



Legislation Text

File #: 10-0906, **Version:** 1

Resolution to Support Federal, State & Local Legislation enabling the creation of Property Assessed Clean Energy (PACE) Financing Districts

Prepared by: Energy Commission

Sponsored by: Mayor Hieftje

Whereas, Energy efficiency and renewable energy technologies provide residents and businesses with reliable, sustainable and clean energy, which helps the community benefit financially, while reducing greenhouse gas and other emissions and local reliance on imported energy; and

Whereas, Ann Arbor's Energy Challenge sets forth renewable energy use goals of 30% in municipal operations by 2010 and 20% city-wide by 2015; and

Whereas, Achieving this goal will require the rapid and widespread deployment of energy efficiency and renewable energy measures; and

Whereas, The City is committed to preserving and improving Ann Arbor's natural and built environment, protecting the health of its residents and visitors, and promoting economic development; and

Whereas, Two of the largest barriers to implementing energy efficiency and renewable energy measures to residences are the lack of up-front capital and the absence of transferability of the cost of improvements to new ownership with the sale of a property; and

Whereas, Property Assessed Clean Energy (PACE) programs remove these two barriers; and

Whereas, Cities have a long established record of successfully managing other similar property assessment programs such as for sidewalks and utility infrastructure; and

Whereas, PACE programs have been shown to cause dramatic increases in the amount of energy efficiency and renewable energy projects undertaken; and

Whereas, Other cities in the United States have successfully created Sustainable Energy Financing Districts that encourage their residents to install energy efficiency and renewable energy improvements; and

Whereas, The US Department of Energy and the University of California Renewable and Appropriate Energy Laboratory have provided the City with extensive background materials on the benefits and process of establishing a PACE Financing District; and

Whereas, The Energy Commission has recommended establishing a PACE Financing District in the City; and

Whereas, The City of Ann Arbor has received \$432,800 in federal stimulus money to fund a local PACE program; and

Whereas, Recent decisions by the Federal Housing Finance Agency (FHFA), the Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac) to not extend credit to buyers of homes with existing PACE liens have caused all existing PACE program activity to stop; and

Whereas, U.S. Senate bill S.3642, and House bill H.R.5766 have been introduced to require lenders such as Fannie Mae and Freddie Mac to support PACE programs; and

Whereas, H.B. 5640, the PACE Act, has been passed by the Michigan House of Representatives and is awaiting introduction in the Michigan Senate;

RESOLVED, That Ann Arbor City Council supports the recently introduced Federal PACE legislation and urges our federal representation to work for its speedy passage;

RESOLVED, That City Council recommends that our congressional representation simultaneously negotiate with the FHFA, Fannie Mae and Freddie Mac and urge them to change their stance and support PACE financing programs; and

RESOLVED, That City Council urges our state legislators to immediately proceed to pass State legislation granting the cities in Michigan the power to enact PACE programs, in anticipation of the resolution of FHFA objections through negotiations or federal legislation, as have the states of Missouri and New Hampshire.

Sponsored by: Mayor Hieftje