

**Subject:      Marihuana Social Equity Policy****No. 30.9****Date:** June 1, 2020**Page: 1 of: 3****PURPOSE:**

This goal of this policy is to promote and encourage participation in the marihuana industry by people from communities that have been disproportionately impacted by marihuana prohibition and enforcement and to positively impact communities. This policy applies to all marihuana licenses. Current license holders will be required to abide by this policy upon renewal including the requirement to submit a social equity plan.

**SCOPE:**

This policy seeks to:

- Allow targeted focus on disproportionately impacted individuals and neighborhoods
- Reduce barriers to entering the marihuana industry specific to Kalamazoo residents
- Provide funding for the development and activities that support the Kalamazoo community in alignment with Shared Prosperity in Kalamazoo (SPK)

**POLICY:****A.      Fee reductions**

The City marihuana business permit fee required of qualifying individuals and business entities is reduced as follows:

- 1)      A 25% reduction in the City permit fee for a sole proprietor who is a resident, or a business entity composed of majority (51% or more) ownership by one or more persons who are residents, of City Census Tracts 1 (Eastside), 9, 10, (Edison), and/or 2.02, 3 (Northside) for 3 years prior to applying for a marihuana business permit.
  
- 2)      A reduction in the City permit fee for one, but not both, of the following:
  - A 25% reduction in the City permit fee for a City resident or group of City residents with a marihuana-related misdemeanor conviction that does not involve distribution of a controlled substance to a minor, who have 51% or more ownership interest in the business. and who has or have resided in the City for 3 years prior to applying for a marihuana business permit.
  
  - A 40% reduction in the City permit fee for a City resident or group of City residents with a marihuana-related felony conviction that does not involve distribution of a controlled substance to a minor, who have 51% or more ownership interest in the business. and who has or have resided in the City for 3 years prior to applying for a marihuana business permit.

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- 3) An additional 10% reduction in the City permit fee if a sole proprietor or a member of the business entity holding at least a 10% ownership interest in the business has been a registered primary caregiver for at least 2 years between 2008 and 2017.

**B.      Zoning Code Exceptions**

- 1) A business entity operating as a marihuana retailer may locate 500 feet from another retailer in conformity with the City zoning code if:
  - An applicant, or a majority (51% or more) of the applicant-owners is a City resident within City Census Tracts 1 (Eastside), 9, 10 (Edison), and/or 2.02, 3 (Northside) for the 3 years prior to applying for a marihuana business permit; or
  - A City resident or group of City residents with a marihuana-related misdemeanor or felony conviction that does not involve delivery or distribution of a controlled substance to a minor and who has 51% or more ownership interest in the business
- 2) A business entity operating as a marihuana microbusiness may locate 250 feet from another microbusiness in conformity with the City zoning code if:
  - An applicant, or a majority (51% or more) of the applicant-owners is a City resident within City Census Tracts 1 (Eastside), 9, 10 (Edison), and/or 2.02, 3 (Northside) for the past 3 years; or
  - A City resident or group of City residents with a marihuana-related misdemeanor or felony conviction that does not involve delivery or distribution of a controlled substance to a minor and who has 51% or more ownership interest in the business

**C.      Community Impact**

- 1) At least 25% of marihuana business fee and tax revenue received by the City will be set aside and used to support the following programs/initiatives:
  - a. Training to help educate people of color to prepare for ownership/operations of future marihuana establishments.
  - b. Provide community outreach and education on topics such as use of marihuana by pregnant women, the difference between state and federal laws concerning marihuana and adult use of marihuana in general.

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- c.      Support Shared Prosperity Kalamazoo priorities
    - i.      Strong Youth
    - ii.     Strong Families
    - iii.    Good jobs
  - d.      Blight Elimination
- 2)      The City requires that all marihuana businesses make a good faith effort to hire employees with prior marihuana convictions (excepting a conviction for delivery or distribution to a minor) or that live in Census Tracts 1 (Eastside); 9,10 (Edison) and/or 2.02, 3 (Northside).

**D.      Compliance with Social Equity Plan**

- 1)      Individuals or entities that have received fee reductions and/or reduced separation opportunities based on this social equity policy must provide proof of continued eligibility at time of City permit renewal.
- a.      If eligible, they will receive fee deductions when renewing.
  - b.      If no longer eligible
    - i.      They will not receive fee deductions
    - ii.     If the individual or entity took advantage of reduced separation opportunities, they would no longer be eligible to operate the business at that location.
- 2)      Existing businesses may submit documentation to apply for social equity fee reductions during the license renewal process.

**EFFECTIVE DATE:** June 1, 2020

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David Anderson, Mayor

**HISTORY:**

This policy was initially adopted on May 18, 2020 by the City Commission in conjunction with zoning and licensing ordinances authorizing the establishment of adult-use marihuana businesses. The following day, the Michigan Marijuana Regulatory Agency announced changes to its Social Equity Program effective June 1, 2020. On June 1, 2020 the City Commission amended this policy to incorporate a 40% reduction in permit fees for a marihuana felony conviction not involving delivery or distribution to a minor.