

City of Allentown Stormwater Credit Program

City Council Presentation



June 20, 2018

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Presentation Overview

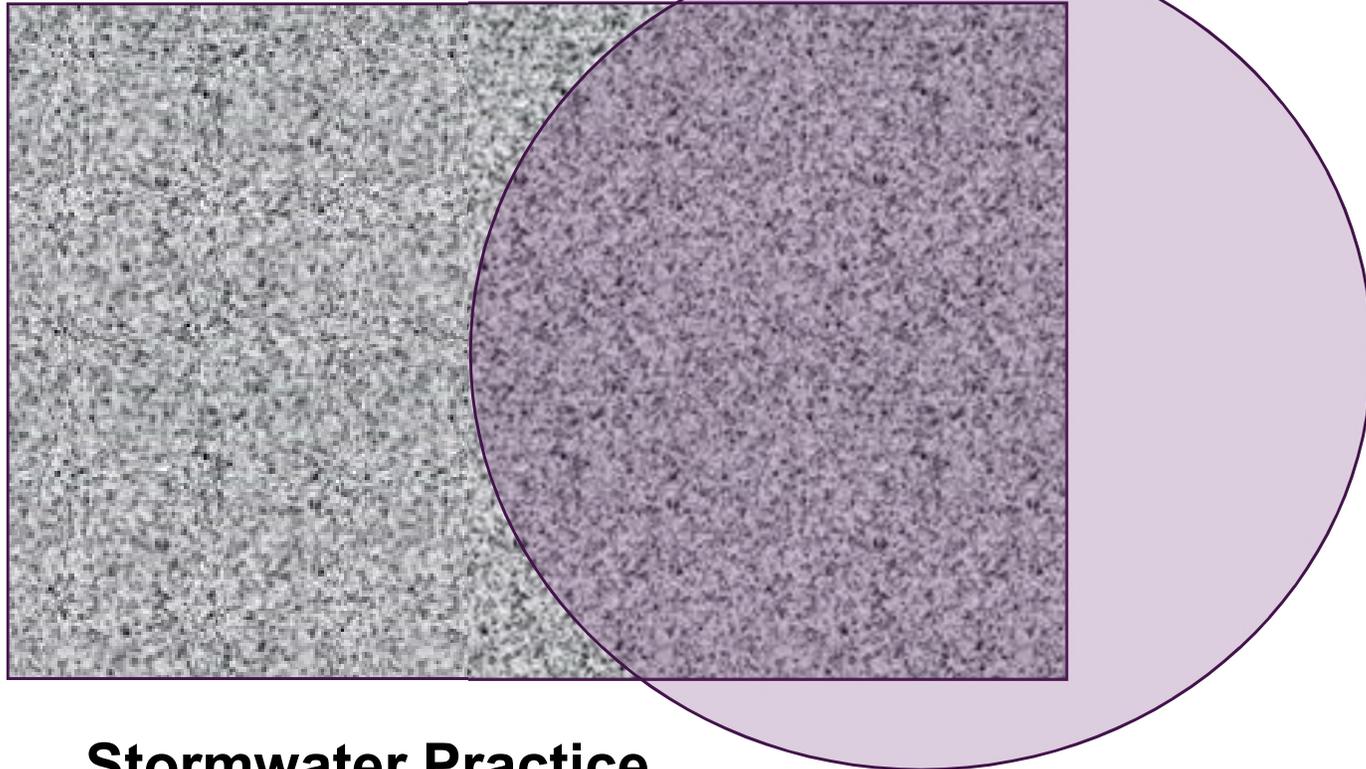
- ▶ Overview of the credit concept.
- ▶ Credit program development process.
- ▶ Key credit program elements.
- ▶ Credit examples.

The Credit Concept

- ▶ A credit is a reduction in the stormwater utility fee to a specific ratepayer.
 - ▶ Recognizes that ongoing operation and maintenance of a water quality and/or flood control practice can reduce the cost of public stormwater services in the long-term.
 - ▶ A credit is not a reimbursement. This kind of one-time financial assistance is in the City's proposed "Community Engagement Program."
 - ▶ A credit is not applied to the entire site – it is applied to the impervious area being managed.
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Property Area = 1,000 SF

**Fee is Based on Impervious
Area of 500 SF**



**Stormwater Practice
Manages Area of 250 SF**

**Percent Credit is Applied to the
Fee Generated by 250 SF**

Are there constraints?

- ▶ Yes! A stormwater utility fee is a fee for service.
- ▶ Credits are an expense to the utility, and are included in the rate adopted by the Council.
- ▶ There must be a rational relationship between the credit program and the benefit to the public stormwater program.

Credit Program Development Process

- ▶ Three focus group meetings were held in 2017.
 - ▶ Members represented a diverse range of stakeholders.
 - ▶ Participants discussed the overall goals of a credit program as well as different credit options.
 - ▶ Feedback helped inform the creation of the “Credit Program” as well as the proposed “Community Engagement Program.”
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Community Engagement Program

- ▶ Purpose is to provide an incentive for property owners to voluntarily implement stewardship practices.
- ▶ Goal is to help the City meet water quality targets and engage the community in long-term solutions.
- ▶ The City will pay a portion (and sometimes all) of the cost to install approved practices.
- ▶ Program is designed to be flexible, with eligible projects changing based on priorities.



First step – what are our goals?

- ▶ Enhance **quality of life**.
- ▶ Encourage residents, businesses, and institutions to **voluntarily manage** stormwater.
- ▶ Encourage property owners to **redevelop** existing uncontrolled impervious areas.
- ▶ Target efforts to meet core **regulatory obligations**.
- ▶ Target efforts where investments will achieve **long-term cost savings**.
- ▶ Ensure that the **administrative burden** is reasonable.
- ▶ Keep it **simple** and easy to understand.

Key Policy Questions

“Should a practice designed to meet regulatory requirements receive credit?”

- ▶ Yes – they represent an ongoing maintenance responsibility that is not required of properties developed prior to requirements.
- ▶ A basic level of credit may incentivize maintenance and potentially reduce the City’s enforcement burden.

Key Policy Questions

“Should practices receive different amounts of credit based on their pollutant reduction ability?”

- ▶ Yes – there is a good deal of variability among practices.
- ▶ However, the most important thing isn't the efficiency of the practice, but the pollutant reduction benefit to the City.
- ▶ The City is mandated to reduce sediment by certain percentages from existing conditions depending upon impairment status.
- ▶ Practices that actually reduce sediment should receive higher credit.

The same facility benefits the City in different ways depending on the circumstances.

**New
Development
Increases
Sediment from
Existing
Conditions**



**Facility
Achieves No
Net Decrease in
Sediment**

**Bioretention Facility
with 55% Efficiency**

**Redevelopment
or Voluntary
Retrofit Does
Not Increase
Sediment from
Existing
Conditions**



**Facility Achieves a
55% Reduction in
Sediment**

Key Policy Questions

“How much credit should be received?”

- ▶ There must be a relationship between the credit received and the benefit to the program.
- ▶ Approximately 30% of the City’s future program is focused on water quality – so this represents a logical maximum.
- ▶ To “keep it simple” the percent credit is grouped into three tiers, rather than a more complicated sliding scale.

Key Policy Questions

“Should the City provide an incentive for voluntary practices?”

- ▶ Yes – Voluntary installation represents a cost-avoidance for the City.
- ▶ However, any incentive must be balanced against the fact that the City has stormwater obligations other than water quality.
- ▶ A 20% credit is provided as an incentive to take voluntary action.
- ▶ This equates to a maximum credit of 50% (up to 30% for the facility plus 20% voluntary incentive).

Credit Table

Facility Type and Purpose	Base Credit Amount	Voluntary Facility Bonus	Total Possible Credit
All Other Facilities Built in Accordance with Article 1387 of the City Code, Regardless of Whether it is for Quality, Quantity, or Both			
All	10%	Not Applicable	10%
Facilities Achieving 10% or More Sediment Reduction from Existing Conditions (Assumes That These Facilities Also Control Volume)			
10% to <25%	20%	20%	40%
25% to <75%	25%		45%
75%+	30%		50%

Key Policy Questions

“Should a property owner be able to take credit managing off-site impervious areas?”

- ▶ Yes, provided that the area isn't subsequently managed by the off-site property owner (no double-dipping).
- ▶ Still subject to the 50% maximum credit rule.

“What if the practice was built using public funds?”

- ▶ Consensus is that it wouldn't be fair to provide credit for something that was built using public money.
- ▶ The credit should be reduced proportionate to amount of public funds.

Application Process

- ▶ Submit on a form provided by the City.
- ▶ Designed to be simple!
- ▶ Additional items are only required if not currently on-file with the City:
 - ▶ Drainage area map.
 - ▶ Facility design plan/as-built drawing.
 - ▶ Stormwater facility maintenance agreement with the City.
- ▶ Application timeline:
 - ▶ Applications received on or before October 1 of each calendar year and approved by the City will be applied to the bill issued on or before February 1 of the following calendar year.
 - ▶ Credit applications received after October 1 and then approved by the City will be applied to the subsequent billing cycle.

Maintenance Verification

- ▶ A practice must be operating as designed to receive credit.
- ▶ Subject to inspection by City staff in accordance with the standard maintenance agreement.
- ▶ If deficiencies are noted, property owners are required to address them or potentially lose credit.

Credit for an NPDES Stormwater Industrial Permit

- ▶ 10% credit proposed for PaDEP NPDES stormwater industrial permit holders.
- ▶ State-regulated properties are required to implement plans to minimize pollutants.
- ▶ To receive the credit, the owner must submit an application form and demonstrate compliance with state regulations.
- ▶ If a property is determined to be a source of elevated levels of pollutants by the City, the credit will be revoked if corrective actions are not taken.