



THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE FOR  
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**Meeting Minutes**

**State Finance and Governance Board  
January 20, 2022  
11:00 am**

**Zoom URL: <https://mass-gov-anf.zoom.us/j/89152359510>  
Teleconference Line: 713-353-7024, conference code: 319738#**

In accordance with Section 20 of Chapter 20 of the Acts of 2021, a meeting of the State Finance and Governance Board was held via Zoom and teleconference on Thursday, January 20, 2022.

Meeting was called to order at 11:00AM

**Board members comprising a quorum:**

Lourdes German, Harvard University, Board Chair  
Sue Perez, Office of the State Treasurer  
Brent Andersen, Pilgrim Bay Insurance

**Others in attendance:**

Aaron D'Elia, University of Massachusetts Building Authority  
Jeff Smith, University of Massachusetts Building Authority  
Anne Lewis, Massachusetts Housing Partnership  
John Giammarino, Citi  
Kelly Govoni, Executive Office for Administration and Finance, Board Secretary  
Kaitlyn Connors, Executive Office for Administration and Finance

## 1. Administrative Matters

- I. On a motion made by Mr. Andersen, and duly seconded, members voted to approve the November 18, 2021, meeting minutes.

## 2. Discussion

- I. *No discussion matters scheduled*

## 3. Waiver Requests

- I. Mr. D'Elia explained to the board that the purpose of the waiver request from the presumption of competitively bid financing from the State Finance and Governance Board (the "Board") is with respect to the anticipated issuance of bonds for the purposes of i) financing capital projects and ii) refunding the University of Massachusetts Building Authority's Debt Management Policy. Mr. D'Elia recommends that the capital projects and refunding bonds be issued on a negotiated basis and thus is requesting a waiver from the Board.

Chairwoman German asked if there were any questions or comments from Board members. There were no questions or comments from Board members.

Chairwoman German thanked Mr. D'Elia and noted that the materials were helpful to review beforehand.

On a motion from Mr. Andersen, the State Finance and Governance Board hereby determines that a waiver from the presumption of a competitive, sealed-bid financing, be granted with respect to the issuance by the Authority of one or more series of bonds under the Project Trust Agreement and/or Facilities Trust Agreement in an aggregate principal amount not to exceed \$1,100,000,000, to (a) finance capital projects; (b) refund and/or restructure outstanding bonds of the Authority; and (c) pay costs of issuance related to issuing the Bonds, and that the Authority be authorized to sell such Bonds on a negotiated basis not later than July 20, 2022.

## 4. Derivative Reviews

Ms. Lewis then explained to the State Finance and Governance Board (the "Board") that the Massachusetts Housing Partnership (MHP) is seeking a six-month authorization of its forward-starting swap program through 6/30/22. Ms. Lewis noted that this program allows MHP to offer forward rate commitments to its borrowers under its Treasury Risk- Sharing Program for projects needing rate locks during their construction and lease-up periods. Ms. Lewis noted that since its inception in 2017, MHP executed 12 forward-starting swaps with a combined notional value of \$82.7 million. These swaps enable MHP to provide forward rate commitments on 12 projects, representing 922 units of rental housing, including 748 units affordable to low-income households.

Ms. Lewis explained that MHP's swap program was first reviewed by the Board on May 25, 2017, and since then they have received five 6-month program extensions from the Board for \$50 million each time. At a meeting of MHP's Board of Directors on 12/22/2021, the Board approved a 6-month authorization of the swap program through 6/30/2022 based on the

analysis and recommendation of their independent swap advisor, Chatham Hedging Advisors. Ms. Lewis noted that given the upcoming phase-out of LIBOR and the foreseeable unwillingness of dealer banks to offer LIBOR swaps past the end of 2021, Chatham has also recommended that MHP transition to the use of Secured Overnight Financing Rate (SOFR) swaps to hedge their rate risk.

Chairwoman German asked if any board members had any questions. There were no questions from board members.

Chairwoman German noted that this seems like a thoughtful strategy when you look at bank's behavior with the anticipated phase out and thanked Ms. Lewis for her thorough presentation.

On a motion from Mr. Andersen, the Board unanimously voted that the State Finance and Governance Board has received satisfactory information regarding the transaction terms related to Massachusetts Housing Partnership's forward-starting swaps in the aggregate notional amount not to exceed \$50,000,000 to be executed between January 1, 2022 and June 30, 2022 and deems the transaction reviewed with no additional conclusions required.

**5. Closed Transactions/Bond Sale Reviews:**

- I. *No discussion matters scheduled.*

**6. Discussion on Board Activities**

- I. *No discussion matters scheduled.*

**7. Adjournment**

- I. On a motion made by Mr. Andersen, and duly seconded, members voted to adjourn. The meeting was adjourned at 11:11AM.

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Kelly Govoni, Secretary