



University of Maryland's Environmental Finance Center (EFC): Stormwater Financing and Outreach Unit (SFOU)

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Why Stormwater Financing?

Effectively managing stormwater is one of the greatest challenges faced by communities throughout the Chesapeake Bay region. Like all infrastructure, stormwater management systems, including low impact development practices, require long-term care and maintenance. As communities struggle to best allocate limited resources, stormwater management systems are frequently overlooked until an emergency occurs, costing millions in damages and repairs, or until a mandate forces a community to take action.

Most communities simply rely on General Funds for stormwater management activities, leaving stormwater programs to compete for dollars with other critical community priorities like schools, emergency services, and roads. Having a dedicated revenue stream that is specifically set aside for maintenance and upgrades is critical to the effective management of stormwater systems.

The Chesapeake Bay region lags far behind the rest of the country in terms of the total number of communities who have established a how-to-pay plan for their stormwater management. The reasons vary from one jurisdiction to another, but this is often a result of limited access to detailed information regarding the alternatives to using the General Fund for stormwater financing.

The issue of paying for stormwater, incorporating both gray and green infrastructure practices, looms even larger as Chesapeake Bay communities prepare to deal with Total Maximum Daily Load (TMDL) requirements and Watershed Implementation Plans. Although often an effective driver, unfortunately, these federal and state mandates are not always accompanied by the type of technical assistance, information, and resources needed to successfully guide the development and implementation of sustainable stormwater management plans. Thus, **the Stormwater Financing and Outreach Unit was created to address a community's stormwater financing questions and help craft a strategy that best meets local needs.**

Since every stormwater financing strategy is as unique as the location it serves, financing recommendations must be specifically designed to reflect the nature and characteristics of a jurisdiction. Searching out the best financing option is often a time-intensive activity that is beyond the ability and capacity of many communities. Some communities have

the information and resources necessary, yet the political landscape makes navigating the next steps challenging, and many attempts stall out at various points along the path to implementing a sustainable stormwater financing strategy.

Even in cases where an appropriate financing strategy has been established, communities often design a deficient program that covers little beyond essential services and must forego any enhanced or proactive approaches that would help to manage stormwater more effectively. Rarely do communities create a financing strategy that reaches an optimal level of funding and is aggressive enough to deal with the majority of their stormwater needs. Projecting expenses five years or more into the future is especially daunting to communities when designing a financing strategy.

An optimal approach goes beyond simply replacing or retrofitting older gray infrastructure and incentivizes incorporating best management practices (BMPs) that are proven to lower stormwater management costs and improve water quality. Little information is available at the local level in order to make it feasible for communities to consider integration of traditional gray infrastructure practices with proven green infrastructure practices, which is often reflected in the small number of rate-payers willing to take advantage of incentives.

Services the Stormwater Unit Provides

- Assessment of existing stormwater management activities and identification of programmatic gaps
- Research and analysis of financing options that designed to best meet local needs and priorities
- Consultation with municipal or county staff to help prepare annual stormwater budgets and work plans
- Guidance on how to implement a selected stormwater financing strategy
- A user-friendly end product that can highlight and explain which financing options may be best for your community
- Assistance with outreach & education activities, including presentations to the public and elected officials, marketing campaigns and stakeholder development

Past & Current Projects

- Stormwater feasibility studies and financing strategy development recommendations for the Town of Ocean City, the Town of Berlin, the City of Salisbury and the City of Bowie in Maryland.
- Economic impact analysis and stormwater financing recommendations for Baltimore City and Anne Arundel County in Maryland and the City of Lynchburg in Virginia.

For more information on the EFC's Stormwater Financing and Outreach Unit, contact Joanne Throwe at jthrowe@umd.edu or Jennifer Cotting at jcotting@umd.edu.