentation/Validation Process:

- Vendor policy
- Purchasing policy
- Existing contracts
- Annual review of dollars spent on all business contracts

3.6.4 *New Business Development*

STRATEGY	POINTS
Mentor-Protégée	1
Mentor + External Incubation Support (Cannabis)	2
Mentor + External Incubation Support (Non-Cannabis)	2
Mentor + Support for Internal Incubation (Cannabis)	3
Mentor + Support for Internal Incubation (Non-Cannabis)	3
Contribution over 2% of gross sales to the Community Investment Fund for business incubation support (restricted funds in addition to any contributions made)	3

Mentor

A mentor is someone who offers their knowledge, wisdom, and advice to someone with less experience. In a business mentor program, both the mentor and the mentee gain personal and professional experience.

Incubation

Due to the difficulty of starting a business in various industries, business incubators provide services which helps new and start-up companies to get through initial hurdles in starting up a business as many start-up companies, particularly equity applicants, may lack many necessary resources, experience, and networks. The incubator helps alleviate these barriers as it assists new and startup companies to develop, launch, manage, and grow their new business. These hurdles may include space, funding, legal, accounting, computer services and more.

Cannabis Incubator

A company that provides below market or free space and "incubates" Equity Applicants. Incubator qualifications: The applicant must provide an Equity Applicant with all of the following:

- Essential resources and guidance to plan, launch, manage, and grow their business
- One to three years of below market or rent-free commercial space /non-commercial space (as applicable to the business type)
- Access to commercial space to conduct its business operations
- All required security measures as determined by state and local cannabis industry regulations

Other Non-Cannabis Business Incubator

A company that provides below market or free space and "incubates" non-cannabis businesses that meet the definition of Equity Applicants. Incubator qualifications: The applicant must provide incubated businesses all of the following:

- Essential resources and guidance to plan, launch, manage, and grow their business
- One, two, or three years (aligned with license duration) of below market or rent-free commercial space
- Access to appropriate business space(s) (as applicable to the business type) to conduct its business operations
- All required state and local security measures

This commercial/non-commercial space may be located either at the Applicant's place of business or in another location in zones approved for that specific type of cannabis related business activity.

Reinvestment Funding

The Grand Rapids Community Cannabis Reinvestment Fund is envisioned to be administered by a nonprofit entity and will receive funding from voluntary donation commitments, investments by the City from cannabis industry proceeds, grants and other sources. Contingent upon sufficient generation of funds, the fund will operate for the public benefit via the administration of social equity programs, grants, loans and community investments.

Nonprofit permitted activities:

- Grants/lending according to criteria beyond the City's authority
- Accept tax-deductible donations from marijuana industry participants and others
- Funding of initiatives within Neighborhoods of Focus

Applicants can earn points by voluntarily investing in the Fund on a scheduled basis matched to the length of their license. The number of years for the investment of donation amounts is based upon the length of the license certification. An applicant seeking to receive points can meet this requirement by signing a commitment to invest the following amounts:

SELECT PERCENTAGE OF	POINTS BASED ON SALES PERCENTAGE AND # OF YEARS
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GROSS CANNABIS SALES	
0.50%	1
1%	2
2%	3

4 APPLICATION & SELECTION

4.1 Expedited Review Eligibility Criteria

Eligibility

A point system has been established to support the City's commitment to administer equitable policies and opportunities that address the historic, systemic and institutional injustices connected to cannabis. The points will be used to prioritize rankings for the review process for adult-use cannabis licensing and land use applications, the term of renewal licenses and to further the purposes of this Policy.

Both zoning and licensing applications for adult-use cannabis will be reviewed and processed in accordance with the review schedules outlined in Sections 4.2.2 and 4.2.3 of this Policy. An Administrative Policy will provide further detail about the proposed review and tiebreaking processes with the intent of furthering the goals of this Social Equity Policy.

4.2 Prioritization and Selection

4.2.1 Prioritization Tiers

Based on the number of points accumulated through the voluntary commitments offered by the applicant, the application will be sorted into one of five Priority Tier categories for license and zoning application review/approvals and renewals:

PRIORITY TIER	POINTS EARNED
1	40+
2	30-39
3	20-29
4	10-19
5	0-9

4.2.2 Selection of Applications

Land use applications that qualify for Director Review will be received between July 20-31, 2020 and reviewed for completeness and points. The applications will be tiered based on the total number of points from their equity commitments. An administrative policy will set procedures to rank applications within the same tier and break ties between applications with the same points. Once all the applications are tiered and ranked in order of number of points (highest to lowest) they will be queued and processed as follows:

- August 2020: Review and processing of all Equity Applicants and Tier 1 applications. Equity Applicants are considered Tier 1 applicants and will be processed before applications Advancing Equity.
- September 2020: Review and processing of all Tier 2 and 3 applications.
- October 2020: Review and processing of all Tier 4 and 5 applications.

Applications submitted after July 31, 2020 will be reviewed after all applications in the queue have been reviewed and processed, but not before November 1, 2020.

Land use applications that qualify for Special Land Use review will be received between September 1-11, 2020 and reviewed for completeness and points. The applications will be ranked based on the total number of points from the equity commitments. An administrative policy will set procedures to rank applications within the same tier and break ties between applications with the same points. Once all the applications are ranked in order of number of points (highest to lowest), they will be queued for the next available Planning Commission meeting⁹, based on the ranking. Equity Applicants are considered Tier 1 applicants and will be processed before Applications Advancing Equity. Applications submitted after September 11, 2020 will be reviewed after all applications in the queue have been reviewed and processed, but not before November 1, 2020.

Contingent on City Commission approval, land use applications for Microbusinesses or other cannabis uses that may be authorized in future City Commission actions will be received processed as follows:

- October 20-30, 2020: Application submission window for initial queuing.
- November 2-30, 2020: Applications will be reviewed for completeness and ranked based on the total number of points from the equity commitments. Once all the applications are ranked in order of number of points (highest to lowest), they will be queued for Planning Commission consideration.
- January 2021: Planning Commission review of applications using order of queue, highest ranking applications will be reviewed first.

5 LICENSE RENEWAL

All initial (year one) cannabis licenses issued by the City will be for a duration of one year. Upon renewal, license applicants have to ability to receive a multi-year license renewal if the following criteria are met:

DURATION OF LICENSURE	ELIGIBILITY CRITERIA	FEEES
3-Year License	<ol style="list-style-type: none"> 1. Same business owner as for the previous license/renewal 2. No orders or citations for violations of Chapter 105¹⁰ and Chapter 175¹¹ or MMFLA Public Act 281¹², and MRTMA Public Act 1¹³. Licensee arranges any inspection required by the City 90 days before the expiration of current license 3. License renewed prior to expiration date of current license 4. No outstanding fees/taxes on the property 	3-Year duration for a single license fee (66% savings/\$10,000)

⁹ An application processed in August, September, or October may not necessarily be placed in the queue for Planning Commission meetings for that same month.

¹⁰ "Cannabis Related Municipal Licensing",

¹¹ "Crime Prevention Through Environmental Design (CPTED) Ordinance"

¹² 2016, MCL 333.27101 et seq.

¹³ 2018, MCL 333.27951 et seq.

DURATION OF LICENSURE	ELIGIBILITY CRITERIA	FEES
	<ol style="list-style-type: none"> 5. Social equity program participation – standard 30 points or more 6. Evaluation of past social equity program performance 	
2-Year License	<ol style="list-style-type: none"> 1. Same business owner as for the previous license/renewal 2. Licensee arranges any inspection required by the City 90 days before the expiration of current license 3. License renewed prior to expiration date of current license 4. Any orders or citations for violations of Chapter 105¹⁴ and Chapter 175¹⁵ or MMFLA Public Act 281¹⁶ and MRTMA Public Act 1¹⁷ are brought into compliance before current license expires or by time stated on the order or citation 5. Social equity program participation –standard 20-29 points 6. Evaluation of past social equity program performance 	2-Year duration for a single license fee (50% savings/\$5,000)
1-Year License (Standard)	No social equity program participation or did not meet participation threshold 0-19 pts.	Standard fee (\$5,000)

6 REPORTING AND SANCTIONS

6.1 Reporting

Licensees will self-report on each social equity commitment on a quarterly basis in a format to be provided by the City. Reports will contain relevant information for each social equity commitment included in the application with sufficient detail to determine whether the applicant has adhered to the commitment(s) made in the initial application. The City will review all self-reports and determine whether the applicant complies with the commitment(s) made in the application.

Licensees that do not comply are expected to become compliant by the end of the next quarterly reporting period. Licensees that are out of compliance for more than one reporting period or fail to self-report within 30 days of the reporting deadline, are subject to the sanctions prescribed in Section 6.2 of this Policy.

Reporting and compliance requirements may be further articulated in Administrative Policies. Administrative Policies may establish an option for compliance to social equity commitments that contemplates transferring MIVEDA and CISEVA “points” from one category to another and establishing a fund, managed by directors of the City formed nonprofit.

6.2 Sanctions

The following sanctions will apply to any license holder that fails to meet the required commitments at any time, as determined by the City.

- Written warning (published list of businesses with violations)
- Opportunity to cure

¹⁴ “Cannabis Related Municipal Licensing”,

¹⁵ “Crime Prevention Through Environmental Design (CPTED) Ordinance”

¹⁶ 2016, MCL 333.27101 et seq.

¹⁷ 2018, MCL 333.27951 et seq.

- Reduction in duration of licenses
- Report to the State if related to type of business activity licensed under the MRTMA or MMFLA
- Contractual remedies as may exist
- Revocation (for egregious violations)
- Zoning violations will be addressed under the zoning ordinance
- The City's existing municipal ordinances provide for administrative appeals procedures related to city code/ordinance violations and enforcement.

7 APPEALS AND EXCEPTIONS

7.1 Appeal of Administrative Decisions

Appeals will be heard according to procedures specified in the licensing ordinance

8 SEVERABILITY

8.1 Severability Clause

If any provisions of this Policy or any application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this article which can be given effect without the invalid provisions or applications and are to this end declared to be severable.