

# **Resources, training for developers**

A special city program will reach out to builders and contractors who have been underrepresented.



BY MICHAELLE BOND (STAFF WRITER)

In January, the city will begin a pilot program to provide more equitable access to Philadelphia's development boom for underrepresented developers

and contractors who are more likely to be shut out of opportunities and financing.

The Minority Developer Program will use public land and funding to create opportunities for real estate projects for Philadelphia developers who have been historically excluded in the industry. The program also will train participants in best business practices and connect them with mentors in the industry who are more established and prolific. The initiative is meant to grow the businesses and build the resumes of small and midsize developers and contractors and to boost the production of affordable homes across the city.

Through the Philadelphia Land Bank and the Philadelphia Redevelopment Authority, the program will make public land available through requests for proposals that only program participants can respond to for the construction of market-rate and affordable housing, according to city officials. The Philadelphia Housing Development Corp., community development financial institutions, participating lenders, and the city-backed Philadelphia Accelerator Fund will provide access to capital.

Participants in the program said it is long overdue, given decades of barriers and lack of opportunity, and should be only a first step in making construction and development more equitable.

"Diversity in the development industry as well as the construction industry is very dismal in Philadelphia," said Kenneth Penn, president and founder of Benchmark Construction Group, based in South Philadelphia, and a board member for the Building Industry Association of Philadelphia. "So this program will help. It's a beginning."

The program will be successful if it means participants will be able to get more work in the city, said Penn, who is African American. He started Benchmark Construction Group about five years ago and launched a development company, Benchmark Real Estate Partners, in early 2021. For his company's projects, Penn prioritizes hiring contractors who are people of color.

He hopes the program can take developers to the next level so they can build generational wealth.

"My kids and my grandkids can hopefully benefit from where we are today with the Minority Developer Program," he said.

The Philadelphia Housing Development Corp., the private sector, and nonprofits are partnering to operate the program, which received 66 applications. The first phase will start with 16 developers early next month. In choosing participants, PHDC took into account past experience, capacity, and business scope, among other factors.

Seven of the 16 participants in the pilot program said they are certified as a "minority business enterprise," a certification PHDC wants all participants to obtain at some point, a spokesperson said. The designation means at least 51% of the business is owned by people who are Black, Hispanic, Asian, or Native American.

PHDC did not ask applicants direct demographic questions due to city, state, and federal nondiscrimination rules, a spokesperson said.

"This pilot program creates a direct pipeline to business opportunities that are often harder to access for minority and small developers," David Thomas, PHDC's chief executive officer, said in a statement. "The goal is to be an economic generator for communities of color."

Anthony Fullard, president of West Powelton Development Co., which he founded about 13 years ago with the mission of expanding home ownership, said the program should help Black and brown developers level the playing field in the industry.

A "renaissance is going to happen because of the demand and the interest of people who want to live in the city of Philadelphia," he said. Fullard, who is African American, hopes the Minority Developer Program can help developers who have been historically excluded from shaping the city to be part of that.

"I hope that this is a real connection or a bridge for Black and brown developers that they can really finally partake of the development opportunities in Black and brown neighborhoods, and they can be that catalyst to do development and to help to restore their own communities," he said.

Participants will receive training in marketing, applying for publicly owned vacant properties, financial modeling, and other aspects of development. The program will offer one-on-one business consulting, help developers market projects, and grow participants' experience working with city agencies.

Calvin R. Snowden Jr., managing partner at BDFS Group based in Mount Airy, started his construction and development company in 2008, a rough time to join the industry. In the years since, the company has developed a handful of multifamily and single-family properties but has focused on general contracting, working for developers, investors, and homeowners.

"This program is actually perfect timing for us because we were looking to get back into development and we want to focus on affordable housing," said Snowden, who is Black. "I figured this would be the jump start we needed."

Through working with city officials and larger developers, he said he is looking forward to understanding the city's process for acquiring public land, learning how best to evaluate the feasibility of projects, and building a strong network within the industry. Small developers who are people of color often lack the networks and exposure of bigger and white developers.

"There is a lot of minority talent in the city of Philadelphia, both on the construction and the development sides," Snowden said. "To have this experience is truly an amazing one. Because when else would you get to sit with the key people and learn?"

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