

MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

**Meeting of the Board of Directors
Thursday, July 13, 2023
10:00 a.m.**

MINUTES

DIRECTORS PRESENT: Yvonne Hao, Chair
Brian Kavogian, Vice Chair
Jessica Andors
Gary Campbell
Joan Corey
Kaitlyn Connors
Juan Carlos Morales
Juliann Thurlow

DIRECTORS ABSENT: Andrew Salmon
Kristina Spillane

Agency Staff: Dan Rivera, President and CEO
Theresa Park, SEVP and Deputy Director
David Abdoo, Chief of Staff
Sean Calnan, Acting General Counsel
Marcos Marrero, EVP, Community Development
Cyndy Tonucci, Interim EVP, Finance Programs
Victoria Stratton, Recording Secretary
Rob Carley
Dorothy Fulginiti
Mary Pederson
Frank Souza
Rebecca Sullivan
Eleni Varitimos
Gary Walker
Amanda Wall

Guests: Tim Doherty, Director of Real Estate Development,
NeighborWorks Housing Solutions
Ann McCoy, Loan Review Officer, Cobblestone
Management, LLC (*via videoconference*)
Ashley Stolba, Undersecretary of Community Development,
Executive Office of Economic Development (“EED”)

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, July 13, 2023, at the Agency’s offices at 99 High Street, Boston, Massachusetts, pursuant to notice duly given.

The Chair welcomed everyone and, confirming the presence of a quorum in the room, called the meeting to order at 10:03 a.m. She asked if there were any guests and the guests introduced themselves.

MINUTES

1. VOTE – Meeting Minutes (June 8, 2023)

The Chair asked if there were any comments on the draft minutes of the June 8, 2023 Board meeting, and there were none. The Chair asked for a vote to approve these minutes and, upon motion duly made and seconded, by the directors present, it was, unanimously

VOICE VOTED: that the Board of Directors of MassDevelopment approves the minutes of its June 8, 2023 Board meeting, which are attached and made a part of the minutes of this meeting.

PRESIDENT / CEO REPORT

Mr. Rivera reported the following highlights:

Events. Agency staff hosted a downtown walking tour and Emerging Developers Network Mixer in Fall River in June where Mayor Paul Coogan joined to celebrate the transformation of the neighborhood. Springfield’s Mayor Domenic Sarno recently hosted a tour of 31 Elm Street to showcase this project that will bring jobs, market-rate and workforce housing, and space for restaurants and other amenities to the city. In honor of Pride month (June), the Agency’s Culture Council hosted a virtual, online discussion with Grace Moreno, CEO and Executive Director of the Massachusetts LGBT Chamber of Commerce, a statewide nonprofit that cultivates inclusive relationships between LGBT-owned and ally-owned business and the corporate sector.

Healey-Driscoll Administration. On June 13, the Administration announced the creation of the Massachusetts Community Climate Bank, or MassClimate, the nation’s first “green bank” dedicated to affordable housing, and designed to maximize investment in the reduction of greenhouse gas emissions. MassDevelopment will partner in this endeavor with the Massachusetts Clean Energy Center, or MassCEC, and the Massachusetts Housing Partnership, or MassHousing, where the program, which has been capitalized with \$50 million in state funds, is being managed.

Devens. In late June, Mr. Rivera and others attended a change of command ceremony at the Devens Reserve Forces Training Area honoring outgoing commander LTC Trent Colestock and incoming commander LTC Joshua Bloom. Last year, more than 232,000 service members and law enforcement officials trained at the facility. MassDevelopment

coordinates closely with the leadership of Fort Devens to oversee and redevelop land that previously comprised the military installation.

State Piers. The Ferry Board Program Project (replacing a small section of the North Wharf with funds secured from the Federal Highways and Waterways Administration) at the New Bedford Pier is complete. MassDevelopment is working with the Gloucester 400 Committee to stage a public educational event on the commercial fishing industry in Gloucester in mid-August.

Finally, it was noted that important conversations between Agency executives and the Chair and staff at EED and others are ongoing regarding recapitalization of the Brownfields Fund and efforts to rebuild MassDevelopment's General Fund. Mr. Rivera congratulated Board member Julie Thurlow and her team at Reading Cooperative Bank, which recently opened its newest branch in downtown Lawrence.

2. Employee Introduction(s)

Mr. Rivera reported that Roy Angel, VP Commercial Lending, Central Region, has been with the Agency for 25 years. He then introduced the following new hires – Dorothy Fulginiti, VP of Community Investment, South Region, and Frank Souza, Assistant Facility Manager (Jodrey Pier) – who each made brief comments. Next, the MassDevelopment 2023 Intern Cohort was introduced, including the institution each attends and the department each intern is assisting, as follows: Joseph Afful, Northeastern University (Devens Operations); Dellena Bereket, Northeastern University (Transformative Development Initiative (“TDI”)); Kearsten Coleman, University of Massachusetts Amherst (Business Development); Harold Soto Fortuno, Boston University (Green Finance); Lens-Fedo Francois, Salem State University (Information Technology); Christopher Gomez, Salem State University (Human Resources); Christopher Heavey, University of Massachusetts Amherst (Finance & Accounting); Billy Joaquin, Washington University in St. Louis (Business Development); Hunter Klingensmith, Bates College (Asset Management); Tamaris Lima, University of Massachusetts Boston (Office of the President); Alexander Pan, Boston University (Investment Banking); Bianka Pimentel, Franklin Cummings Tech (Marketing); Michael Regan, Trinity College (Asset Management); Annika Sundsted, Babson College (Real Estate Development); and Benjamin Verity, University of Massachusetts Lowell (Lending). Each intern made very brief introductory comments, following which, Ms. Pederson made additional comments, noting that the interns introduced today were selected from among 127 applicants; they began their assignments on May 24 and will be with the Agency until August 4, and all are doing a great job.

[Secretary's Note: Having participated in the Board meeting for the purpose of introductions only, the 15 interns and Ms. Pederson departed the meeting at 10:22 a.m.]

Mr. Marrero then introduced Tim Doherty, Director of Real Estate Development, NeighborWorks Housing Solutions, who thanked MassDevelopment and the Board for their time and support. He described the work done in southeast Massachusetts, primarily in Gateway Cities like Brockton, by this regional community development corporation, as “challenging” and “rewarding.” In particular, he provided details of two current projects – Sycamore on Main (48 units of mixed income housing with ground floor commercial space, next to the Grayson Hotel); and Brockton South (94 units of mixed income housing with ground floor commercial space and garage parking, at a former contaminated tow yard abutting a busy commuter rail station) – noting that without critical Brownfields funding from MassDevelopment, these projects would not be possible. A brief discussion ensued regarding the complicated capital stacks and financing of such projects. Mr. Doherty called the developments a “true community effort,” and the Board agreed.

GENERAL

3. 2023 Annual Loan Portfolio Review by Cobblestone Management, LLC

Ms. Tonucci introduced Cobblestone’s Loan Review Officer, Ann McCoy, who shared details of the Review, which is attached and made a part of the minutes of this meeting, including, among other things, that suggestions made by Cobblestone in prior years to improve the review process have been implemented. Ms. McCoy advised that the Agency’s Loan Portfolio is managed well; reports are detailed and helpful, and information is current. Best practices for public purpose projects are clearly noted. There is sound and comprehensive underwriting and, despite staffing challenges, credit administration is also sound. Credit risk is effectively managed; Ms. McCoy pointed out a slight uptick in risk rating distributions but noted that risk rating is strong and appropriate overall. She advised of a “good, clean review,” and commended the ease of working with staff.

Mr. Rivera and Ms. Tonucci then led a discussion regarding Cobblestone’s Operational Review of the Agency, including the need for loan administrators. The Agency’s Loan Officers perform far more administrative work than traditional bank loan officers. Typically, loan officers have administrative support that the Agency does not provide; this lack of support places the administrative burden on the loan officers, resulting in their inability to manage a greater number of relationships. When Mr. Morales agreed that 21 relationships per officer “seems low,” Ms. Tonucci reminded him that some borrowers can also require additional handholding and time on the part of the Loan Officer(s). She said there is a “lean team” in Lending, but the Agency is recruiting. Mr. Rivera added that everyone is doing extra work and being compensated for their efforts.

In addition to administrative staffing issues, recommendations for more efficient operations, include: merging several databases into one pipeline report; returning to a known software (e.g., Baker Hill); legal review and updating of documentation/templates; updates to the EnAble software user’s manual; and addressing remote connectivity reliability issues. Mr. Rivera informed everyone that discussions regarding the return to a

more traditional financing software are underway, and a virtual private network, or VPN, has been implemented.

[Secretary's Note: The videoconference with Ms. McCoy was disconnected at the conclusion of the above discussion/presentation at 11:08 a.m.]

BOND TRANSACTIONS

4. Bond Detail Memorandum

For informational purposes, the Bond Memorandum is attached and made a part of the minutes of this meeting. Ms. Sullivan provided a brief summary, noting no changes to the July Board materials. There ensued a brief discussion regarding volume cap, and Ms. Sullivan advised that the Agency is working with the Executive Office of Administration & Finance, or ANF, on recapitalization efforts. When Mr. Kavogian asked about timing, Ms. Connors advised that volume cap is typically issued on a calendar year basis and is based on the state's population. Mr. Rivera reminded everyone that volume cap is shared with several other agencies.

The Chair then advised that the Board would vote on the approval and findings for the matters in Tabs 5 through 11 to be considered following the opportunity for discussion, pursuant to Section 8 of Chapter 23G of the General Laws, as amended.

Bonds: Official Action Approvals

Official Action Project without State Volume Cap Request

5. Upon motion duly made and seconded, by the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Martha's Vineyard Camp Meeting Association, in Oak Bluffs, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$3,000,000.

Official Action Projects with State Volume Cap Requests

6. Upon motion duly made and seconded, by the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of MHA B2 GP LLC, in Boston (Jamaica Plain), Massachusetts, for the issuance of a Tax-Exempt Bond to finance such affordable housing project in an amount not to exceed \$32,000,000.

7. Upon motion duly made and seconded, by the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Columbia Crossing LLC, in Boston (Dorchester), Massachusetts, for the issuance of a Tax-Exempt Bond to finance such affordable housing project in an amount not to exceed \$24,000,000.

8. Upon motion duly made and seconded, by the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Walnut Street Phase One 4 LLC, in Foxborough, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such affordable housing project in an amount not to exceed \$21,000,000.

9. Upon motion duly made and seconded, by the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Oriol Housing Associates LLC, in Worcester, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such affordable housing project in an amount not to exceed \$12,330,920.

Bonds: Final Approvals

Final Approval Project without State Volume Cap Request

10. Upon motion duly made and seconded, by the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the Official Action / Final Approval resolution that is attached and made a part of these minutes regarding:

a project of Franklin W. Olin College of Engineering, Inc., in Needham, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$62,000,000.

Final Approval Project with State Volume Cap Request

11. Upon motion duly made and seconded, by the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Carol Avenue Apartments Owner LLC, in Boston (Brighton), Massachusetts, for the issuance of a Tax-Exempt Bond to finance such affordable housing project in an amount not to exceed \$12,040,000.

INFORMATIONAL ITEMS

12. Lending – Delegated Authority Report for Loan Approvals (May 2023)

For informational purposes only, the Delegated Authority Report regarding Loan Approvals is attached and made a part of the minutes of this meeting. There was no discussion of this report.

13. Media Report (June 2023)

For informational purposes only, the Selected Press Clips, Media Report, and Web Statistics for the previous month are attached and made a part of the minutes of this meeting. No discussion of these items took place.

EXECUTIVE SESSION

14. VOTE – Gloucester (Jodrey) State Pier – Amendment to Cape Seafoods Lease(s)

Due to components involving valuation of real property in Gloucester, Massachusetts, and potential purchase and lease terms, the discussion of this item occurred in Executive Session.

The Board Secretary advised, at 11:12 a.m., that, pursuant to Mass. General Laws Chapter 23G, Section 2(l), and Chapter 30A, Sections 21 & 22, the Board of Directors of MassDevelopment was going into Executive Session, following a roll call vote, which was taken and unanimously voted in favor, to discuss matters involving the value of real properties in Gloucester, Massachusetts, and terms of potential land valuation, purchases,

*Approved:
August 10, 2023*

and leases, the discussion of which in Open Session would have a detrimental effect on the Agency's negotiating position(s). The Board Secretary instructed all persons who are not Board members or staff involved in these matters to leave the room. He noted that the Board will reconvene in Open Session following Executive Session.

[Executive Session held and adjourned at 11:20 a.m.]

MISCELLANEOUS: OLD BUSINESS / NEW BUSINESS

Reconvening the Open Session of this meeting, the Chair asked if there was any new or old business to consider. As a piece of new business, the Chair initiated a discussion with Board Members, Ms. Stolba and Mr. Rivera present.

[Secretary's Note: All remaining staff departed the meeting at 11:21 a.m.]

A discussion ensued regarding the condition and status of the Agency's General Fund and certain responsibilities and goals related to the performance of the President/CEO.

[Secretary's Note: Mr. Rivera exited the Board meeting room at 11:45 a.m. It was noted that the Chair and Board Members remained in discussion until adjournment at 11:58 a.m.]