



Grand Rapids Green Revolving Fund: Finance and Policy

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Introduction

The Grand Rapids Green Revolving Fund (GRGRF or “Fund”) is an internal city financing tool that provides interest-free loans to municipal departments for energy-efficiency and sustainability projects. Savings from completed projects flow back into the Fund to support future initiatives.

The Fund finances projects that reduce resource consumption, lower greenhouse gas emissions, and generate measurable operational savings. This revolving model enhances long-term financial and environmental performance across municipal operations.

The GRGRF aligns directly with the City’s Climate Action & Adaptation Plan (CAAP) and Sustainability Framework, providing a structured pathway for implementing high-impact municipal sustainability projects.

Objectives

Policy Team:

Create a comprehensive policy document outlining the structure, governance, and operating procedures for the GRGRF.

Define the framework needed to ensure long-term stability, transparency, and growth of the Fund.

Establish policies for project eligibility, board roles, decision making, reinvestment rules, and reporting requirements

Financial Analysis:

Analyze individual projects and shape decision matrices with the results to determine an optimum implementation order, Figure 2.

Develop a cashflow model of the fund to project future investments and returns, Figure 3.

Add additional financial benefit from the social cost of carbon and viewership cashflows, Figure 4.

Key Policies

Fund Governance

- Cross departmental board oversees project approvals and policy compliance.
- Departments: Sustainability, finance, facilities, and public works; three-year renewable terms.
- A fund director manages daily operations, reporting, and performance verification but is **not** a voting Board member.

Decision Making

- Projects require a two thirds Board vote for approval.
- Conflicts of interest must be disclosed, voting eligibility is determined by the rest of the Board.
- Meetings follow City Commission procedures to ensure transparency.

Project Categorization

- Blue: Strong financial payback, must account for 90%+ of annual spending.
- Green: High sustainability or social benefit; limited financial return.

Financial and Reporting Requirements

- Verified cost savings are reinvested into the Fund to support future projects.
- A minimum reserve ensures fund stability and director’s compensation.
- Quarterly and annual reporting track financial performance, savings, and emissions impacts.

Project Approval

- Proposals follow a standardized eligibility and RFP review process, shown in figure 1.

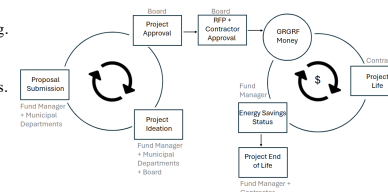


Figure 1. Project Life Cycle Diagram.

Financial Analysis

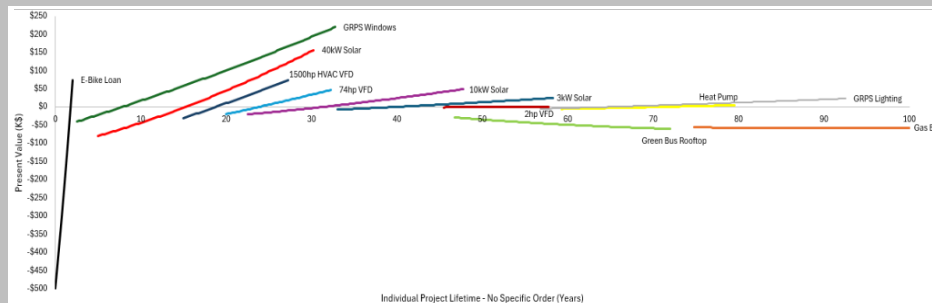


Figure 2. Summary of Each Individual Project analysis.

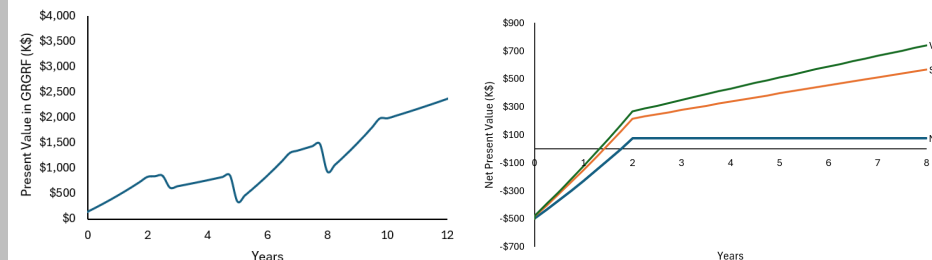


Figure 3. Cashflow model of fund.

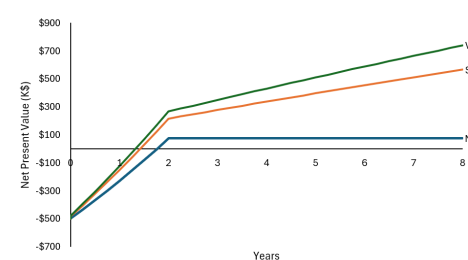


Figure 4. Analysis of E-Bikes, loan method.



ENGR 333 Class Photo with Grand Rapids Delegates

Conclusions

Policy:

- Cross departmental Board structure increases transparency and reduces project selection bias.
- A clear reinvestment framework supports long term fund stability.
- Standardized approval pathways ensure consistent compliance and accountability.

Financial Analysis:

- Implementing social benefits improves payback time.
- A cashflow diagram is vital to view overall fund health.

References

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