

PACE FOR WATER SAVINGS IN NEW CONSTRUCTION

AUSTIN & TRAVIS COUNTY

Texas Property Assessed Clean Energy (TX-PACE) enables commercial property owners to obtain affordable, long-term financing covering up to 100 percent of the cost for energy efficiency, water conservation, water reuse and on-site generation technologies. TX-PACE secures private financing for a term as long as the projected useful life of the improvements, resulting in utility cost savings that exceed the amount of the repayment. Owners can construct or modernize commercial properties without fear of over-investment. The TX-PACE repayment obligation transfers to new ownership if the property is sold.

Since 2013, more than \$365 million of PACE financing has been mobilized for energy and water efficiency projects in Texas, many of them in Austin and Travis County. PACE financing has reduced statewide water use by more than one million gallons annually – savings that are strengthening long-term water security amid rapid population growth and limited water supplies. Many of these water-saving projects are in Austin, including the Kasita Hotel and the Grove, a multi-family apartment complex, which both secured PACE financing in 2022.

The Travis County PACE program enables commercial, industrial, large multi-family, and agricultural property owners to obtain low-cost, long-term financing for water conservation, energy efficiency and renewable energy projects. Travis County is already saving nearly 40 million gallons of treated drinking water a year with the kind of water conservation efforts PACE can help finance.

Austin Water offers generous financial incentives for onsite water reuse infrastructure, which repurpose rainwater, air conditioner condensate and even wastewater, thereby extending the City's core water supplies. The utility offers \$250,000 for projects that offset over a million gallons per year of potable water, and \$500,000 for projects that offset over 3 million gallons per year. These incentives will end in December 2023, when onsite water reuse systems will be required in the City of Austin for new commercial and multi-family development projects of 250,000 gross square feet or greater.

Guidance for the PACE program has recently been updated so that more projects can qualify for PACE financing. Builders can now use the financing for developed properties and undeveloped, greenfield properties that have been prepared for construction, with improvements such as fencing or lighting. PACE financing had previously only been available for already-developed building sites.



KASITA AUSTIN

PACE-financed water saving measures – low-flow faucets, showers and toilets, projected annual water savings: 293,000 gallons



THE GROVE

PACE-financed water saving measures - high efficiency plumbing and domestic hot water; projected annual water savings, 162,000 gallons



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"PACE financing opens the door for water-saving investments that will generate positive cash flows for developers and lower operating expenses for building owners."

SHARLENE LEURIG

Chief Executive Officer, Texas Water Trade

"Travis County's cost-saving financial tools, such as the PACE program, give developers and property owners the ability to maximize energy- and water-saving opportunities in their building systems, creating a win-win for our community and their own financial bottom lines."

BRIGID SHEA

Travis County Commissioner

TECHNICAL GUIDANCE

AUSTIN WATER

Beginning in December 2023, onsite water reuse systems will be required in the City of Austin for new commercial and multi-family development projects of 250,000 gross square feet or greater ([LDC §25-9-412](#)). These projects will have to collect and treat either rainwater and air conditioner condensate or graywater for reuse in buildings for toilet/urinal flushing, laundry, irrigation and cooling.

TEXAS PACE PROGRAM

The Texas PACE Act prohibits the use of PACE financing on undeveloped lots. However, undeveloped property can be developed prior to using Texas PACE for new construction. A property on which improvements have been recognized by an Appraisal District under the Texas Property Tax Code is considered developed for purposes of the Texas PACE Act. Property that is or was not previously improved can be improved by the addition of an "improvement" to the property under the Texas Property Tax Code Section 1.04(3).

KEY RESOURCES

- Texas PACE Authority [Program Guide](#)
- [2021 report](#): Rapidly Scaling Water Reuse Across Texas Using PACE Financing
- Austin's [Onsite Water Reuse Systems Ordinance](#)



TEXAS PACE
AUTHORITY



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