

March 10, 2014



1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327-7500

Facsimile
916.441.5507

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

The Honorable Peter King
U.S. House of Representatives
339 Cannon House Office Building
Washington, D.C. 20515

The Honorable Sean Patrick Maloney
U.S. House of Representatives
1529 Longworth House Office Building
Washington, D.C. 20515

Dear Representatives Thompson, King and Maloney:

On behalf of the California State Association of Counties (CSAC), I am writing to thank you for introducing the *PACE Assessment Protection Act of 2014*, which would revive stalled Property Assessed Clean Energy (PACE) programs in California and across the country. As you know, PACE programs allow property owners to finance energy efficiency, water efficiency, and renewable energy projects on existing residential and commercial structures with repayments linked to a homeowner's property taxes.

PACE has shown the potential to generate tremendous economic benefits, without the need for federal tax subsidies, mandates, or the expansion of any federal programs. In fact, \$10 million in private capital market spending has been shown to create 150 new jobs, generate \$25 million in gross economic output, and produce \$2.5 million in combined federal, state, and local tax revenue. Despite the program's clear economic and environmental benefits, the Federal Housing Finance Agency (FHFA) - which oversees Fannie Mae and Freddie Mac - issued policy guidance in 2010 that severely hampered residential PACE programs nationwide.

The *PACE Protection Act of 2014* would rescind those orders and reaffirm the validity of PACE assessments. It also would establish important national program standards to limit any financial risk to Fannie Mae and Freddie Mac. It should be noted that California is in the process of establishing a state-backed reserve fund that would ensure that mortgage lenders are made whole in the event of a foreclosure or forced sale. In our view, this important legislation would improve the PACE financing concept in ways that protect borrowers and lenders, while improving energy efficiency and boosting the economy.

Thank you for your leadership on this critically important issue. CSAC is pleased to endorse the *PACE Assessment Protection Act of 2014*. Should you have any questions regarding our position or if you would like additional information, please contact Hasan Sarsour, CSAC Federal Representative, at (202) 898-1444, or Karen Keene, CSAC Deputy Director of Federal Affairs at 916-327-7500 ext. 511.

Sincerely,

A handwritten signature in blue ink that reads "Matt Cate".

Matt Cate
CSAC Executive Director