

## Minority Developer Program (MDP) RFQ Questions and Answers

1) Can we hire M/WBEC contractors that we also own and operate? This would be an entirely separate entity from the development company, but same shareholders.

Yes, but the compliance unit may or may not consider that towards your EOP goals, that would have to be discussed when you are awarded a contract. That said, as a participant in the program this will aid you for the land RFPs as it goes to the strength and experience of the Development team which includes the General Contractor.

2) If we are accepted, can we form a new entity solely dedicated to projects for this program?

Yes, conditionally. Applicants for this RFQ will be considered based on their current core business entity and track record. But, it is common practice for firms applying for public land to create sole purpose entities (SPE) that the project will be assigned to. This has to be disclosed in the RFP application and the equity partners will have to be disclosed as well. These issues will be discussed in the Application Bootcamp.

3) If we don't have a loan commitment of over \$200,000, can we submit ones with lesser amounts?

Yes.

4) Just to confirm, the application must be submitted by September 27, correct? Also, can I email my application? If so, what is the email address?

The initial due date was September 27. However, there was some confusion around that due date, so we have extended it to September 30. Yes, you can submit via email should there be any issues you encounter with the website. Expect to submit online, but you can submit via email to [MDP@phdc.phila.gov](mailto:MDP@phdc.phila.gov) as a backup. Please do not forget to submit Attachments A, B, C, D and any documents requested in the RFQ or Mentee Pre-qualification Application.

5) It mentions to submit a signed loan commitment for a completed or on-going real estate of approximately \$200,000 or greater. Are you able to provide other companies with their track record in regard to debt financing?

The question is somewhat unclear. That said, the \$200,000 loan commitment mentioned in the RFQ is not a requirement. Please submit the largest monetary loan commitment your company has obtained. If your company has never obtained a loan commitment, please clearly state that and provide supporting documentation for the source of funding for your completed projects. If the question is about using a separate business' loan commitment in lieu of one that your company has obtained, that would not be sufficient. The goal of requesting the loan commitment is to evaluate the ability of the applicant to obtain a loan.

6) It mentions to submit a signed loan commitment for a completed or on-going real estate project of approximately \$200,000 or greater. If a potential mentee does not have this required loan commitment signature for past or future projects is this an automatic disqualification?

No - See answer to question 5.

7) Does this program work with already existing dwellings as well? What specific zip code areas are work being performed in?

The program will have both publicly owned structures and vacant land. Our inventory is primarily vacant land therefore the majority of the RFPs will be focused on new construction on unimproved vacant public land.

8) I am a roofing contractor with PHDC. I also own 9 properties and have 7 tenants and in the process of developing 8 more apartments. I have never had to borrow money. Could I still be a candidate for this program?

Yes. Please see answer to question 5.

9) My other concern is the consultant campaign form should only apply to people that have used a consultant to make contributions right?

You must fill out the Consultant Disclosure Form, whether you have used a consultant or not. The first line of the form states, "Check here to certify that no consultant(s) was used in the year prior to the application deadline"; You should check that box, if applicable.

10) What is the length or time of the program (i.e. start date and end date)?

The MDP will last for approximately three years and begin in the fall of 2021.

11) Are there any expected commitments as a Mentee in the program (i.e. cant miss more than two classes, level of participation, must have a Mentor, or must apply for one of the city's properties)?

Mentees must attend the MDP Bootcamp and give a good faith effort at responding to RFPs issued strictly for program participants. Mentees are not required to partner with Mentors to participate in the program. However, it is recommended that Mentees take advantage of the knowledge, experience and relationships that Mentors bring to the program.

12) Is there a schedule set for what is being taught?

The schedule for the Application Bootcamp has not been set. We will determine the schedule once the first class has been selected. We are well aware that applicants are operating active businesses so we will do our best to accommodate the applicant's schedule. The workshops will be a mix of live on-line sessions and a webinar library. The supplemental pro forma training will be flexible and require a roughly 12–15 hour time commitment.

13) What input does a Mentee have if they see a possible void in the schedule or training program?

As MDP is a new program, PHDC welcomes feedback from program participants and other stakeholders.

14) What is the process to become a certified MBE? Is this certification city or state specific?

Please go to [MBE link](#) for information on becoming a Minority Business Enterprise (MBE). You may also apply for the Emerging Vendors Program. Go to [EVP link](#) and click on "Apply for EVP Registration". MBE certification is accepted by the City of Philadelphia and may be accepted by other municipalities.

15) I have completed 3 acquisition-rehab projects, with my largest project having a total development budget of \$270K, with \$171K in financing, which is slightly below the \$200K eligibility requirement. Will this disqualify my candidacy?

**No. Please submit the \$171k loan commitment.**

16) My company has done buy and hold, and the annual gross revenue is substantially below the eligibility requirement of \$100K, will this disqualify me?

**No. Please submit the requested two years of taxes or certified financial statements.**

17) I am concerned that the program is focused on mid-size developers/property flippers vs buy and hold portfolio managers. How does this program speak to those who have not flipped properties and who are smaller scale (3-5 properties) looking to grow their business at scale?

**MDP is geared towards small to mid-size developers that are looking to grow their business. It will primarily focus on for-sale workforce and affordable housing development. However, there will also be opportunities for rental/operational projects.**

18) I have tried to submit the application and supporting documentation for consideration of this proposal. Is there a way that I could use email and or fax because the online portal is not working for me?

**Yes – see question #4.**

19) I think the mentor should be allowed to provide their history, experience, and track record working with minorities.

**This RFQ is focused on identifying Mentees; Experience mentoring and track record of partnering, contracting and hiring diverse staff will be part of the Mentor RFQ that will be issued at a later date.**

20) Can we reduce mentee(s) minimum cash & credit to \$15,000 as this is always an achilles heel for small minority businesses?

**There is no firm credit requirement. The \$200,000 loan commitment mentioned in the RFQ is just a suggested amount, please refer to the answers to questions #3, 5, 6, 8, 15, 16, & 17. MDP is geared towards small to mid-size developers that are looking to grow their business. It will primarily focus on for-sale workforce and affordable housing development.**

21) Can we add technical assistance for legal, marketing, and HUD backed real estate funding programs; (i.e. HOME, CDBG;LIHTC) to selected mentees?

**There will be back-office support for Mentees, including legal, accounting and finance. HOME, CDBG and LIHTC are typically for larger scale and/or multifamily projects. MDP is geared towards small to mid-size developers that seek to grow to the level of capability and resources required to complete these types of projects.**

22) Can there be a certification of completion attached for both mentor and mentee as I have nothing to show for my completion of first cohort for ReBuild, completion of the BEP bonding education program with The Enterprise Center, four plus years sitting through PIDC seminars and is currently enrolled in Temple's CMC construction management program?

There is a certification for completing the pro forma training course. That said, MDP is meant to be a hands-on business assistance program that will result in contracts for development. The goal is to learn and grow by working on actual development projects as opposed to obtaining a certificate.

23) During the process of completing the required documents it was noted that tax returns or audits were requested. The company has everything filed through personal accounts (due to company being an LLC). I am wondering if a different way of verifying the revenue can be submitted as we don't want to have to submit personal information. Is a CPA verified receivables report acceptable?

Typically, PHDC requests audited financials and tax returns (personal in this case). That said, please submit the Verified Receivables Report from an independent certified accountant and we will review it. If there is further information required, we will follow up with you regarding your application. PHDC does not disclose financial information, except in extremely rare cases where it is compelled to do so by law and in such cases, we would make every effort to redact any personal information.