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To read the policy brief, visit: <http://www.brookings.edu/research/papers/2012/11/13-housing-energy-efficiency>.

## **Brookings Calls on Congress to Pass Legislation to Support Use of PACE for Residential Properties**

*Brookings Policy Briefs Propose Reforms to Cut Deficit, Jumpstart Economy*

WASHINGTON, D.C.— Congress should pass legislation that supports residential Property Assessed Clean Energy (PACE) programs across the country to spur energy efficiency and renewable energy building upgrades and retrofits, according to a policy brief released today by the Brookings Metropolitan Policy Program.

This policy brief is part of a new government reform series entitled, [Remaking Federalism / Renewing the Economy](#), launched today. The series addresses both the near-term “fiscal cliff” showdown and the longer-term budgetary, economic, and political challenges that will require response in the coming months. Through this series, the Metropolitan Policy Program will encourage the next administration to seek solutions beyond the partisan gridlock in Washington and to empower state and metro areas through financing mechanisms such as residential PACE programs.

PACE programs allow states and local governments to use funds raised through bond issues or other sources of capital to fund energy efficiency and renewable energy building upgrades. Even though residential PACE programs generated tremendous interest and demonstrated significant initial success, an FHFA ruling against residential PACE financing in 2010 effectively halted these programs throughout the country.

“Buildings consume nearly half of the nation’s energy and produce half of its carbon emissions,” said Devashree Sasha, senior policy analyst at Brookings and author of the policy brief. “Scaling up energy efficient retrofits offers a \$279 billion investment opportunity and energy savings of \$1 trillion over ten years. Enabling residential PACE programs to move forward will help get us there.”

The brief urges Congress to pass legislation requiring the FHFA to allow Fannie Mae and Freddie Mac to purchase residential mortgages with PACE assessments and incorporate underwriting standards protecting homeowners and lenders and program standards for state and local governments offering PACE programs.

The policy memo further describes the current problem, outlines budget implications, and details the implementation requirements of enacting residential Property Assessed Clean Energy legislation.

**The Metropolitan Policy Program at Brookings**—*Created in 1996, the Metropolitan Policy Program (MPP) provides decision-makers with cutting-edge research and policy ideas for improving the health and prosperity of metropolitan areas including their component cities, suburbs, and rural areas. To learn more visit: [www.brookings.edu/metro](http://www.brookings.edu/metro). Follow us at [Twitter.com/BrookingsMetro](https://twitter.com/BrookingsMetro).*

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