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# PACE funding gives developers a green toolbox

By [Another Voice](#)

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**By Marty J. Walters**

Mayor Byron W. Brown's [recent signature](#) enables developers to tap into Property Assessed Clean Energy (PACE) financing for energy-efficient projects in the City of Buffalo.

PACE offers easy access to low-interest, fixed-rate financing to create high-performance buildings. The PACE program offers truly game-changing opportunities to reduce Buffalo's carbon footprint.

Just how big is this? Today, a dozen capital providers stand ready to finance more than a billion dollars in energy efficient new construction and retro-fit projects within the city.

How did PACE come about?

PACE funding is based on the model of local assessments districts, where bonds are issued for specific public benefit projects, and then added to a property tax bill.

Many local and state governments now recognize that reducing the built environment's carbon footprint carries a public benefit. The Property Assessed Clean Energy program allows building owners to finance energy efficient improvements, and tie the repayment to property assessments.

Simply put, the financing is secured by the property and not the property owner. In case of sale, the repayment obligation can remain with the property, so the owner-developer does not take a loss on the energy efficiency improvements.

Take, for example, a developer who outfits a property with five-year LED bulbs, and sells the property after two years. The cost of financing those LED bulbs can stay with the property.

Personally, I have spent the last 12 years pleading the business case for long-term value over lower first cost, regarding energy efficiency in new construction. Seemingly, developers' hands were tied by budget constraints. No more. PACE offers enormous resources.

PACE financing means that zero-energy buildings can now be a realistic design standard for all of Buffalo.

All of the typically high-first-cost items are now in play. Solar, geothermal, wind, insulated thermal mass, LED bulbs; all these ingredients for zero-energy buildings are now affordable and locally available.

According to the U.S. Census Bureau's 2014-2018 numbers, Buffalo has about 110,000 households. If energy efficient new construction and retrofitting saved \$100 per month for each household, that would add \$132 million per year to the local economy. The economic impact would be even greater than that, as dollars change hands throughout the community.

Last year Erie County adopted the local law for a previous version of PACE. However, a new local law is now required to access PACE. The County Legislature needs to explore and support this important tool.

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