

EXHIBIT B

MONTEREY COUNTY RESOURCE MANAGEMENT



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BUILDING SERVICES

Timothy P. McCormick P.E. & C.B.O.
Director of Building Services

July 27, 2010

Senator Dianne Feinstein
Senator Barbara Boxer

The Honorable Christopher J. Dodd, Chairman
Sen. Richard C. Shelby, Ranking Member
Senate Banking Committee

The Honorable Jeffrey Bingaman, Chairman
Sen. Lisa Murkowski, Ranking Member
Energy & Natural Resources

U. S. Senate
Washington, DC 20510

Congressman Sam Farr

The Honorable Barney Frank, Chairman
Spencer Bachus, Ranking Member
House Committee on Financial Services

The Honorable Henry Waxman, Chairman
Rep. Joe Barton, Ranking Member
Energy & Commerce Committee

U.S. House of Representatives
Washington, D.C. 20515

Dear members of Congress:

We are writing as the Board of Supervisors of Monterey County in California's 17th Congressional District to ask you to support legislation that guarantees local government the right to establish clean energy programs, known as Property Assessed Clean Energy (PACE). PACE is a local government solution that helps home and building owners finance energy efficiency and renewable energy improvements and is supported by a century 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.

We strongly believe that recent actions by federal regulators infringe upon state's rights to utilize assessment districts and that PACE is good for our nation's housing industry and mortgage investors. The regulators disagree. We must protect our state's rights and let the facts and data from our nation's PACE pilot programs determine who is correct. We urge you to support federal legislation -- H.R.5766 (Rep. Thompson) known as the PACE Assessment Protection Act of 2010 and similar legislation in the senate -- so our nation's PACE pilot programs can proceed.

In just the past two years, twenty-two states have passed laws enabling local governments to develop PACE programs (CA, CO, FL, GA, IL, LA, ME, MD, MN, MO, NV, NH, NM, NY, NC, OH, OK, OR, TX, VT, VA, WI). State and local governments have embraced PACE because of its tremendous potential to cut energy bills, increase homeowner cash flow for mortgage payments, reduce mortgage default risk, create tens of thousands of local jobs and dramatically reduce greenhouse gas emissions by spurring investment in clean energy improvements. PACE has received strong bipartisan support nationwide – in red states and blue states – because creating jobs, saving energy and reducing utility bills for families and businesses is important to all Americans. Our nation's PACE programs were set to launch a 24 month pilot period this summer, funded by \$150 million in grants from the Department of Energy, incorporating safety and soundness consumer and lender protections that were developed by a White House led inter-agency working group consisting of HUD, NEC, OMB, CEQ and DOE.

Unfortunately, despite PACE's great promise, the Federal Housing Finance Agency (FHFA) and the Office of the Comptroller of the Currency (OCC, collectively the "Regulators") issued recent statements blocking our nation's PACE pilot programs. The Regulators action is a direct challenge to state's rights to levy tax assessments for a public purpose and wrongly asserts that the consumer and lender protections were not sufficient. The DOE funded PACE programs have been specifically designed to help the mortgage market yet the Regulators statements simply rehashed old concerns that were cured ([See PACE response to the Regulators concerns](#)). Because of FHFA's oversight of Fannie Mae and Freddie Mac, and OCC's influence over our nation's banks, the statements forced existing PACE programs to halt and froze the ability to launch PACE programs already under development nationwide.

Congress, which chartered Fannie Mae and Freddie Mac, and which established FHFA & OCC, must quickly intervene to pass legislation that guarantees the right of state and local government to form special assessment districts to promote clean energy programs and restore the promise of PACE.

Sincerely,

Board of Supervisors, County of Monterey

Fernando Armenta

Louis R. Calcagno

Simon Salinas

Jane Parker

Dave Potter

cc: Ben Bernanke, Chairman, US Federal Reserve; Ed DeMarco, Acting Director, FHFA; Tim Geithner, Secretary of the Treasury, US Treasury Department; Sheila C. Bair, Chairman, FDIC; John C. Dugan, Comptroller of the Currency, OCC