**Massachusetts Development Finance Agency**

**Special Meeting of the Board of Directors**

**(*conducted entirely by Remote Participation*)**

**Wednesday, March 25, 2020**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Mike Kennealy, Secy. of Housing & Economic Development, Chair

 Brian Kavoogian, Vice Chair

 James Blake

 James Chisholm

 Maya Jonas-Silver, Designee for Secretary of Administration & Finance

 Francesca Maltese

 Juan Carlos Morales

 Kristina Spillane

 Christopher Vincze

 Ellen Zane

DIRECTORS ABSENT: None

Agency Staff: Lauren Liss, President and CEO

 Robert Ruzzo, Deputy Director and COO

 Ricks Frazier, General Counsel and Secretary

 Simon Gerlin, Chief Financial Officer

 Jeff Fuhrer, Chief Strategy Officer

 Laura Canter, EVP, Finance Programs

 Dena Kavanagh, Deputy General Counsel

 Meg Delorier, Chief of Staff

 Victoria Stratton, Recording Secretary

 Graeme Brown

 Noah Koretz

 Jessica Strunkin

Guests: None

A Special Meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Wednesday, March 25, 2020, by Remote Participation (See Secretary’s Note, below).

The Chair welcomed everyone and, confirming the presence of a quorum on the teleconference call, he called the meeting to order at 10:03 a.m.

[*Secretary’s Note: It was noted that this Special Board Meeting was taking place entirely remotely – via teleconference – due to emergency procedures in connection with the COVID-19 pandemic (see Gov. Baker’s Declaration of a State of Emergency, dated March 10, 2020, and subsequent orders), pursuant to the Agency’s Remote Participation Policy. A teleconference number and access code for general public use were included in the Public Notice for this meeting.*]

**OPENING REMARKS**

The Chair extended appreciation for everyone’s availability to participate in this virtual meeting in order that the regular business of the Commonwealth of Massachusetts may continue in these challenging times when most businesses are closed. He advised that many applications for emergency assistance have already, and continue to, come in and the Executive Office of Housing & Economic Development is directing businesses to organizations providing potential assistance, including the federal Small Business Administration and elsewhere.

Mr. Blake indicated that HarborOne Bank is offering 90-day deferrals for its clients. The Chair advised he participated in a call last week through the Division of Banks with 20 major banks and banking associations and most of them are making similar decisions. He said he is keeping in touch with the banking community and is encouraged by what he is seeing.

**GENERAL**

**1. VOTE – Establishment of an emergency Small Business Loan Program**

The Chair described this request to authorize dedication of $10 million in funding from the Agency’s General Fund to establish a Small Business Recovery Loan Fund 2 Program (the “Program”) to fund emergency loans to small businesses in the Commonwealth, and authorizes the Agency to enter into a contract with the Massachusetts Growth Capital Corporation (“MGCC”) to administer the Program, and a brief discussion followed. The Chair stated that the original Small Business Recovery Loan Fund – established in recent days with $10 million and also administered by MGCC – was oversubscribed with applications almost instantly, and it was necessary to cease accepting new applications. The $10 million in funds requested today will allow the Program to double the funding available for much-needed assistance. Mr. Morales noted the demand will exceed these funds quickly.

Mr. Vincze asked how the applications for assistance would be evaluated, and whether there has been any coordination with efforts underway at the federal level. The Chair advised that MGCC has previously-established criteria (from other similar programs) for evaluating potential borrowers, and only businesses harmed by the current COVID-19 pandemic will be eligible for assistance through this Program. In other words, this is not assistance for companies that were failing already; businesses must prove profitability in the quarter(s) prior to this crisis before any emergency assistance will be extended. Noting that this is a relatively small program, the Chair acknowledged that additional assistance will need to come from the federal government. The Chair asked for a vote by roll call and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment authorizes dedication of $10,000,000 from the Agency’s General Fund to establish a Small Business Recovery Loan Fund 2 Program to fund emergency loans to small businesses in the Commonwealth, and authorizes the Agency to enter into a contract with the MGCC to administer the Program, as outlined in the memorandum and vote dated March 25, 2020, that are attached and made a part of the minutes of this special meeting.

**2. VOTE – Transformative Development Initiative (“TDI”) – Expansion of TDI Local Grants Program**

Mr. Koretz described this request to modify the TDI Local Grants program for FY2020 and to repurpose certain funds from elsewhere in the approved TDI budget in order to provide a source of flexible emergency grant assistance for small businesses in TDI Districts that are suffering from the impacts of the novel coronavirus. Noting the enormous need for immediate funding created by the pandemic, Mr. Koretz advised that all of the dollars in today’s request are already in the TDI Program budget; they are simply being reallocated. It is not a robust source of funding, but it will provide some needed assistance, as the program has been redesigned to be flexible enough to provide some type of emergency relief to eligible communities. The Chair asked for a vote by roll call and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the request to modify/repurpose and disburse $545,000 in TDI program funds, as outlined in the memorandum and vote dated March 25, 2020, that are attached and made a part of the minutes of this special meeting.

There being no further business before the Board of MassDevelopment, the Board Meeting was adjourned at 10:18 a.m.