

Attachment B

Statement by California Governor Schwarzenegger to FHFA



Office of the Governor

ARNOLD SCHWARZENEGGER
THE PEOPLE'S GOVERNOR

PRESS RELEASE

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Gov. Schwarzenegger Issues Statement in Response to the Federal Housing Finance Agency's Decision on the Property Assessed Clean Energy Financing Program

Governor Arnold Schwarzenegger today issued the following statement in response to the Federal Housing Finance Agency's (FHFA) decision on the Property Assessed Clean Energy Financing (PACE) program.

"I am deeply disappointed that the Federal Housing Finance Agency has chosen not to support a federal stimulus program that would make it cheaper for Californians to invest in energy efficiency. This decision not only puts at risk millions of dollars of Recovery Act funds but sends a message to local governments and private businesses that energy independence is not a priority. I have directed the California Energy Commission to do everything possible so that we do not miss out on an opportunity to invest in home energy retrofits, which will create jobs, provide energy savings and benefit the environment."

The FHFA's bureaucratic breakdown threatens one of California's most promising new engines of job creation in this struggling economy. Statewide, approximately \$50 million in America Recovery and Reinvestment Act (Recovery Act) funds could leverage more than \$400 million in both local and private funds. FHFA's action threatens thousands of new sustainable jobs in California, especially in the hard-hit construction industry, while denying homeowners the opportunity to reduce monthly energy costs and add equity to their homes.

PACE is not a loan, but instead is built on traditional tax assessments, which have been managed by local governments for over 100 years. PACE was not designed to increase the risk to homeowners, lenders or the financial system, but instead was created with stringent operating rules, as well as with conservative and rigorous financial criteria, to ensure a net positive benefit to all parties. PACE has clear benefits to the community and the public at large. Energy savings of 40 percent or more are possible, and, as California has demonstrated, reducing energy consumption leads to real savings for all energy consumers and clear benefits to our environment and energy security.

Governor Schwarzenegger created the California Recovery Task Force to track the American Recovery and Reinvestment Act funding coming into the state; work with President Barack Obama's administration; help cities, counties, non-profits, and others access the available funding; ensure that the funding funneled through the state is spent efficiently and effectively; and maintain a Web site (www.recovery.ca.gov) that is frequently and thoroughly updated for Californians to be able to track the stimulus dollars.