



# Request for Qualifications (RFQ)

Minority Developer Program

August 25, 2021

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## **Attachments:**

- A. Philadelphia Tax Status Certification and Conflict of Interest Form
- B. Campaign Disclosure Forms
- C. Mentee Pre-qualification Application
- D. Mentee Project List
- E. PHDC Minority Developer Program Brochure

## Application Process

PHDC is pleased to issue this Request for Qualifications ("RFQ"). PHDC is seeking qualified small to mid-size, local real estate developers (herein, "Respondents") interested in participating in PHDC's Minority Developer Program ("MDP").

### Submission Deadline

Respondents must submit applications by **September 30, 2021** by 3:00 PM; absolutely no applications will be accepted after that time.

### Questions/Requests for Additional Information

PHDC will accept questions and requests for additional information directed in writing to [MDP@PHDC.phila.gov](mailto:MDP@PHDC.phila.gov) through 3:00 P.M. on **September 8, 2021**. Questions, responses, and additional information will be posted on the PHDC website within seven (7) business days of September 8, 2021.

### Related Parties

Respondents may submit only one response ("Response") to this RFQ. Individuals or businesses that are legally related to each other or to a common entity may not submit separate Responses. PHDC and the City of Philadelphia (the "City"), in their sole and absolute discretion, retain the right to reject any Response where:

1. Respondents or principals of Respondents are substantially similar or substantially related parties; or
2. PHDC has determined that the Respondent has violated these conditions or the spirit of these conditions.

### Submission Process

Response submission should be online by clicking the Online Submission button via the electronic portal on PHDC's website (<http://www.phdcphila.org/>). If you are unable to submit your application online, please submit the application and requisite attachments to [MDP@phdc.phila.gov](mailto:MDP@phdc.phila.gov)

### Disqualification

Responses will be disqualified if:

1. They are submitted after the specified deadline;
2. They are submitted by some means other than the formats listed above.
3. If the Response package is incomplete.

## Schedule

The timeline for this opportunity is as follows:

<b>Event</b>	<b>Date</b>
RFQ posted	August 25, 2021
Questions and requests for additional information due	September 8, 2021
Responses due	September 30, 2021 at 3PM
Mentees selected (Estimate)	Week of October 11, 2021

PHDC reserves the right, in its sole discretion, to alter this schedule as it deems necessary or appropriate.

## Program Background and Description

PHDC invites Responses from Respondents to participate in the MDP. PHDC seeks qualified local, small to mid-size developers.

PHDC's new initiative is designed to address the lack of diversity in the Philadelphia real estate development. The MDP objectives are to:

- Aggressively expand and market opportunities for local, small developers in Philadelphia
- Develop more inclusive development opportunities through training and hands on experience

MDP is a hands-on, business assistance program for small to mid-size developers and contractors in Philadelphia to promote wealth creation and business growth. It is a collaboration between PHDC, private and non-profit sectors. MDP is not only a technical assistance program, but it also will leverage public land and funding to create opportunities for small to mid-size developers to obtain contracts for real estate development projects, gain experience and improve their balance sheets.

- Specific efforts will be made to market to firms that are owned and controlled at least 51% by minority developers and contractors doing business in Philadelphia as these firms are currently underrepresented in the marketplace

This business assistance program will enable the selected Respondents to learn through an interactive, collaborative program focused on generating affordable housing and supporting these qualified small to mid-size developers to grow. Participants will have the opportunity to develop on their own, partner with other participants or larger, more established developers ("Mentors") to complete real estate development projects. Participants will gain experience working with numerous City Agencies (i.e. Department of Revenue, Philadelphia Water Department ("PWD"), Planning & Development ("DPD"), Department of License and Inspections ("L&I"), engineers, architects, surveyors, expeditors and suppliers.

The MDP, through the Philadelphia Land Bank ("PLB") and the Philadelphia Redevelopment Authority ("PRA"), will make public land available in phases through the release of Requests for Proposals ("RFPs") only available to MDP participants for the production of market rate & affordable housing. Development on said public land will be subject to the standard regulatory requirements.

The MDP Program components:

### Bootcamp/Training

An online bootcamp course will be made available. Participants will be trained in the regulatory requirements of the 2020 Disposition Policy & PHDC Land Management application process. The purpose of the bootcamp is to educate the program participants on how to successfully obtain land through PHDC Land Management. Land Management requirements covered include plans, approval process, budget submissions, real estate pro forma training for single-family, multi-family, subsidized projects, compliance forms, social impact and Economic Opportunity Plan ("EOP").

In addition to the bootcamp, PHDC will offer additional real estate pro forma training to be conducted by a third-party organization.

## Finance

PHDC, the Philadelphia Accelerator Fund ("PAF"), and other Community Development Financing Institutions ("CDFIs") and participating lenders will provide equity, credit enhancement and loans for acquisition and construction for financially viable projects that meet their respective underwriting criteria. The Mentors will leverage existing relationships with lending institutions to encourage their participation in the program. MDP participants may submit applications to PAF for project equity as well as mini-perm, mezzanine, predevelopment, bridge and acquisition loans. The MDP will work with nonprofits, Community Development Corporations ("CDC") and with other private sector companies who will income-certify home buyers for affordable homes, when applicable, to purchase the newly built housing stock.

## Back-Office Support

PHDC will work with selected respondents to provide back-office support with:

Bookkeeping	Taxes	Business Incorporation
Payments	Budgeting	RFP/grant writing
Payroll	Contracts	Business plans
Financial control	Bylaws	Organizational structure
Reporting		

## Leverage of Public Land

Land will be identified and utilized to develop affordable and workforce housing. MDP, through the PLB and PRA, will make public land available in phases through the release of RFPs of various sizes only available to MDP participants for the production of market-rate & affordable housing. Selected Respondents will compete for land contained in RFPs. Selected Respondents may partner together or with a Mentor on larger projects or complete them individually.

## Mentee Responsibility

1. Work in concert with other selected Respondents and Mentors to partner on projects and share information.
2. Fulfill their EOP goals by hiring minority contractors and subcontractors for MDP projects.
  - For each awarded contract, an EOP will be signed with at least a 51% Minority Business Enterprise ("MBE") goal (including minority contractors with in-process applications or who enrolled in a program facilitating MBE certification) for MDP projects
3. Eligible Mentees that are not MBE Certified will be encouraged to undertake the certification process with a certifying entity.
4. Mentees shall complete the PHDC Land Management boot camp
5. Respond to RFPs issued for MDP participants
6. Deliver quality affordable and workforce housing for MDP projects

# Proposal Submission Requirements

Respondents will be considered based upon review of their submissions. They will then be placed in one or two categories:

- (A) Experienced developers with all requisite credentials & licenses, including significant (or comparable) ground-up development experience and credit worthiness
- (B) Experienced developers that have completed a small number of projects and need technical and/or financial support to move to the next level

## SUBMISSION ITEMS

1. Completed Mentee Pre-Application
2. Completed the Mentee Project List
3. If an MBE, submit MBE certification, documentation of membership in a small-business program that facilitates MBE Certification or documentation of an application for certification.
4. Submit two (2) years of company tax returns (personal returns for sole proprietorship, LLC or LLP) or audited financial statements.
5. Submit articles of incorporation for company.
6. Submit a brief bio of key company team members.
7. Submit a signed loan commitment for a completed or on-going real estate project of approximately \$200,000 or greater.
8. Submit list of key third-party development team members (architect/engineer, GC, accountant, attorney, lender).
9. Submit Philadelphia Tax Status Certification, Conflict of Interest Form and Campaign Disclosure Forms.
10. Provide a narrative describing Respondent's past performance in engaging minority and woman owned businesses.
11. Provide a description of the Respondent's past performance in hiring local, diverse workforce, both in-house, consultants and subcontractors. The entire section should be no more than one (1) page in length.
12. Provide a narrative describing Respondent's past performance with hiring and training local workforce, and plan for hiring and training local workforce for projects that are part of this program, no more than one (1) page in length.
13. Provide a narrative describing Respondent's 5-10 year business goals. Include gross revenue milestones, type of developments (commercial, residential, mixed use, etc.), scale of project either by square footage or units count.

## Program Eligibility Requirements

- Company is an established business entity, minimum 1-3 years
- Company is a locally owned business doing business in Philadelphia
- Company located and/or operates in areas of high unemployment or low-income
- Company has proven development experience and has completed or is the process of completing at least one project of approximately \$250,000 in total costs
- Company has established financial capacity: Annual gross revenue of approximately \$100,000 or greater, maximum \$3-5 million
- Company has track record with debt financing and has obtained financing for at least one project of approximately \$200,000 or greater



## Events of Disqualification or Default

Subsequent to the selection of a Respondent, PHDC may treat any of the following as an event of disqualification or default:

1. Unilateral withdrawal by the selected Respondent;
2. Failure by the Respondent for any reason whatsoever to timely execute any Development Agreement or other agreement when tendered;
3. Material misrepresentation, omission, or inaccuracy contained in any document submitted either as part of the Response, or subsequent thereto.
4. Failure to provide in a timely manner the additional material required after selection throughout the program.

Upon the happening of an event of disqualification or default by the Respondent, PHDC shall have the right, at its election, to:

1. Rescind its selection; or
2. Declare null and void any agreement that may already have been executed.

## Declarations and Other Information

### Change and/or Contract Modifications

PHDC reserves the right to increase or decrease requirements, or make any changes necessary, at any time during the duration of any agreement, or any negotiated extension thereof.

### Economic Inclusion

PHDC strongly encourages and promotes the employment of qualified MWDBE firms in all aspects of its procurement of goods and services. If Respondent is a Certified MWDBE; please submit information to confirm Certification as part of response.

### Tax Clearance and Conflict of Interest Form

Respondents, must provide evidence satisfactory to PHDC that all municipal taxes, including business taxes, real estate, school, water and sewer charges, if applicable, are current for both the individual Respondent and the Respondent's firm or any other LLC or partnership in which the Respondent or Respondent's firm is a participant, and that neither is currently indebted to the City; will at any time during the term of the Contract be indebted to the City, for or on account of any delinquent taxes, liens, judgments, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established. Please complete the Philadelphia Tax Status Certification and Conflict of Interest form (Attachment A) and submit it with your Response.

### Campaign Contribution Disclosure Forms

Please complete the applicable disclosure forms (Attachment B) and submit with your proposal.

By submitting a Response to this RFQ, a Respondent affirmatively acknowledges: (i) its acceptance of the terms and conditions of this RFQ; (ii) PHDC may exercise in its sole discretion the following rights; and (iii) PHDC may exercise the following rights at any time and without notice to any Respondent:

1. to reject any and all Responses;
2. to supplement, amend, substitute, modify or re-issue the RFQ with terms and conditions materially different from those set forth here;
3. to cancel this RFQ with or without issuing another RFQ;
4. to extend the time period for responding to this RFQ;
5. to solicit new Responses;
6. to conduct personal interviews with any Respondent to assess compliance with the selection criteria;
7. to request additional material, clarification, confirmation or modification of any information in any and all Responses;
8. to negotiate any aspect of a Response;
9. to terminate negotiations regarding any and all Responses at any time;
10. to expressly waive any defect or technicality in any Response;
11. to rescind selection if PHDC determines that the Response does not conform to the specifications of this RFQ;
12. to rescind selection if PHDC determines that the specifications contained in this RFQ are not in conformity with law or that the process in selection of a Respondent or Response was not in conformity with law or with the legal obligations of PHDC;
13. each Respondent agrees to indemnify, protect and hold harmless PHDC and the City from any and all losses, injuries, expenses, demands and claims against PHDC or the City sustained or alleged to have been sustained in connection with or resulting from (i) the submission of the Respondent's Response; (ii) the delivery by the Respondent to PHDC of any other documents or information; and (iii) any other conduct undertaken by the Respondent in furtherance of or in relation to the Respondent's proposal. Each Respondent agrees that its duty to indemnify and hold harmless shall not be limited to the terms of any liability insurance, if any, required under this RFQ or subsequent contract.

**Neither PHDC nor the City is under any obligation whatsoever to Respondent as a result of this RFQ. The RFQ does not represent any commitment on the part of PHDC and/or the City to Respondent or the MDP. In no event shall PHDC or the City be responsible for any cost, expense or fee incurred by or on behalf of Respondent in connection with the RFQ. Respondent shall be solely responsible for all such costs, expenses and fees.**

**NOTICE: Any information provided in your response to this may be subject to disclosure to the public. Documents provided in response to this RFQ may also be required to be disclosed by applicable law, subpoena, and/or court order.**