

To: Council Member Angela Whitfield-Calloway, District 2
From: Anthony Zander, Director of Department of Civil Rights, Inclusion & Opportunity
Date: March 27, 2025
Re: **Responses to 2025-2026 CRIO Budget Analysis**

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Please find below responses to your questions sent on March 12, 2025, regarding the Fiscal Year 2026 Proposed Budget for the Department of Civil Rights, Inclusion & Opportunity.

- 1. In March 2023, City Council authorized \$350,000 for a CRIO disparity study. CRIO never started the study and returned the appropriated amount to the general fund. If City Council reduced the 2025-26 authorization for Marijuana Ventures & Entrepreneurship by \$350,000, what effect would the decrease have on operations?**

Losing the funding would have a significant impact on operations by preventing procurement of necessary contracts and essential resources.

- 2. City Council passed a Human Trafficking ordinance that required hotels and motels to post a sign concerning human trafficking. How long did it take for CRIO to approve the sign? How many signs have been prepared? How many hotels and motels have the approved signs posted as required by the ordinance? What is the status of enforcement of the ordinance?**

- CRIO approved the design of the sign the same day, 01/06/2025, and final edits were submitted to our office, which was an adjustment to the color scheme.
- Approximately 76 signs have been provided to the required establishments.
- Enforcement of all the establishments will be concluded by end of week, 03/28/2025, to ensure ordinance compliance is being met.

- 3. City Council authorized one hundred marijuana provisioning licenses for the retail sale of Marijuana products. How many licenses had been issued as of June 30, 2024? How many licenses have been issued in fiscal year 2024-25 YTD? What is the status of the licensing program? Has the marijuana retail market reached a saturation point so no further licensing is needed? What is the appropriate number of authorized marijuana provisioning licenses if one hundred is not an appropriate number? What study supports these conclusions?**

- As of June 30, 2024, there were 113 licenses, including 56 state-licensed retailers, 2 standalone state-licensed medical marijuana provisioning centers, 28 state licensed growers with multiple licenses, 10 state licensed processors, 1 state licensed testing lab.
- In FY25, there have been approximately 16 licenses issued from the City of Detroit, including 3 processors, 11 grower licenses, 1 secured transporter, and 1 safety compliance lab.

- The status of the licensing program is stable and focused on maintaining licensee compliance in the renewal process by proactively reviewing annual due diligence and community commitments with a critical eye, as well as providing efficient and accurate customer service for new applicants in the non-retail space. The office is focused on assisting Detroit resident-owned licensees with as much support as possible.
- Our office is not equipped to determine market saturation; however, we would not recommend adding new retailer licenses at this time without further review. Many retailers, especially Detroit resident-owned businesses, are not yet thriving due to the difficulty of maintaining such operations in a challenging environment with frequent break-ins, intense market competition, and excessive fines and fees from the state government.
- The appropriate number of marijuana provisioning center licenses is zero, as this license type was phased out with the 2022 ordinance. Our office would defer to the City Council to determine the appropriate number of adult use retailer licenses, as that analysis would require resources beyond the scope of our office, including market data, land use and traffic studies, and economic factors such as job growth.

4. In March 2024, City Council approved a \$1 Million one-time expenditure concerning legacy marijuana operators. Please describe in detail the results of the expenditure.

The \$1 million appropriation from the MRTMA revenue sharing was placed in a special fund needed for these expenditures by OCFO in December 2024. Working with President Pro Tem Tate, our office has developed several programming ideas focusing on business grants for Detroit resident entrepreneurs; wraparound services for individuals who are recently released from incarceration, including affordable housing and other resources; and mental health initiatives. Interviews have been conducted in the last few weeks and our office is ready to hire a project manager to develop the specific programs and implement them.

5. Does CRIO have a program concerning veterans? Are there plans for such a program? Please provide details of any such program.

CRIO recently hired a Veterans Affairs Manager with extensive experience serving the veteran community. CRIO understands the importance of serving our veterans and we are committed to getting it right. CRIO plans to take assessments and conduct listening tours. After assessments are completed, CRIO will start to build programming based on the needs of the veteran community. We look forward to continuing to work with all of our partners to support our veterans and the first ever Veteran Affairs Manager for the City of Detroit.

6. ARPA funding will end in December 2026. What ARPA funding programs will need general fund support to continue beyond ARPA?

CRIO does not have any ARPA funded programs.