



SUSTAINABLE

Water Management Conference

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Incentives for Green Infrastructure on Private Property: Program Options & Lessons Learned WRF 4684

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 - Jim Henderson
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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

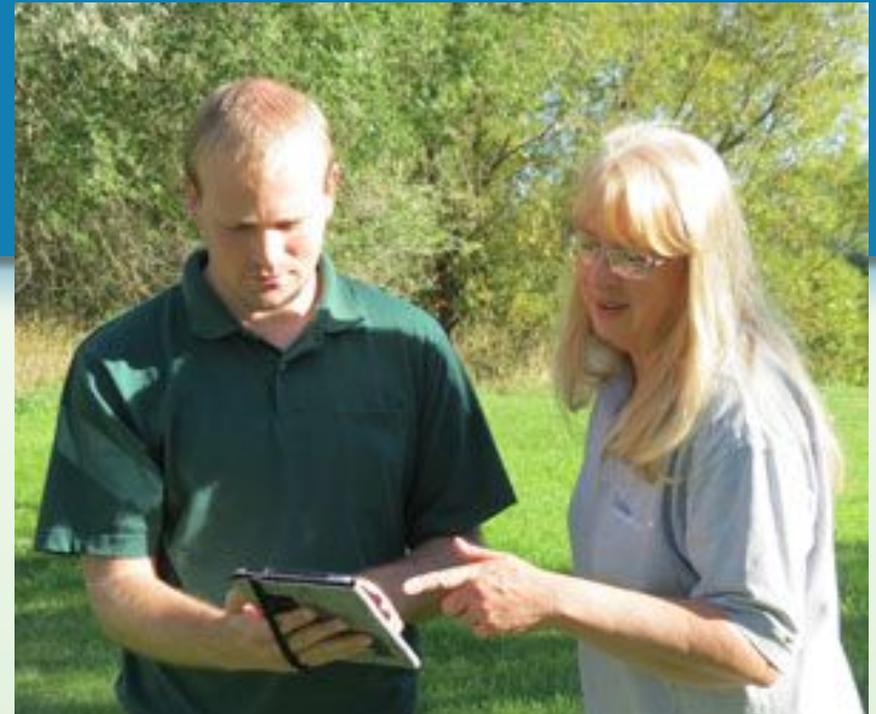
Montgomery County, Maryland

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



Answer Options	Response Percent	Response Count
From a friend, neighbor, or family member	15.50%	34
From a landscaping professional	11.00%	24
From a Master Gardener	7.30%	16
At a workshop or class	12.80%	28
Through an online search that took me to the RainScapes website	29.20%	64
Through a community/ neighborhood listserv or email group	13.70%	30
From nursery or garden center staff	6.80%	15
From a flier/brochure	15.50%	34
From a school or community demo project	2.70%	6
Don't remember	10.00%	22
Other, please specify:	21.90%	48

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)

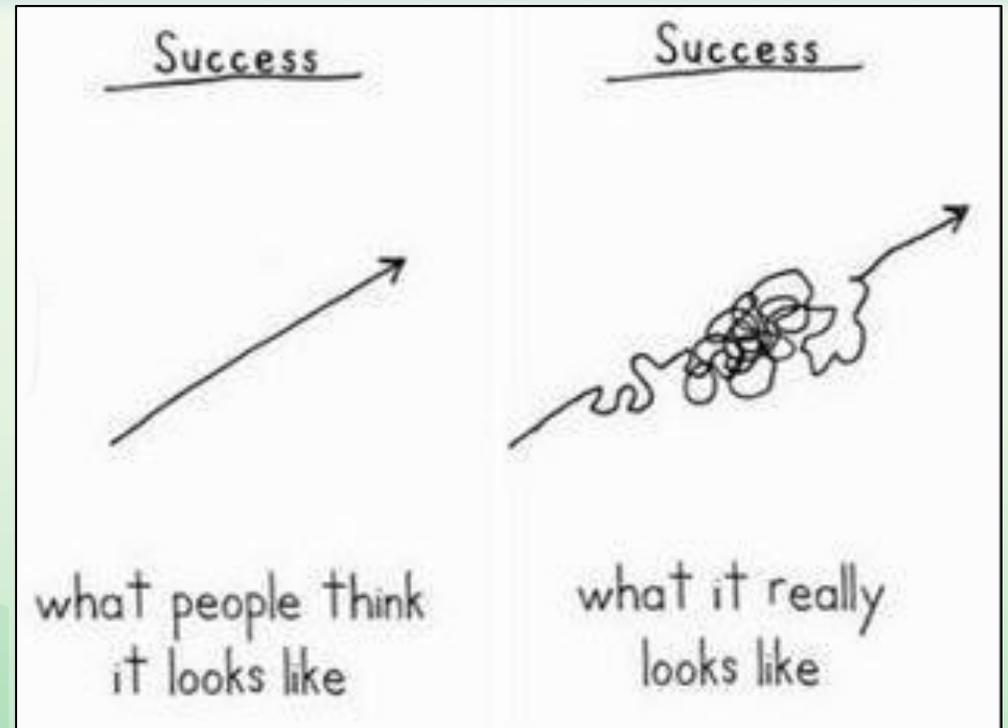
- **Typical Applications**

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

- **Case studies:** Washington, DC, and Chatanooga

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.)

- Know your local and state rules, codes, ordinances
 - ID policies that may discourage and complicate
 - Can public monies be used to pay private entities?
- **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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