



California State Association of Counties  
1100 K Street, Suite 101  
Sacramento, CA 95814



Regional Council of Rural Counties  
1215 K Street, Suite 1650  
Sacramento, CA 95814

July 29, 2011

The Honorable Nan Hayworth  
U.S. House of Representatives  
1440 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Mike Thompson  
U.S. House of Representatives  
231 Cannon House Office Building  
Washington, D.C. 20515

The Honorable Dan Lungren  
U.S. House of Representatives  
2313 Rayburn House Office Building  
Washington, D.C. 20515

Dear Representatives Hayworth, Thompson and Lungren:

On behalf of the California State Association of Counties (CSAC) and the Regional Council of Rural Counties (RCRC), we are writing to thank you for introducing the *PACE Assessment Protection Act of 2011* (HR 2599), which would prevent federal housing regulators from adopting policies that contravene established state and local property assessed clean energy (PACE) laws.

PACE, or AB 811 programs as they are known in California, is a bipartisan local government initiative that provides upfront, affordable financing for energy-efficient home improvements with repayments linked to a homeowner's property taxes. PACE programs provide the private sector and local governments the opportunity to work together to generate tremendous benefits without federal tax subsidies, mandates, or expansion of any federal programs. In fact, \$10 million in private capital market spending, on average, creates 150 new jobs, generates \$25 million in gross economic output, and produces \$2.5 million in combined federal, state, and local tax revenue.

Despite the program's clear economic benefits, the Federal Housing Finance Agency (FHFA), which oversees Fannie Mae and Freddie Mac, last year issued orders that effectively shut down PACE loans across the country. The *PACE Protection Act of 2011* rescinds those orders and affirms the validity of PACE assessments. Specifically, the legislation requires PACE assessments to be treated the same as other property tax assessments while permitting states to exercise their authority to secure such assessments with a first lien. Importantly, the bill also establishes important national program standards to limit any financial risk to Fannie Mae and Freddie Mac.

Thank you for your leadership on this critically important issue. CSAC is pleased to endorse the *PACE Assessment Protection Act of 2011*. Should you have any questions regarding our position or would like additional information, please contact Hasan Sarsour, CSAC Federal Representative, Waterman and Associates at (202) 898-1444 or Melissa White, RCRC Federal Affairs Coordinator at (916) 447-4806.

Sincerely,



Karen Keene, CSAC  
Deputy Director, Federal Affairs



Melissa M. White, RCRC  
Federal Affairs Coordinator