

August 03, 2010.

The Honorable Richard Lugar
United States Senate
Washington D.C. 20510

Dear Senator Lugar,

On behalf of the more than 600 local government members that ICLEI USA actively represents, we are seeking your leadership to defend local governments from a dangerous federal overreach into the traditional province of local control.

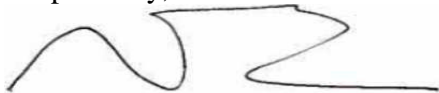
Recently, Freddie Mac and Fannie Mae and their regulator the Federal Housing and Financing Agency (FHFA) have effectively stopped Property Assessed Clean Energy (PACE) financing on main streets across the United States. PACE is a local government solution that helps home and building owners finance energy efficiency and renewable energy improvements. PACE is supported by more than 100 years of legal and historical precedent for special assessment districts, including more than 37,000 districts that have been used to finance sewers, sidewalks, and other projects that serve a public purpose. This is a question of the division between state and federal power as well, with 22 states already having passed PACE authorizing legislation.

PACE programs across the nation had the potential to create tens of thousands of jobs and result in hundreds of millions of dollars of investment in the housing industry – that is until the FHFA stopped PACE calling every existing and future program into question.

Recently, Representative Mike Thompson introduced H.R.5766, the PACE Assessment Protection Act of 2010 and Senator Barbara Boxer introduced identical legislation in the Senate that would reinstate PACE programs. While we support these well-intentioned bills, recent analysis reveals that to be effective the legislative language needs to go even farther to protect PACE programs and the assessment powers of local governments. That is why I'm asking that you support a more comprehensive measure that ensures PACE programs have sufficient congressional guidance that guarantee property owner, lender and investor protections enabling the strongest foundation possible for PACE to succeed.

We need your leadership to ensure the federal government does not usurp the power of local government to make local decisions.

Respectfully,



**ICLEI-Local Governments
for Sustainability USA**

ICLEI USA Headquarters
1331 F St. NW
Suite 975
Washington, DC 20004
Phone: (202) 629-3598
Fax: (202) 629-3615
E-mail: iclei-usa@iclei.org
Website: www.icleiusa.org

Boston National Office
180 Canal Street, Suite 401
Boston, MA 02114
Phone: (617) 960-3420
Fax: (617) 248-3974

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Martin J. Chavez
Executive Director
ICLEI-Local Governments for Sustainability, USA.