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## Charlottesville sees few takers on energy-efficient tax break

By Rachana Dixit

Charlottesville officials had hoped that a new tax incentive for buildings 30 percent more energy efficient than state standards would encourage homeowners to take the plunge to become more environmentally friendly.

“What we found is that standard is a very high bar,” Mayor Dave Norris said.

Since the program was endorsed by the City Council in January, only eight property owners have qualified for the energy-efficient building tax classification, which gives a 50 percent reduction for one year on the city’s real-estate tax rate, currently 95 cents per \$100 of assessed value.

“It’s been fairly limited,” said Kristel Riddervold, the city’s environmental administrator.

Most of the homeowners who have applied for the reduction, Riddervold said, have built recently using energy-efficient features included in the design. Any home or business that is Energy Star or Earthcraft certified — two of the most common energy-saving classifications — would likely meet the criterion.

But the age of Charlottesville’s housing stock makes it difficult for homeowners to make energy-efficient upgrades without emptying their wallets, officials say. In 2007, the average city homeowner paid \$2,500 in real-estate taxes.

Data from the U.S. Census’ American Community Survey, which compiled information from 2005 to 2007, says that of Charlottesville’s 18,407 housing units, more than 20 percent, or 3,777, were built in 1939 or earlier. After that, most houses were built in the 1950s and 1960s, and only 1,106 homes, just more than 6 percent, were constructed in 2000 or later.

“It’s very hard for someone remodeling an existing home to qualify,” Norris said. “When we passed it we were hoping it would apply to both [old and new construction].”

Several of the homes that have qualified are located at River Bluff, a conservation community near the Rivanna River. Richard Price, a local architect and River Bluff’s developer, said there’s no one way to make a home 30 percent more energy-efficient than the requirements in the state’s building code.

“It is challenging, especially trying to do it in a way that’s not overly expensive,” he said. “There’s no one thing.”

Price said it is a combination of tools that will usually help a building achieve that standard. Many of River Bluff's homes, he said, include good insulation, new heating and cooling equipment that is more efficient than the standard HVAC system and energy-recovery ventilators.

"Ironically, the house I live in is a long way from qualifying," Price said. "Renovating an existing house is a much bigger hurdle."

Norris said that the number of people applying for the program might pick up once Charlottesville's building industry does the same. Additionally, he said, the city will try to push for another program — once the General Assembly convenes next month — that would provide homeowners low-interest loans to make energy upgrades. The money would be paid back in the form of property taxes after the properties are assessed each year. Even if it is difficult for owners of older homes to qualify for the tax break, Riddervold said any upgrade would eventually lead to sizeable savings on residents' monthly bills.

"If you can improve the energy efficiency of an older home by any percent, it's going to save people money and energy," she said. "They may not see that immediate financial adjustment, but they're still going to save money."