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## **Opinion: PACE Program May Provide Pandemic Lifeline to Businesses, Nonprofits, Private Schools**

Travis County Commissioner Brigid Shea and Travis County Tax Assessor-Collector Bruce Elfant make the case for a clean energy program

BY BRIGID SHEA AND BRUCE ELFANT, OCTOBER 1, 2021, COLUMNS

Two major catastrophes this year have left many businesses, nonprofits and private schools wondering how to pay for improvements to their buildings.

The pandemic has heightened the need to improve ventilation for cleaner air, and the February freeze has many property owners looking to upgrade to environmentally or energy-friendly fixes. The question is: How can they afford it when the economy is still recovering from the pandemic?

Travis County created a financing program that offers help. Property-Assessed Clean Energy (PACE) is providing a pandemic lifeline that can make buildings more efficient, healthy, and/or resilient while reducing operating costs with its special financing method.

Loan applications are submitted in advance of improvements or retroactively, the latter providing the applicant can show the intent of the upgrades was to increase energy efficiency, create a healthier building or decrease environmental impact, such as saving water. These loans offer 100% upfront low interest rates and long-term repayment, usually 20 to 30 years, through a property assessment. They literally pay for themselves.

Here's how PACE works:

- A business or nonprofit property owner applies for long-term private financing for energy or water conserving improvements.
- Private lenders review and approve the financing application. No public funds are used.
- The applicant must agree to a voluntary assessment imposed on the property under a written contract with Travis County.
- The applicant's assessment payments are calculated to be offset by the cost savings of their financed project.

- The assessment has the same legal priority as a property tax and that's what qualifies the applicant for long-term, low-interest financing that is not available in traditional markets.

In February 2016, Travis County's Congregation Beth Israel secured the first PACE loan in Texas to upgrade boilers and energy efficiency in its educational building. The synagogue saved enough money on utility bills to cover the cost of the loan.

Businesses can use PACE for many improvements, including:

- Heating, Ventilation and Air Conditioning (HVAC) systems
- Low-flow plumbing
- Insulation
- Roofing
- Solar installations
- LED lighting

We are aware many businesses are suffering due to the pandemic, but they may be able to make improvements that lower their operating costs under this program. If there is a little ray of light, fewer inside customers due to COVID-19 may provide an opportunity for businesses and nonprofits to launch improvement projects with minimal client interruption. It can be a pandemic lifeline.

We encourage businesses and nonprofits to take advantage of Travis County's PACE program to lower operating costs while reducing energy and water waste without interrupting cash flow. If now's not the time for your business, please consider using PACE for future projects. To learn more about the PACE program, including how businesses use it to reduce their costs, go to [texaspaceauthority.org](https://www.texaspaceauthority.org).

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*This was co-authored by Travis County Commissioner Brigid Shea, a well-known environmental activist, and Travis County Tax Assessor-Collector Bruce Elfant, who championed the Property-Assessed Clean Energy program to help businesses find solutions for energy fixes.*

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