Incentives for Green Infrastructure on Private Property: Program Options & Lessons Learned

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Why Focus on Incentives for GI on Private Property?

- Large proportion of land area privately held
- Some relatively large tracts of private land – creates opportunities for economies of scale
- Opportunities to focus on key runoff locations – supports spatial targeting
- Fewer site constraints than most public spaces
- Educational benefits by engaging the public
What did we do?

- Identify existing incentive programs (database of basic program information)
- Use case studies to document key considerations, challenges, and successes (a lot of phone calls)
- Tap private sector perspectives (more phone calls)
- Develop pathway to program development
- Identify best practices
Incentive program types

- Grant programs
- Rebates, installation financing, tax incentives
- Stormwater fee discounts
- Credit trading
- Development incentives
- Awards/recognition and certification programs
Rebates and Cost Share Programs
Provide partial funding or reimbursement for installing specified GI practices

- **Advantages**
  - Can reach large numbers of property owners
  - Scalable to align with budget and program goals

- **Limitations**
  - Small installations may not be c-e to meet WQ goals
  - Barriers to public spending on private property

- **Typical Applications**
  - Residential and small commercial lots
  - Incentivize GI at new or redevelopment sites

- **Case studies**: Montgomery County and Toronto
Montgomery County, Maryland
Rebates Rewards through RainScapes

- Goal to manage 50 acres of impervious area w/GSI
- $2,500 per single-family lot
- up to $10,000 per multi-family or commercial lot
- $890,800 in RainScapes Rewards, 863 projects
- 90% on single family properties
- Water Quality Protection Charge discount
Montgomery County – What’s working?

- Contractor training
- Data standardization and innovation
- Aggressive marketing
- Partial reimbursement
- Adequate staffing/recognizing staff strengths
- Targeting specific property types
Montgomery County - What challenges remain?

- Commercial sector is “weak link.”
  - absentee owners
  - rebate amounts/structure
  - redevelopment potential
- 1099 taxable income issue
- Lack of departmental unity and integration with Capital Improvement Plan
- Maintenance agreement and inspections
Grants
Provide up to 100% funding for customized GI projects

- **Advantages**
  - Can incentivize larger, cost-effective GI projects
  - Can leverage other funding sources
  - Educational benefits from high visibility projects

- **Limitations**
  - Upfront & design resource needs may reduce participation
  - Extensive property owner maintenance agreements

- **Typical Applications**
  - Retrofits on large commercial, industrial, and institutional properties

- **Case studies**: Philadelphia and Northeast Ohio
Grants: The Philadelphia Story

- **Stormwater Management Incentives Program (SMIP)**

- **Greened Acre Retrofit Program (GARP):** Allows contractors to aggregate and apply for funding for projects across multiple properties:
  - Reduces transaction costs
  - Economies of scale
  - Decreases administrative burden
But It’s More Than Just a Good Idea . . . .

- Timeline and scale play a big role
- Counts towards 10,000 greened acres goal
- Clear business case
- Third party administrator and other partners
- Clear guidance/resources
- Suite of programs allows for effective targeting
- Barrier to aggregation: Capacity (SMIP as stepping stone)
Fee Discounts
Discount on stormwater fee if owner implements GI or reduces impervious area

- **Advantages**
  - Relief for property owners with large impervious area
  - Helps cover GI maintenance costs
  - Stimulates participation in other GI incentive programs

- **Limitations**
  - Only applies where there is a stormwater fee
  - Typically too small to incentivize GI on its own
  - Reduces stormwater fee revenues

- **Typical Applications**
  - Most useful on larger properties, and/or retrofit projects
Development and Redevelopment Incentives

Reward developers with increased potential revenues -- or reduced costs, delays, or risks (e.g., streamlined permitting)

- **Advantages**
  - Several low- or no-cost options for municipalities
  - Can target to needs of local development community

- **Limitations**
  - Coordination across multiple city agencies
  - May compete with other green building incentives or municipal priorities

- **Typical Applications**
  - Often limited to large-scale new development or redevelopment sites in urban areas

- **Case studies**: Chicago and Seattle
Awards and Recognition Programs
Issuing awards, green business certifications, signage, and other forms of recognition

- **Advantages**
  - Can be low-cost option, or scaled up by municipalities
  - Can promote exemplary or innovative projects

- **Limitations**
  - Not typically enough of an incentive on its own
  - May compete with other green building initiatives

- **Typical Applications**
  - Tiers often applied across residential, commercial, and new development sites

- **Case studies**: Philadelphia and Pima County
Stormwater Credit Trading Programs

Allows developers and owners to meet stormwater requirements off-site by purchasing credits from others implementing GI

- **Advantages**
  - Provides flexibility to developers and c-e retention
  - Can be low-cost option, once set up and running

- **Limitations**
  - Requires adequate market and level of development
  - Can be costly to establish (DC has only functioning market)

- **Typical Applications**
  - Can incentivize GI for existing properties as well as new/redevelopment projects

- **Case studies**: Washington, DC, and Chattanooga
9 Program Success Strategies

1. Identify and Align with Program Objectives
2. Start Where You Are
3. Take a Targeted Approach
4. Show Value
5. Lower Barriers to Entry
6. Build Partnerships
7. Coordinate Citywide
8. Ensure Continued Performance
9. Keep Learning and Improving
Portland, OR – Stepwise Implementation

- **Downspout Disconnect (1993 – 2011)**
  - 60,000 downspouts, millions of gallons

- **Ecoroof incentive (2007 – 2012)**
  - Intentional 5-year set up
  - Successful in creating awareness/market place
Portland, OR – Stepwise Implementation

- Clean River Rewards (2007 – ongoing)
- Stormwater fee discount and targeted retrofit installations (CSO area)
  - Residential – first tier
  - Neighborhood level (target low-hanging fruit)
  - Business case to justify spending on private property
  - On-call contractors (avoids procurement issues)
  - Maintenance plan recorded with property
- Commercial property owners much more complex
Path to program development:
What you need to know to select and maximize your GI incentives program(s)

- **Know your program goals and budget**
  - Goals drive your target areas, types of GI and incentive programs, budget needs, etc.
  - Do they align with political support and private buy-in?
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- Know your customer classes
  - Who makes up the largest impervious land areas
  - Who is easiest to work with
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- Know your customer classes
  - Who makes up the largest impervious land areas
  - Who is easiest to work with
- Know local development trends and projections
  - What types of projects, where, and when?
  - Potential for inter-departmental collaboration
Path to program development:
What you need to know to select and maximize your GI incentives programs (cont.)

- Know your local and state rules, codes, ordinances
  - ID policies that may discourage and complicate
  - Can public monies be used to pay private entities?
Path to program development: What you need to know to select and maximize your GI incentives programs (cont.)

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- Know your Community
  - Awareness/ environmental ethic
  - Social equity considerations related to stormwater

- Know your key potential partners and supporters
  - Leadership/buy-in from upper management
  - Partners to help administer and/or fund program
Thank you!

Questions?

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