

1 [Property Assessed Clean Energy Programs]

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3 **Resolution supporting Property Assessed Clean Energy (PACE) programs and**
4 **requesting San Francisco's Congressional representatives to work with the Federal**
5 **Housing Finance agency to establish standardized underwriting criteria and**
6 **safeguards to allow for the continuation of PACE.**

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8 WHEREAS, The California Legislature has found that (i) energy and water
9 conservation efforts, including the promotion of energy efficiency improvements to residential,
10 commercial, industrial, agricultural, or other real property are necessary to address the issue
11 of global climate change and (ii) a public purpose will be served by a voluntary contractual
12 assessment program that provides the legislative body of any public agency with the authority
13 to finance the installation of distributed generation renewable energy sources and energy or
14 water efficiency improvements that are permanently fixed to residential, commercial,
15 industrial, agricultural, or other real property (Streets & Highways Code §5898.14); and

16 WHEREAS, Based on these findings, the California Legislature amended Chapter 29
17 of Division 7 of the Streets & Highways Code ("Chapter 29") to allow the financing of
18 renewable energy, energy efficiency and water efficiency improvements through the levy of
19 contractual assessments with the free and willing consent of the owner of each lot or parcel
20 on which an assessment is levied at the time the assessment is levied; and

21 WHEREAS, Programs in which taxes and assessments are levied to finance
22 renewable energy, energy efficiency and water efficiency improvements on private property
23 have been established throughout California and the rest of the country, and have come to be
24 known as "Property Assessed Clean Energy" ("PACE") programs; and

1 WHEREAS, The City and County has consented to the conduct of contractual
2 assessment proceedings within the boundaries of the City and County under Chapter 29
3 pursuant to its GreenFinanceSF program; and

4 WHEREAS, In "Recovery Through Retrofit" (October 2009), the White House's Middle
5 Class Task Force, Council on Environmental Quality recognized the "exciting potential of
6 PACE programs" and stated that "Federal Agencies will work in partnership with state and
7 local governments to establish standardized underwriting criteria and safeguards to protect
8 consumers and minimize financial risks to homeowners and mortgage lenders"; and

9 WHEREAS, On October 18, 2009, the White House released its "Policy Framework for
10 PACE Financing Programs," which had "been developed by the White House and the relevant
11 agencies as a policy framework for Property Assessed Clean Energy (PACE) financing
12 programs" and Vice President Joseph Biden announced support "for the use of federal funds
13 for pilot programs of PACE financing to overcome barriers for families who wish to invest in
14 energy efficiency and renewable energy improvements"; and

15 WHEREAS, On May 7, 2010, the United States Department of Energy, after
16 consultation within the federal government and with other stakeholders, issued its "Guidelines
17 for Pilot PACE Financing Programs" to "help ensure prudent financing practices during the
18 current pilot PACE programs"; and

19 WHEREAS, On July 6, 2010, only two months after release of the Department of
20 Energy's Guidelines, the Federal Housing Finance Agency released a Statement in which it
21 declared: "After careful review and over a year of working with federal and state government
22 agencies, the Federal Housing Finance Agency (FHFA) has determined that certain energy
23 retrofit lending programs present significant safety and soundness concerns that must be
24 addressed by Fannie Mae, Freddie Mac and the Federal Home Loan Banks;" and
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1 WHEREAS, In the Statement, the FHFA directed Fannie Mae, Freddie Mac and the
2 Federal Home Loan Banks to undertake certain actions, including, among others, "(a)djusting
3 loan-to-value ratios to reflect the maximum permissible PACE loan amount available to
4 borrowers in PACE jurisdictions"; in other words, the FHFA directed that Fannie Mae, Freddie
5 Mac and the Federal Home Loan Banks treat all properties within a jurisdiction with a PACE
6 program as if they were subject to a PACE tax or assessment, not just those that had actually
7 agreed to a PACE tax or assessment; and

8 WHEREAS, As a result of the FHFA Statement, and in order to avoid an adverse
9 impact on residential property owners in their jurisdiction, local agencies in California that are
10 operating PACE programs have halted residential financing; and

11 WHEREAS, For the reasons declared by the California Legislature in Chapter 29 and
12 also because of the importance of PACE to job creation within the City and County, the City
13 and County wishes to declare its support for PACE programs and to ask its Congressional
14 representatives to work with the FHFA, the Department of Energy, the White House and other
15 relevant federal agencies to reverse the FHFA Statement; now, therefore, be it

16 RESOLVED, That because of the important public policies advanced by PACE,
17 including those identified by the California Legislature as well as the ability of PACE to
18 generate new jobs within the City and County, the Board of Supervisors hereby declares its
19 support for PACE; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors hereby requests Speaker
21 Pelosi and Senators Boxer and Feinstein to work with the FHFA, the Department of Energy,
22 the White House and other relevant federal agencies to reverse the FHFA Statement with the
23 goal of achieving the exciting potential of PACE and establishing standardized underwriting
24 criteria and safeguards to protect consumers and minimize financial risks to homeowners and
25 mortgage lenders; and, be it

1 FURTHER RESOLVED, That the Clerk of the Board is hereby authorized and directed
2 to transmit a certified copy of this resolution to the FHFA and to the offices of Speaker Pelosi
3 and Senators Boxer and Feinstein.
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City and County of San Francisco

Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 101024

Date Passed: August 03, 2010

Resolution supporting Property Assessed Clean Energy programs and requesting San Francisco's Congressional representatives to work with the Federal Housing Finance agency to establish standardized underwriting criteria and safeguards to allow for the continuation of Property Assessed Clean Energy programs.

August 03, 2010 Board of Supervisors - ADOPTED

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi

File No. 101024

I hereby certify that the foregoing Resolution was ADOPTED on 8/3/2010 by the Board of Supervisors of the City and County of San Francisco.

Mayor Gavin Newsom

Angela Calvillo
Clerk of the Board

Date Approved