



**CHUCK LESNICK**  
**City Council President**

Sent via email to [RegComments@fhfa.gov](mailto:RegComments@fhfa.gov)

March 23, 2012

Mr. Alfred Pollard  
General Counsel  
Federal Housing Finance Agency  
400 7<sup>th</sup> St., N.W.  
Washington, DC 20024

Dear Mr. Pollard:

I appreciate the opportunity to comment on the Federal Housing Finance Agency (FHFA) policy that prevents homeowners from participating in Property Assessed Clean Energy (PACE) programs. This limitation runs counter to a national policy that promotes energy efficiency and economic growth. Unfortunately, it typifies a federal bureaucracy where one branch does not support the initiatives of another.

"Access to financing" has been identified as a key barrier to improving built energy efficiency by the White House Middle Class Task Force's "Recovery Through Retrofit" 2009 report which states that "homeowners face high upfront costs and many are concerned that they will be prevented from recouping the value of their investment if they choose to sell their home."

PACE was developed so that municipalities, working with the private capital markets, can enable homeowners to make energy efficiency improvements to their homes with minimal upfront capital. Property owners who want to cut energy bills can do so through this program and municipalities participate by facilitating the repayment through the tax bill of the participating property owner. Since the value of the energy upgrades is advantageous only to the property, not the owner, the obligation for repayment schedule stays with the property even if transferred.

There has been growing interest in this program in Yonkers, a city of 200,000, and throughout Westchester County. As the immediate past president of the Westchester Municipal Officials Association, I have looked to further collaboration and share best practices among our county's 43 municipalities and PACE has been discussed and embraced at our meetings for the past two years.

In addition, our city's Green Policy Task Force wants to know, "When can we start?" We would like to do everything we can to reduce home energy consumption by 40 percent and cut greenhouse gas emissions by 160 metric tons annually by 2020. PACE would also serve to create important jobs. Participation in the PACE program by just 750,000 homes across the country could create more than 200,000 jobs at a time when so many Americans are out of work and face daily struggle to keep their families from losing their homes and entering poverty.

PACE addresses these two national priorities: Energy efficiency and renewable energy improvements reduce homeowners' energy bills. While numerous studies show that energy efficiency and renewable energy measures increase a home's value, they are inherently safe investments for homeowners and lenders.

Furthermore, guidelines recommended by the White House (October 18, 2009), the Department of Energy (May 7, 2010) and recently introduced legislation HR 2599 (Hayworth, R-NY-19) establish clear consumer protections and underwriting standards to protect homeowners and lenders.

Lastly, PACE programs fit squarely within the longstanding tradition of using land secured financing to support municipal programs. Local municipal governments like Yonkers use special assessment districts to finance many types of community improvements that serve a public purpose. As of 2007, there were more than 37,000 special assessment districts in the United States. FHFA has not challenged the validity of these other assessments and should not challenge PACE assessments.

Thank you for your time and consideration.

Sincerely,



Chuck Lesnick  
Yonkers City Council President