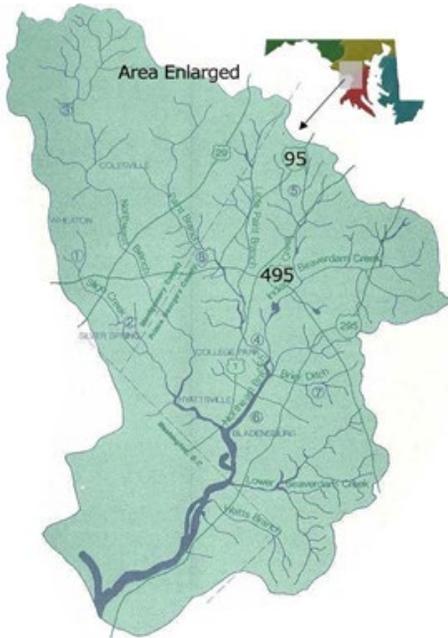




GREEN STREETS | GREEN JOBS | GREEN TOWNS INITIATIVE

The Green Streets, Green Jobs, Green Towns Partnership (G3) aims to stimulate the green jobs market and enable families to work where they live and play. Small to mid-sized communities can boost their local economies and protect water resources through the use of watershed planning, design and construction of stormwater best management practices.



FEDERAL CITY COUNCIL: WASHINGTON, D.C.

The Federal City Council successfully gains knowledge about the market for tradable Stormwater Retention Credits

The *2013 Rule on Stormwater Management and Soil Erosion and Sediment Control*, originating in Washington, D.C., forms the foundation of an innovative Stormwater Retention Credit (SRC) trading program. In order to lower the overall cost to developers and building owners and maximize the ecological and social value of stormwater retention investments, new DC regulations allow up to 50% of retention requirements to be achieved “off-site” on another DC property or by paying a per-gallon in-lieu fee to the government. This means if developers cannot reduce runoff from construction efficiently or in a cost-effective way, they may choose to instead fund stormwater retention projects in other local areas around the Anacostia Watershed. They do this by buying SRCs, while properties with stormwater retention areas may be granted them and can sell them. As with any situation that includes buyers and sellers, a market is thus born.

What can be learned about the demand for SRCs? What can be learned about their supply? And ultimately, how might this system affect the Anacostia Watershed?

The findings were interesting. Regarding demand, there seems to be a general preference to try to achieve 100% of the requirement onsite, if possible. Developers are trying to understand the cost equation that factors in the marginal cost of retention, the opportunity cost of forgoing amenity space, and the use of offsite retention. Ultimately, education is still needed to build understanding on the regulations and SRC market for regulated properties.

Regarding Supply, while sole property owners are a prime potential source of SRC supply, factors such as limited awareness about the SRC program and limited access to upfront capital point to a need for additional outreach and the importance of companies that can make it easy for these investments to be made.

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G3 Grant Award Amount:

\$25,000

Status:

Completed

Project Partners: Federal City Council; Chesapeake Bay Trust; U.S. Environmental Protection Agency



(Continued from front)

Furthermore, institutions and companies with large ownership of land are generally more able to take on a retention project and may have the need to create SRC supply to meet their own demand for offsite retention on other sites.

The supply-side of the SRC market is currently more active than the demand side, according to the Council. There are indications that the market is waiting to get more demand certainty. When there is greater certainty that there will be a demand for credits at a decent price, the supply side of the market seems poised to act.

The Council also found that it is most likely that the practice of collecting and trading SRCs *would be* more environmentally beneficial than a strict regulatory regime, which is an excellent finding, as this information can be used to help spread interest in the program and accelerate the creation of bioretention areas.

Voluntary stormwater retention practices are unlikely in the Anacostia's Municipal Separate Stormwater Systems (MS4) area without additional incentives, regulations or facilitators, according to the research.



Above and below: Failed stormwater retention attempts. Some areas can yield challenges for stormwater control, which is exactly why trading capability can often be very beneficial.



SUSTAINABILITY & GROWTH: ADDITIONAL GREEN ACTIVITIES

The Federal City Council's Anacostia River Initiative has been developing with the goal of contributing towards the restoration and increased use of the Anacostia Watershed. It consists of three main parts:

1. The Council will work to increase awareness of the need to clean up the legacy toxic chemicals found in the bottom sediments of the river.
2. The Council will also work to encourage and facilitate private commercial property owners to more effectively address polluted runoff from their own properties, and to provide consistent oversight and accountability of public stormwater management programs in the three jurisdictions containing the watershed—Montgomery County, Prince George's County and the District.
3. The Council plans to “incubate” a new non-profit trust over time to promote, facilitate, and coordinate efforts to restore and utilize the Anacostia and its riverbanks.

(from federalcitycouncil.org)



Above and below: Successful urban stormwater retention areas, the owners of which can gain and sell SRCs to developers

