

# Financing Green Infrastructure in Michigan

A funding resource to Michigan municipalities installing green infrastructure in their communities.

## Federal Government Funding Sources:

**Title of Program:** Water Pollution Control Revolving Fund (Clean Water State Revolving Fund-CWSRF) Loans

**Purpose:** To assist municipalities in addressing water quality problems identified in watershed management plan such as wastewater treatment system improvements, storm water treatment projects, and nonpoint source pollution control projects. Funds capital costs only (planning, design, construction), not operation and maintenance costs.

**Provider:** U.S. EPA with Michigan Department of Environmental Quality (DEQ)

**Requirements:** Plan must address water quality benefits and the capacity to repay loan

**Eligibility:** Municipalities investing in GI, for example: land conservation, reforestation, tree boxes, cisterns and rain barrels, downspout disconnections, wetland restoration, parks and greenways, rain gardens and bioinfiltration practices, permeable pavements, green roofs. Applicants for NPS funding must have an approved 319 or CMI watershed management plan and must develop a SRF project plan.

**Amount Available:** \$280 million annually through DEQ

**Required Match:** N/A

**Availability:** Apply by July 1 for funding in next fiscal year

**Website:** [www.michigan.gov/deq/0,1607,7-135-3307\\_3515\\_4143---,00.html](http://www.michigan.gov/deq/0,1607,7-135-3307_3515_4143---,00.html);

## State Government Funding Sources: Loans and Grants

**Title of Program:** Strategic Water Quality Initiatives Fund (SWQIF) Loans

**Purpose:** To assist municipalities in funding wastewater treatment system improvements, storm water treatment projects, and nonpoint source pollution control projects. Funds capital costs only (planning, design, construction), not operation and maintenance costs.

**Provider:** DEQ

**Requirements:** Conducted on private property and used for on-site downspout and footing-drain disconnecting work; or the reduction or elimination of ground water or storm water from entering sewer leads. Points considered: water quality improvement expected, compliance points, dilution ratio

**Eligibility:** design and construction engineering, legal and financial services, preparation of plans and specifications, construction costs, reasonable administration costs

**Amount Available:** \$10-20 million in loan funds annually

**Required Match:** N/A

**Availability:** Submit project plan no later than July 1<sup>st</sup> for funding in next fiscal year

**Website:** [www.michigan.gov/deq/0,4561,7-135-3307\\_3515\\_4143---,00.html](http://www.michigan.gov/deq/0,4561,7-135-3307_3515_4143---,00.html)

**Title of Program:** Stormwater, Asset Management, and Wastewater (SAW) Grants and Loans

**Purpose:** provide grants for the development of plans to identify and manage stormwater or wastewater assets, stormwater treatment management plans, planning and design of sewage, stormwater, or nonpoint source pollution reduction projects, and the testing and demonstration of innovative water quality improvement projects. Loans are available for construction activities that protect water quality and are identified in an asset management program or an approved stormwater management plan.

**Provider:** DEQ

**Requirements:** Grants are for municipalities investing in GI to manage water quality due to stormwater, sewage, and pollution. Grants are designed to cover planning and design of projects, not construction costs. Loans are available for construction of GI.

**Eligibility:** Any municipality

**Amount Available:** \$97 million beginning December 2013; \$2 million cap per community

**Required Match:** First million has 10% local match, second million is 25% local match

**Availability:** Application available October 7<sup>th</sup> 2013, accepted on a first come, first serve basis

**Website:** [www.michigan.gov/deq/0,4561,7-135-3307\\_3515\\_4143-294952--,00.html](http://www.michigan.gov/deq/0,4561,7-135-3307_3515_4143-294952--,00.html)

**Title of Program:** Michigan Community Development Block Grant Program

**Purpose:** **Downtown Development Infrastructure Grants:** downtown infrastructure improvements tied to new commercial/mixed-use development activities that require additional infrastructure to create new economic opportunities and position creation activity; **Downtown Infrastructure Grant:** upgrade existing infrastructure systems in a traditional downtown; **Infrastructure Capacity Enhancement Grant:** public works projects that upgrade existing public infrastructure systems either by replacing deteriorating or obsolete systems or by adding capacity to existing systems.

**Provider:** MEDC on behalf of MSF

**Requirements:** low to moderate income municipalities implementing new infrastructure to improve economic development, downtown development, and housing projects

**Eligibility:** Small cities, townships, and villages of less than 50,000 in population, and non-urban counties

**Amount Available:** \$4 million; minimum of \$30,000 and \$750,000 cap per community

**Required Match:** N/A

**Availability:** On-going

**Website:** [www.michiganbusiness.org/community/development-assistance/#CDBG](http://www.michiganbusiness.org/community/development-assistance/#CDBG)

**Title of Program:** Michigan Transportation Alternatives Program

**Purpose:** Grants fund projects that increase and improve Michigan's transportation system. Projects can include facilities for pedestrians and bicyclists, viewing areas, historic preservation and rehabilitation, and environmental mitigation efforts. Grants can be applied to treating or reducing storm water runoff from transportation facilities and structures. Example from Grand Rapids of applying grant money to GI: [www.michigan.gov/documents/mdot/MDOT\\_GRPlainfieldAveBioretentionIslands\\_434441\\_7.pdf](http://www.michigan.gov/documents/mdot/MDOT_GRPlainfieldAveBioretentionIslands_434441_7.pdf)

**Provider:** Michigan Department of Transportation

**Requirements:** Project should be identified as a result of a community's Complete Streets stakeholder involvement process and be part of community improvement or economic development plans.

**Eligibility:** county road commissions, cities, villages, regional transportation authorities, transit agencies, state and federal natural resource or public land agencies, and tribal governments

**Amount Available:** \$16.5 million annually

**Required Match:** 20% match or higher required

**Availability:** On-going

**Website:** [www.michigan.gov/mdot/0,1607,7-151-9621\\_17216\\_18231---,00.html](http://www.michigan.gov/mdot/0,1607,7-151-9621_17216_18231---,00.html)

## Local/Regional Funding Sources: Taxes, Fees, and

**Type of Program:** Michigan Drain Code (County level)

**Purpose:** Provides legal authority to counties to create a public corporation to address stormwater management. Funds are generated through a levy of special assessment to each parcel within the drainage district.

**Type of Program:** Temporary Tax Increase of Set-Aside

**Purpose:** Institution of sales tax, property tax, real estate transfer tax, etc. through voter approval to fund green infrastructure.

**Type of Program:** Establishment of special assessment district

**Purpose:** Separate units of government established to manage specific resources within defined boundaries. Can levy taxes, fees, or special assessments and can issue debt independently of state and local governments.

**Type of Program:** Development Impact fees

**Purpose:** Developers are assessed a one-time fee on building projects.

**Type of Program:** Development Fee “in-lieu” of Construction Requirements

**Purpose:** Developers can opt out of stormwater management by paying the city a fee. This allows the municipality to redirect funds to priority areas where infrastructure investment is needed

**Type of Program:** Development Extension/Latecomer Fees

**Purpose:** Allows developers who have installed utility improvements to recover a portion of the cost from future developers who use the improvements.

**Type of Program:** Stormwater Utility

**Purpose:** Utility fee implemented by a municipality to generate funds for stormwater management.

**Type of Program:** Bonding Measures

**Purpose:** Many bond opportunities exist for municipalities to generate revenue to develop and implement green infrastructure.

**Type of Program:** Highway and Road Maintenance funds

**Purpose:** Limit or prevent run-off from roads, bridges, etc. using funds designated to improve such structures. See TAP program for examples.

## Incentive Programs:

**Type of Program:** Stormwater Credit Exchange/Water Quality Trading

**Purpose:** Property owners who reduce nonpoint source inputs in waterways or stormwater systems can receive credits which can then be sold or traded to other owners who chose not to reduce their inputs. This generates a financial incentive to property owners who are willing and able to reduce their runoff and also a mechanism for polluters to contribute financially to better stormwater management.

**Examples:** District Department of the Environment in Washington, DC-Stormwater Retention Trading Program; Great Lakes Commission-Proposed in 2013 a phosphorous credit trading program in the Lower Fox River Watershed in Wisconsin

**Type of Program:** Development Incentives

**Purpose:** Financial and other incentives to encourage developers to incorporate Green Infrastructure in new developments and redevelopments. Incentives could be reduced permit fees, reduced permitting times, tax credits, etc. and can target specific types of development sites or be general incentives for all development.

**Examples:** Chicago's Green Permit Program-expedited permit process and reduced permit fees for use of green technologies and LEED certifications; Philadelphia-fast tracker permitting process for stormwater management and tax credits for some green technologies.

**Type of Program:** Rebates and Installation Financing

**Purpose:** Provides financing to residential homeowners for installation of green technologies and connects them with qualified contractors to do the installations.

**Examples:** District Department of the Environment in Washington, DC-Riversmart Homes: Program to reduce stormwater runoff from residential properties; Seattle, Wa-RainWise: Program to reduce stormwater runoff from residential properties.

## Other Funding Sources:

**Type of Program:** Non-Governmental Organizations (NGO) Grants

**Purpose:** Many NGO's (foundations, national conservation groups, state and regional conservation groups, local land trusts, historic preservation groups, etc.) offer grant programs. Many programs are often regional or narrowly defined according to priorities of agency so require creativity, persistence and patience when searching and applying for grants to fund green infrastructure.

**Examples:** The Nature Conservancy, the Sierra Club, the Conservation Fund, Trust for Public Land

**More Information:** <http://efficientgov.com/grantfinder/>  
[www.michiganfoundations.org/s\\_cmf/sec.asp?CID=516&DID=2541](http://www.michiganfoundations.org/s_cmf/sec.asp?CID=516&DID=2541)

## Additional Resources: Electronic documents relating to GI Financing and Implementation

Promoting Green Infrastructure: Strategies, Case Studies, and Resources  
<https://louisville.edu/cepm/GI%20Strategies%20-%20Case%20Studies.pdf>

NRDC - Rooftops to Rivers II: Green Strategies for Controlling Stormwater and Combined Sewer Overflows  
[www.nrdc.org/water/pollution/rooftopsii/](http://www.nrdc.org/water/pollution/rooftopsii/)

The Value of Green Infrastructure: A Guide to Recognizing Its Economic, Environmental and Social Benefits  
[www.cnt.org/repository/gi-values-guide.pdf](http://www.cnt.org/repository/gi-values-guide.pdf)

Banking on Green: A Look at How Green Infrastructure Can Save Municipalities Money and Provide Economic Benefits Community-wide  
[www.americanrivers.org/assets/pdfs/reports-and-publications/banking-on-green-report.pdf](http://www.americanrivers.org/assets/pdfs/reports-and-publications/banking-on-green-report.pdf)

Financing Sustainable Water Infrastructure  
[www.americanrivers.org/assets/pdfs/reports-and-publications/financing-sustainable-water.pdf](http://www.americanrivers.org/assets/pdfs/reports-and-publications/financing-sustainable-water.pdf)

*Upgrade Your Infrastructure* - Green Infrastructure Portfolio Standard: A Guide to the Green Infrastructure Portfolio Standard And Building Stormwater Retrofits  
[www.americanrivers.org/assets/pdfs/reports-and-publications/upgrade-your-infrastructure.pdf](http://www.americanrivers.org/assets/pdfs/reports-and-publications/upgrade-your-infrastructure.pdf)

- (Piloted in Grand Rapids and Milwaukee)

Green Infrastructure Case Studies: Municipal Policies for Managing Stormwater with Green Infrastructure  
[www.epa.gov/owow/NPS/lid/gi\\_case\\_studies\\_2010.pdf](http://www.epa.gov/owow/NPS/lid/gi_case_studies_2010.pdf)

Economic Benefits of Green Infrastructure: Great Lakes Region  
[www.americanrivers.org/assets/pdfs/reports-and-publications/20498-great-lakes-final-2011-1213.pdf](http://www.americanrivers.org/assets/pdfs/reports-and-publications/20498-great-lakes-final-2011-1213.pdf)

Financing Stormwater Retrofits in Philadelphia and Beyond  
[www.nrdc.org/water/files/StormwaterFinancing-report.pdf](http://www.nrdc.org/water/files/StormwaterFinancing-report.pdf)

Reducing Stormwater Costs through Low Impact Development (LID) Strategies and Practices  
[http://water.epa.gov/polwaste/green/upload/2008\\_01\\_02\\_NPS\\_lid\\_costs07uments\\_reducingstormwatercosts-2.pdf](http://water.epa.gov/polwaste/green/upload/2008_01_02_NPS_lid_costs07uments_reducingstormwatercosts-2.pdf)

Restoring Flows: Financing the Next Generation of Water Systems: A Strategy for Coalition Building  
[www.americanrivers.org/assets/pdfs/green-infrastructure-docs/restoring-flows-may.pdf](http://www.americanrivers.org/assets/pdfs/green-infrastructure-docs/restoring-flows-may.pdf)

Local Water Policy Innovation: A road map for community-based stormwater solutions  
[www.americanrivers.org/assets/pdfs/reports-and-publications/Local\\_Water\\_Policy\\_Innovation\\_Stormwater\\_Oct\\_20080613.pdf](http://www.americanrivers.org/assets/pdfs/reports-and-publications/Local_Water_Policy_Innovation_Stormwater_Oct_20080613.pdf)

Low Impact Development Manual for Michigan: A Design Guide for Implementers and Reviewers (SEMCOG)  
<http://library.semco.org/InmagicGenie/DocumentFolder/LIDManualWeb.pdf>

Large list of GI funding sources and tools from the U.S. EPA:  
[http://water.epa.gov/infrastructure/greeninfrastructure/gi\\_funding.cfm](http://water.epa.gov/infrastructure/greeninfrastructure/gi_funding.cfm)

- One-stop shopping for links to federal funding sources and GI tools and resources

U.S. EPA GI Policy Guides:

[http://water.epa.gov/infrastructure/greeninfrastructure/gi\\_policy.cfm](http://water.epa.gov/infrastructure/greeninfrastructure/gi_policy.cfm)

U.S. EPA GI Home: <http://water.epa.gov/infrastructure/greeninfrastructure/index.cfm>

U.S. EPA Watershed Funding Website: <http://water.epa.gov/aboutow/owow/funding.cfm>

Huron River Watershed Council

[www.hrwc.org/our-work/programs/green-infrastructure/](http://www.hrwc.org/our-work/programs/green-infrastructure/)

[www.hrwc.org/our-work/programs/green-infrastructure/lid-vs-gi/](http://www.hrwc.org/our-work/programs/green-infrastructure/lid-vs-gi/)

“Barriers Preventing Implementation of Green Infrastructure in Washtenaw County, Michigan”

- Executive Summary: [www.hrwc.org/wp-content/uploads/2013/03/GI\\_Barriers\\_Report\\_EXEC\\_SUM\\_draft1\\_final.pdf](http://www.hrwc.org/wp-content/uploads/2013/03/GI_Barriers_Report_EXEC_SUM_draft1_final.pdf)

- Powerpoint: [www.hrwc.org/wp-content/uploads/2013/03/GI\\_in\\_Washtenaw\\_County.pdf](http://www.hrwc.org/wp-content/uploads/2013/03/GI_in_Washtenaw_County.pdf)

“GREEN INFRASTRUCTURE IN WASHTENAW COUNTY - The Money Question: Quantifying the Benefits and Costs; Acquiring the Cash”

[www.hrwc.org/wp-content/uploads/2013/03/GI\\_Forum2\\_FINAL.pdf](http://www.hrwc.org/wp-content/uploads/2013/03/GI_Forum2_FINAL.pdf)

- Many slides could be used directly for upcoming GI conference with their permission?

- Slides 39-52 specifically about Financing Green Infrastructure in Michigan

Green Infrastructure Examples for Stormwater Management in the Hudson Valley

[www.dec.ny.gov/lands/58930.html](http://www.dec.ny.gov/lands/58930.html)

- Web site of NY Dept. of Environmental Conservation

Low Impact Development (LID) Michigan Case Study Database [SEMCOG]:

[www.semco.org/Data/lid.cfm](http://www.semco.org/Data/lid.cfm)

Good summary of Green Infrastructure definition at various spatial scales: [www.cnt.org/repository/NR-General.pdf](http://www.cnt.org/repository/NR-General.pdf) (bottom of page 2)

Erb Family Foundation: [www.erbff.org/](http://www.erbff.org/)

Grants and Loans Catalog: [www.michigan.gov/documents/deq/deq-essd-grantsloans-catalog\\_210643\\_7.pdf](http://www.michigan.gov/documents/deq/deq-essd-grantsloans-catalog_210643_7.pdf)

USEPA’s Faster Cheaper Greener Webcast Series:

<http://mp118885.cdn.mediaplatform.com/118885/ml/mp/4000/5345/5417/30840/Lobby/default.htm>

New York green project database (sustainable strategies, best practices, and tested solutions):

[www.greenprojectexchange.org/gpe/](http://www.greenprojectexchange.org/gpe/)

Green Infrastructure Approaches to Managing Wet Weather with Clean Water State Revolving Funds—Fact Sheet: [www.epa.gov/owm/cwfinance/cwsrf/green\\_if.pdf](http://www.epa.gov/owm/cwfinance/cwsrf/green_if.pdf)