South Carolina, Historic Tax Credits, and Saving Rural Communities

Kendra Wright Waters

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ABSTRACT

Historic tax credits have been a vital part of the historic preservation movement in this country since their inception in 1976. Since then, they have evolved to maximize the opportunities for historic building owners, and many states themselves have adopted state historic tax credits that expand the benefits beyond just income-producing properties. South Carolina has been one of the more prolific states in their use of historic tax credits. Even so, historic tax credits have been vastly under-utilized in South Carolina’s rural communities of South Carolina. A comprehensive study of the use of both the federal and state historic tax credits for rehabilitation in the state provides statistical data to support recommendations for further work in bringing the benefits to historic tax credits to a wider range of communities. A combination of population data, National Register listings, and historic tax credit data for South Carolina demonstrates the difference in conditions the rural versus urban communities in the state and how an increase in use of historic tax credit could address many of the problems facing the rural communities of South Carolina.
ACKNOWLEDGEMENTS

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CHAPTER ONE: AN OVERVIEW OF HISTORIC TAX CREDITS

Introduction

Rural life has defined South Carolina since the first settlers arrived in the seventeenth century. Every resident or visitor has experienced its charms, whether it is their hometown or a getaway spot on a sunny Sunday afternoon. Generations of South Carolinians have lived their lives closely tied to the land and have left their mark through the historic buildings that dot the countryside. From the large plantations on the Lowcountry islands to the tenant farms in the Upstate, historic structures are still a vital part of the rural landscape. Rural is most often identified by the land and nature, yet historic buildings are an important component of rural character. Our way of life has changed considerably in the past century as technological advances and changes in lifestyle have driven us closer to urban centers, yet we still hold on to the romanticized notion of the country setting. Fortunately, in parts of South Carolina those landscape still exist. Preserving that cultural heritage has become an increasingly important. As our society grows, our downtowns and cities intrude further and further into our rural land. The field of historic preservation, while relatively new with regards to the rural landscape, has advocated for the conservation of rural areas for the past several decades. Preservation’s primary focus has been on rural land conservation. Historic tax credits (HTCs) have proven to be an important factor in communities across the country for reviving downtowns and preserving large quantities of buildings. Developers, homeowners, and business owners have all taken advantage of the economic benefits to
restore their historic structures. This economic encouragement of HTCs has been widely touted, but their use in rural areas is severely under-studied. In South Carolina, despite the number of historic resources found in rural areas, most HTC projects are centered in urban areas and town centers. Many different factors led to this, but to help preserve all aspects of our history, rural communities can better leverage HTCs to ensure that their important historic structures are saved for generations to come.

An Overview of Historic Tax Credits

In order to understand the importance of historic preservation and its ties to rural communities, a brief review of the forces that led to the enactment of the two historic tax credits used in this study is necessary. The literature on HTCs is split into two categories: the history and importance of historic preservation and the economic impact of HTCs. In the history of historic preservation, tax credits often only get a brief mention. Their basic guidelines and benefits are outlined, but very little else mentioned. Arguably the most important work in historic preservation history is Byrd Wood’s *With Heritage So Rich* (1966), which proved and articulated the importance of historic preservation to our nation. It was the first time an argument and plan for a national focus on historic preservation was written and still serves as a philosophical basis for the field to this day. It included recommendations for how to implement a comprehensive preservation plan

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1 The literature cited in the following description of the history of HTCs is only a sample of the major work on the field of historic preservation. Other notable works include *Historic Preservation: An Introduction to Its History, Principles, and Practice* by Ilene R. Tyler, Norman Tyler, and Ted J. Ligibel; *Keeping Time: The History and Theory of Preservation in America* by William J. Murtagh; and most recently Stephanie Meeks’ *The Past and Future City*, which looks at the revitalization of historic urban centers.

for the nation and served as the groundwork for the National Historic Preservation Act (NHPA) of 1966. The federal Historic Rehabilitation Tax Credit was not passed until ten years after the book’s publication. *With Heritage So Rich* presented the framework needed for tax reform in order to promote preservation of historic structures through private investment. Early proponents of a nation-wide preservation movement recognized that government and nonprofit spending would only go so far in protecting historic structures.

*With Heritage So Rich* provides insight into the atmosphere surrounding tax law in the 1950s and 1960s. During the middle of the twentieth century tax benefits promoted new construction and, unfortunately, parking lots. The government effectively incentivized the razing of historic structures in cities all across the country. The 1950s saw the birth of urban redevelopment and the creation of the Department of Housing and Urban Development (HUD), a federal agency whose programs focused on demolition and new construction, wiping out many of the historic structures that would be saved “under the more enlightened policies prevailing today.” At the time, museum properties were the only historic properties receiving tax relief, but most historic structures do not lend themselves well to becoming museum properties. Byrd understood this. Larger commercial structures “are too large and too expensive to be preserved as museums. They can be saved only by continued use, generally after rehabilitation.” Wood argued that HTCs would widen the scope of properties that might be saved and put more money back into the economy. *With Heritage So Rich* centered their tax reform discussion on the

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prevailing threat at the time: destruction of cities through urban renewal policies that prioritized new construction. Rural communities could benefit from HTCs but were not the focus of these early preservation efforts. *With Heritage So Rich* concludes with recommendations for the federal government moving forward with regards to historic preservation. Their fourth recommendation asks the Internal Revenue Code to allow for tax relief for certain forms of historic preservation and donations of properties. A form of tax credits was proposed as “income tax deductibility to private owners of registered historic properties for preservation and restoration expenditures within appropriate limitations.” Urban development and renewal at the time were destroying city blocks and preservationists heeded the call to save their cities. Preservation has always been

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invested in small towns and rural areas, but the tax reforms and tax credits were primarily championed for their use in urban centers. A decade after the publication of *With Heritage So Rich*, Congress passed the first federal HTC in the Tax Reform Act of 1976.

Other important publications have been written since *With Heritage So Rich* that discuss the history of historic preservation and the evolution of theory in the field after the passing of the NHPA of 1966. The 1987 publication *The American Mosaic: Preserving a Nation’s Heritage* dedicated an entire chapter to private sector involvement in historic preservation. Written by Gregory E. Andrew, Chapter 7: Historic Preservation in the Private Sector, looked back on how private investment has increased in the twenty years since the passing of the NHPA. Prior to the NHPA, private investment in historic buildings centered on a few rehabilitations by dedicated homeowners. The only other rehabilitations were of historic house museums, usually publically funded. Agreeing with Byrd's *With Heritage So Rich*, Andrew placed much of the blame for the lack of private investment prior to 1966 on "... tax laws [that] discriminated against old buildings." Very few federal programs sought to incorporate the rehabilitation of historic structures into their program goals prior to the Tax Act of 1976. Affordable housing became one area where historic structures were seen as beneficial and the benefits of preserving and reuse were obvious. The Model Cities program under the Department of Housing and Urban Development in 1966 included a section on rehabilitating existing buildings for residential use. In 1974, the HUD Community Development Block Grants aimed some of their focus on reusing existing buildings for affordable housing.

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Andrew’s continued his discussion of private investment in HTCs by discussing how investment increased after the passing of the federal HTC. Andrew saw the pitfalls of urban renewal driving many people to join the historic preservation movement. A recession in the 1970s pushed even more support toward the rehabilitation of historic structures as a viable alternative to new construction.\footnote{Stipe and Lee, \textit{The American Mosaic}, 210.} High inflation rates and the energy crisis of the 1970s also increased public favor for historic rehabilitations in urban centers.\footnote{Stipe and Lee, \textit{The American Mosaic}, 228.} The passage of the Tax Act of 1976 and its inclusion of HTCs made historic rehabilitations a possibility for a wider range of business owners.\footnote{Stipe and Lee, \textit{The American Mosaic}, 210-211.} The tax credits also changed how rehabilitations were funded. Andrew found that in addition to building owners and historical foundations, real estate developers and financiers saw an opportunity to increase the return on their investments. The sudden rise in historic rehabilitations not only helped save a greater number of buildings, but the field of historic preservation grew significantly as a result. Every real estate related field saw an increase in specialists and projects. Even just twenty years after the NHPA and ten years after the first federal HTC, the new field of historic preservation consultants had formed.\footnote{Stipe and Lee, \textit{The American Mosaic}, 230.} Yet preservation was still young and focused in a few areas. In 1987, when Andrew was reflecting on the influence HTCs had had on the nation, he concentrated on their impact in urban areas. Since so much of the driving force behind the implantation of HTCs was a rejection of the entirely new construction model of urban renewal, it is understandable that much of historic preservation within the first ten years of the federal HTC was centered in larger downtowns. Urban centers also had the markets, expertise, and building

\footnote{Stipe and Lee, \textit{The American Mosaic}, 210.} \footnote{Stipe and Lee, \textit{The American Mosaic}, 228.} \footnote{Stipe and Lee, \textit{The American Mosaic}, 210-211.} \footnote{Stipe and Lee, \textit{The American Mosaic}, 230.}
stock to better support the initial influx in rehabilitation projects. As a snapshot of HTCs and historic preservation in 1987, Andrews’ review of their success speaks to their enduring legacy thirty years later.

Robert Stipe’s *A Richer Heritage: Historic Preservation in the Twenty-First Century* (2003), published almost forty years after *With Heritage So Rich*, provides a look back at preservation in the United States.\(^{13}\) The book reviews the past forty years after the passing of the NHPA and provides recommendations for the future of historic preservation. Stipe first offers some context for the passing of our current federal Historic Rehabilitation Tax Credit. As stated in other works, the first form of tax reform passed in 1976 served to “redress the imbalance between the tax treatment of new construction and rehabilitation of historic properties.”\(^{14}\) The Tax Reform Act of 1986 created a revised HTC. The new federal HTC regulations were almost instantly successful and produced more investment in historic preservation than any other program to date.\(^ {15}\) Stipe outlines the process for applying for the federal HTC and its overall benefits to the field of historic preservation. He completed this large task in only two brief sections of his book. Stipe thoroughly explains the importance of preserving our landscapes beyond just historic structures. However, he never touches on the limitations of the federal HTC or how rural historic structures face different challenges than their urban counterparts when applying for credits. Stipe’s work has become one of the focal points in the study of the future of historic preservation, yet his brief mentions of HTCs significantly reduce the importance


\(^{15}\) Stipe, *A Richer Heritage*, 60.
HTCs have had not only on the past preservation of historic structures but also on future efforts.

One of the most recent works on the history of historic preservation, *Historic Preservation: An Introduction to Its History, Principles, and Practice*, dedicates more to HTCs than previous examples. The authors brush over HTCs compared to the other historic preservation areas they discuss. Most of the description and history of the federal HTC mirrors earlier preservation history works. *Where Historic Preservation: An Introduction to Its History, Principles, and Practice* is set apart is its ability to draw on more numerous examples of HTC projects completed over the twenty years after the passage of the Tax Act of 1986. The authors’ argue that tax credits are a necessity to help move preservation away from “a lofty pursuit” to something tangible. The broader argument in *With Heritage So Rich* that HTCs would help preserve buildings that do not lend themselves to adaption into historic house museums proved true. Larger structures and other properties were able to be rehabilitated with their existing or new uses. A much wider range of buildings have been saved and restored because HTCs allow for their adaptive reuse and modification to suit society’s current needs. By the publication of *Historic Preservation: An Introduction to Its History, Principles, and Practice* some states had adopted their own historic tax credits, so the book mentioned them as well. State HTCs are mentioned because most states with an HTC have a homeowner component, unlike

19 Over fifty percent of the states in the country have passed their own version of a historic tax credit, primarily to “piggy-back” off of the federal program. A further discussion of the South Carolina state historic tax credit will appear later in this chapter. More information on each individual state HTCs can be found on the state’s SHPO website.
the federal HTC. Homeowner HTCs have helped save an even larger number of historic structures. A homeowner credit helps offset some of the high rehabilitation costs that often hinder ownership and restoration of a historic property.

**Economics of HTCs**

The literature and reviews on HTCs in the past decade and a half have centered on the economic benefits of HTCs. Mostly driven by states’ or the federal government’s desire to pass or renew their own state credits, these economic reviews generally agree on two things: first, HTCs are a driving force for economic revival, and second, there is always a positive return on the investment for the government. These studies focus on the economic impact across the entire state, with little attention paid to the spatial relations of projects throughout the state. The economic benefits and revitalizing impact HTCs can have on an area has been widely reviewed and studied and can be seen when visiting cities like Charleston or Beaufort. A base knowledge of the economics of HTCs is imperative. Randall Mason’s seminal work, “Economics and Historic Preservation: A Guide and Review of the Literature,” tried to understand how to discuss the value and economic benefits of historic preservation, a field in which a price cannot often be calculated. Many authors have tried, and Mason provides an overall review of the different methods and recommendations for future areas of study. As Mason found, most of the economic reviews of historic preservation are primarily focused on advocacy for the field, rather than...

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21 Mason also includes an extensive bibliography for further reading into the economics of historic preservation, a topic that will not be discussed at too great of length here.
critical reviews.\textsuperscript{22} One of the main arguments and assumptions Mason makes in his methodology is that historic preservation cannot, and should not, be measured only in quantitative terms. Solely addressing the economic factors and benefits (such as market-rates) diminishes “the full value of preservation as cultural expression and public good.”\textsuperscript{23} A few key arguments surrounding the economics of historic preservation surfaced again and again during Mason’s review of the literature. Historic preservation projects have been proven to be comparable in costs to new construction. Beyond that, HTCs have been one of the main components in making historic preservation economically viable.\textsuperscript{24}

Other economic impact studies have been conducted to help advocate for historic preservation as the popularity of the field has grown. South Carolina conducted an economic impact study when advocating a state historic tax credit, with similar findings to previous historic preservation economic impact studies from other states.\textsuperscript{25} Most of these studies have been focused at the state level as they are still trying to help the field and the practice grow. Local studies are also available as different towns and municipalities plan their communities to include historic preservation. There is a significant lack of critical study of the areas historic preservation has overlooked and how to change the programs to better serve them.\textsuperscript{26} Mason outlines the different forms of economic studies available to historic preservation, and highlights the areas where the field needs greater economic research. One of the main components he addresses is how to better incorporate both economic and cultural benefits when valuing historic

\textsuperscript{22} Mason, “Economics and Historic Preservation,” iv.
\textsuperscript{23} Mason, “Economics and Historic Preservation,” 3.
\textsuperscript{24} Mason, “Economics and Historic Preservation,” 4-7.
\textsuperscript{25} South Carolina’s economic impact study, “Smiling Faces and Historic Places: The Economic Benefits of Historic Preservation in South Carolina,” will be discussed in more detail in Chapter Two.
\textsuperscript{26} Mason, “Economics and Historic Preservation,” 14.
preservation. Both the federal and state governments see an economic return on their investment in HTC programs which helps drive the continued enactment of tax credits. Some of the greatest benefits of HTCs is the preservation of a cultural heritage through reuse of our historic buildings, something that cannot be assigned a price.\textsuperscript{27}

The other main publication that addresses the issue of economics and historic preservation is Donovan Rypkema’s \textit{The Economics of Historic Preservation: A Community}

\textsuperscript{27} Mason, “Economics and Historic Preservation,” 19.
Leaders Guide. Originally written for and published by the National Trust for Historic Preservation in 1994, Rypkema’s own real estate development consulting firm PlaceEconomics now publishes the report and updated it in 2014. The report aims at dispelling the belief that historic preservation is a luxury and “too expensive.” He argues instead that the benefits of preserving historic structures not only spurs the economy, but adds immeasurable cultural benefits. Rypkema outlines the many economic benefits of historic preservation and provides ways for people from a wide range of interests and fields to use historic preservation to their benefit. The primary focus in many cities and towns across the country is economic development. Job creation is the most important aspect, and studies have found that historic preservation creates more construction jobs than new buildings. Rehabilitation of historic structures requires a more skilled workforce and it is often a more specialized profession.

Annual economic reports of the federal HTC are published by the NPS and Rutgers University’s Center for Urban Policy Research. The numbers for each fiscal year fluctuate, but since the economic review has been published the impact numbers of the federal HTC have remained relatively steady. In the fiscal year of 2016, the NPS saw the creation of 108,528 jobs through federal HTC projects. The average number of local jobs per project was 104, and the majority of HTC jobs are more skilled and higher-paying than their new construction counterparts. The program also added 7,181 new low and moderate income housing units across the country. Housing remains one of the strongest uses of historic

29 Rypkema, The Economics of Historic Preservation, 8.
tax credits, with the 2016 fiscal year seeing 57% of completed rehabilitation projects being used for housing.31

Economics and market trends are an important part of understanding HTCs and their use. This study takes a different approach to analyzing HTCs in South Carolina. Rural markets face different issues and trends than urban ones. Rather than analyzing market trends for rural counties, this study conducted spatial review of HTC use over the past four decades. As discussed by Mason, reviews of HTCs need to extend beyond just basic economic studies. Cultural benefits play a large role in historic preservation but are overlooked in many discussions of HTCs. By exploring the spatial allocation of HTCs in the state, arguments and recommendations for increasing their use in rural areas can focus on their benefits and their historic buildings in areas that are often over-looked. Chapter Five discusses future recommendations for increasing HTC projects in rural areas. Market trends receive further attention there. This study adds depth to the discussion of HTC use beyond enumeration of economic factors.

Federal and State HTC Guidelines and Regulations

An explanation of the rules and regulations for the federal and Homeowner HTCs available in South Carolina contributes a better understanding of the spatial patterns of their past use in the state. The federal Historic Rehabilitation Tax Credit provides a 20% tax credit based on qualified rehabilitation expenditures (QREs).32 A tax credit is a dollar-

32 The National Park Service generally defines qualified rehabilitation expenditures as “only those costs that are directly related to the repair or improvement of structural and architectural features of the
for-dollar credit that can be used against federal income tax. This means that for every $100 spent on QREs by an income-producing property owner, the owner will receive a $20 tax credit that is used against federal income taxes to lower the amount due. The program is administered jointly by the National Parks Service (NPS) and the Internal Revenue Service (IRS), with the NPS overseeing the application process. All application components are reviewed first by the State Historic Preservation Office (SHPO) in each state as a measure to help property owners ensure that their project will be approved by the NPS. The program was first implemented in 1976, but has undergone multiple different changes in the subsequent years. The current version of the federal HTC was voted in the Tax Act of 1986. A recent threat to the federal HTC led to new updates and regulations in 2017. The two main updates were dispersing the time in which the tax credits are taken by a property owner and repealing a 10% federal HTC available for properties built prior to 1936 but are not listed on the National Register.

The federal HTC has a three part application process designed to be filed by a property owner, though depending on the size and scope of the project many choose to hire a historic preservation consultant. Part 1 of the application certifies that the structure is a historic building that retains its historic integrity. The building must be either listed on the National Register of Historic Places or be listed as contributing to a National Register listed historic district. The building can also be eligible for listing at the start of the application, as long as it is nominated and listed on the National Register by the historic building.” Further information on QREs can be found at the NPS website: https://www.nps.gov/tps/tax-incentives/before-apply/qualified-expenses.htm.

completion of the project. The Part 1 application includes a detailed architectural
description of the building and site in its current condition. The application also includes
a statement of significance for the historic importance of the structure. This portion of the
federal HTC application is very similar to the National Register nomination form, though
slightly simplified. Detailed photographs of the current state of the building also
accompanies the Part 1 application. Each state SHPO is primarily responsible for helping
applicants fill out the forms and ensuring that the photos follow the NPS standards and
are labeled and organized correctly. The NPS also expands the scope of review for each
project beyond just the structure applying for historic tax credits. Any other potential work
on the site can be reviewed by the NPS, even if it is not part of the rehabilitation of the
historic building. This ensures that the historic building does not get lost in new
construction on the site or that other potential historic structures get un-sympathetic
rehabilitations.

Part 2 of the application for the federal HTC provides a detailed description of all
planned work for NPS review. The NPS uses the Secretary of the Interior’s Standards for
Rehabilitation,34 which sets loosely worded guiding principles for what type of
rehabilitation work can be completed for the HTC. The rehabilitation work also must be
considered a “substantial rehabilitation.” During a 24-month period, the total QREs must
be greater than $5,000 or the adjusted basis35 of the building, whichever is greater.36 The
Standards help ensure that only a high level of rehabilitation is completed and that as

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34 The Secretary of the Interior’s Standards for Rehabilitation can be found here:
35 The adjusted basis is calculated by taking the purchase price, subtracting the cost of the land, adding
improvements already made, and further subtracting depreciation already taken.
36 U.S. Department of the Interior, National Park Service, Historic Preservation Tax Incentives,
much of the original integrity of the structure remains while still allowing the building to evolve for new uses. As with each part of the application, the Part 2 is first reviewed by the SHPO, who then gives recommendations to the NPS. It is recommended that all work be approved by the NPS before commencing construction. If construction begins before approval, the property owner may remediate the already completed work or run the risk of forfeiting the credits. The property owner can file appeals and amendments if they do not agree with the NPS’s decision or if the work changes during construction.

The final portion of the federal HTC application is Part 3, a certification of completed work. This portion is primarily a photo layup of all completed work throughout the project. The SHPO and NPS review that the work completed matches what was outlined in the Part 2 application and any amendments. After approval, the NPS reserves the right to inspect the building for up to five years after it is completed and may revoke the certificate of completion which results in a forfeit and repayment of tax credits. A recent change to the tax code in 2017 requires that the credit must be taken over a five year period starting with the year the building was placed in service. This means that for five years, 20% of the total tax credits may be claimed by the property owner each year. Any unused credit may be carried back one year or forward for 20 years.

The state of South Carolina has two main credits for historic structures: one that serves income-producing properties and one for residences (unlike the federal HTC). A

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39 Two other state tax credits related to the rehabilitation of historic structures will be discussed in Chapter Five: Recommendations.  
homeowner or residential HTC has proven successful in many states. Most states who have passed a state HTC have included a residential component. These two South Carolina programs were passed in 2003 and have had a significant impact on historic preservation in the state. Overseen by the South Carolina SHPO and the South Carolina Department of Revenue, the income-producing tax credit provides a 10% credit based on the QREs. The property owner may also choose to take a 25% tax credit not to exceed $1 million in tax credits per project. The application process matches that of the federal HTC, and those who qualify for the federal program automatically qualify for the state. The minimum amount required to spend on rehabilitations is significantly less (in some cases) than with the federal program, which allows a wider range of applicants to take advantage of the tax credit program. All other program requirements follow those of the federal HTC.

One of the most beneficial aspects of the South Carolina Historic Rehabilitation Tax Credit for not only rural areas but the state as a whole is its ability to be used by homeowners. Some of the most important historic structures in the state are still held as private homes, and rehabilitation costs can be debilitating even to the most dedicated preservationist. The Homeowner Tax Credit allows for a 25% tax credit based on qualified rehabilitation costs. The house must be listed on the National Register, contributing to a National Register Historic District, or be eligible for listing on the National Register to qualify. The program is overseen by the South Carolina SHPO, who provides multiple different opportunities to help homeowners learn how to undergo a historic rehabilitation

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41 The state of South Carolina requires a minimum of $15,000 of qualified rehabilitation expenditures within a 36-month period for the property to qualify for the state HTC.
and navigate through the application. $15,000 worth of qualified rehabilitation expenditures must be spent within a 36-month period for the project to qualify. All work must also follow the Secretary of the Interior’s Standards for Rehabilitation and is reviewed by the South Carolina SHPO.

Conclusion

Historic tax credits have become a central driving force in the success of historic preservation across the country. Responding to urban renewal and federal tax benefits that prioritized new construction and parking lots, the nation has come a long way in re-writing how we view our historic structures. HTCs have generated large private investment in historic preservation. Understanding the history of the programs and the requirements of HTCs allows for a more nuanced analysis of their limited use in rural South Carolina. One of the primary issues with the literature on HTCs is that it is often only briefly mentioned in the literature on historic preservation history and theory. HTCs are one of the only private-investment components of preservation and therefore bridge the gap into the private sector more so than any other preservation effort. The success of the program has been proven, but its history and theory have not reached the same level of importance as other aspects of the field. The economic literature on HTCs champion their strong ability for economic revitalization and return on investment. Yet very little attention has been paid to understanding the shortcomings of the programs. While many more studies are necessary to continue our better understanding of the economics of historic preservation, this study strives to provide a different analysis of the use of HTCs in the state of South Carolina.
CHAPTER TWO: SAVING SOUTH CAROLINA

Introduction

South Carolina is well known outside of the state and the southeast for the historic beauty of Charleston, the beach towns and golf meccas of Myrtle Beach and Hilton Head, and its nationally-renowned universities. Yet visitors are still drawn to South Carolina’s rural countryside, to the picturesque plantations and history that runs deep in the land from the Lowcountry through the Piedmont to the Upstate. The historic charms of the state are easily seen; history has remembered and romanticized many of them well.

Private and public investment in historic preservation revitalized the state’s heritage.
tourism economy and other ventures tied to preservation. Rural communities in the state have not seen the same kind of economic redevelopment through rehabilitations of historic structures. Rural areas have not taken full advantage of the benefits of historic preservation of structures as have other parts of the state, but they can still reap many of the same benefits. HTCs are a well-known way to save historic structures, but defining and understanding a rural community is not as easy. A definition of rural must be reached and understanding the history of South Carolina’s rural landscape and historic preservation efforts are vital to analyzing the patterns of HTC use across the state.

Defining Rural

For most discussions regarding rural areas, the United States Census Bureau’s (USCB) definition is the standard. The USCB has been dividing the country into urban and...
rural for over a century and have created a very thorough process for delineating between the two. In generalized terms, the Census Bureau selects the urban and urban clusters (suburbs) first, and the areas leftover are considered rural. An “urbanized area” has a population of 50,000 people or more and an “urban cluster” has a population of at least 2,500 to 50,000 people. Therefore any area with a population below 2,500 is considered rural according to the USCB. More generally, the USCB considers any rural area as defined as “all population, housing, and territory not included within an urbanized area or urban cluster.” This definition allows the USCB to include a wide variety of landscapes under their definition of rural. For a more thorough analysis, the USCB breaks each county down into census tracts and census blocks. A census tract is a subdivision of counties for census-taking purposes. It generally has a population between 1,200 and 8,000 people and the physical size of the census tract is based on population density. A combination of population thresholds, density, land use, and distance are calculated for each census tract to determine whether they are urban, urban clusters, or rural. After each census the USCB publishes a list of each county in the country labeled as mostly urban, mostly rural, or completely rural depending on the percentage of the population living within each classification. South Carolina has two counties (Calhoun and McCormick) considered completely rural, twenty-seven counties mostly rural, and

42 Urban clusters are more commonly known as suburbs.
46 A more detailed analysis of the FCB's criteria for determining urban and rural areas can be found in their publication “Defining Rural at the U.S. Census Bureau,” December 2016, https://www2.census.gov/geo/pdfs/reference/ua/Defining_Rural.pdf.
seventeen counties mostly urban (Figure 2). Based on the USCB, more counties in South Carolina were rural than urban in 2010.

Other government agencies and groups focused on rural areas define rural differently. This study will use its own metric to base the analysis of the use of HTCs in rural South Carolina. A simplified identification process was created to allow for easier identification of rural counties from year to year and potentially from state to state. For this study, a rural county is defined as one that has a population density of eighty people per square mile or less based on the 2010 U.S. Census.47 This accounts for twenty-three

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*Figure 3. Map of counties (highlighted in purple) that are considered rural for the purpose of this study. Map created with Mapchart.net.*
of the forty-six counties in the state (Figure 3). The population density was cross-referenced with the size of each town and city within the county to ensure that one or two towns did not skew the data. A population density of eighty was established as the number under which no county included a large town that would not be considered within the USCB’s standard for rural town size, with some flexibility allowed. In South Carolina, as in most of the country, rural has a fluid definition and feel, which has changed and morphed over the past few centuries after the first settlements. Saving America’s Countryside, originally published in 1989 and republished in 1997 by the National Trust for Historic Preservation, uses a very fluid definition of rural, allowing the reader to determine what rural means to them. While rural has been defined by county for the purposes of this study, the findings and recommendations can be applied to a wide range of communities and historic structures throughout the state and should not feel limited by a set definition.

South Carolina, Historic Preservation, and the Rural Landscape

South Carolina has strong cultural ties to its rural landscape. A brief history of these ties illuminates the importance of preserving the historic structures that have helped define this landscape. Published in 1989, South Carolina: The Making of a Landscape by Charles F. Kovacik and John J. Winberry explores the history of the state’s landscape. Their work focuses on South Carolina’s bonds to the land, the people who have interacted with it for centuries, and its continued importance to the citizens of South Carolina. Settlers in the young colony relied on the natural resources found where they

lived. The early (successful) settlers between 1670 and 1730 chose land based on its rich soil and proximity to waterways. This settlement pattern created plantations and farms along the Ashley, Cooper, and Wando Rivers, eventually moving out to Goose Creek, Edisto Island, and the Santee River. By 1730, more and more settlers, mostly Scotch-Irish and Germans, moved into the “Back Country.” This land was further west away from the coast of South Carolina and the settlers started small farms and communities. Urban areas began to expand around this time, but the majority of the colony remained centered around an agricultural lifestyle and reliance on small rural communities.

This trend continued through the Civil War and Reconstruction. South Carolinian’s rural life was threatened by many different factors. Poverty became the defining feature of rural South Carolina. In 1940, ninety percent of the state’s population resided either in rural communities or towns and small cities with a population less than 20,000 people. The average per capita income was half the national average. By 1960, the South Carolina landscape had changed drastically and only forty-one percent of the population lived in rural areas, a trend replicated throughout the South. The term the “New South” was coined at this time to describe the move from the “centuries-old preoccupation with agriculture and a poverty that had plagued the region since 1865” to the South as a place

51 Kovacik and Winberry, The Making of a Landscape, 80.
of promise of industrial boom. 53 The industrial boom took form first in small, compact cities dotting the South, until the late 1960s to early 1970s when urban and suburban sprawl expanded rapidly, creating almost small “minicities” around the city center. 54 Rural land quickly became threatened by this sprawl, a trend that continues today. Evidence of this trend can be found in the twenty-first century in counties such as Dorchester and Berkeley which have seen unprecedented growth with the rapid population increase of

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Charleston (Figure 4). But even as more and more residents move to urban areas, South Carolina keeps its strong rural ties, with the authors describing the bond best:

Yet before we dismiss the rural population as insignificant, we should remember that South Carolina has a strong rural tradition, that the rural lifestyle is far more prevalent among South Carolinians than it is among Americans in general, and that the South Carolina landscape itself is one that is predominantly rural.\textsuperscript{55}

The number of counties in South Carolina that are still considered rural by multiple sources speaks to its continued prominence on the landscape of the state. Even outside of South Carolina more than half the counties in the nation are considered mostly rural or

\textit{Figure 5. Chart of USCB's rural counties compared to urban counties percentages.}

\textsuperscript{55} Kovacik and Winberry, \textit{The Making of a Landscape}, 149.
completely rural by the USCB (Figure 5).\textsuperscript{56} Threats to the rural landscape of South Carolina are threats to one of the longstanding defining features of the state’s identity.

Along with the state’s strong ties to the land, historic preservation has played a dedicated role in characterizing South Carolina into the twenty-first century. Two publications by the South Carolina SHPO in the South Carolina Department of Archives and History demonstrate this fact. Neither publication spend much time discussing rural communities as their own entity though they do receive a mention. The publication “Smiling Faces and Historic Places: The Economic Benefits of Historic Preservation in South Carolina” studied the past economic impact of historic preservation on the state.\textsuperscript{57} It was precipitated by the state’s desire to pass its own state HTC. The study was designed to help local governments, developers, and activists better leverage historic preservation as an economic tool.\textsuperscript{58} The economic benefits of historic preservation, especially the federal HTC, are hardly disputed. The majority of literature on the subject surrounds how communities can take even more advantage of these benefits. The majority of this historic preservation economic impact publication focuses on a 2002 study conducted by Harry Miley, which found that historic preservation went beyond just saving a building in South Carolina. Miley found that “when coupled with a growing economy, [it] acts as a catalyst for growth in struggling urban areas by encouraging new businesses to locate in empty

\textsuperscript{56} As of the 2010 Census, 1,253 counties were considered mostly urban, 1,185 were mostly rural, and 704 were completely rural. United States Census Bureau, Census Bureau County Rural Excel, 2010.


\textsuperscript{58} Lennox and Revels, “Smiling Faces and Historic Places,” 1.
downtown buildings and storefronts.” Though the study highlights urban areas, any small town, suburb, or city across the state would wish to take advantage of such benefits. Most of their economic study focused on more highly populated areas, but their discussion of heritage tourism and its economic benefits mentions how it has been able to expand to smaller towns and communities. Some of these areas have been able to take advantage of their settings and market their rural historic assets to attract tourism dollars. Studying the economic impacts of preservation was a relatively new practice at the time, yet the state has not published any further comprehensive findings on the economics of preserving history in the state.

After completing an economic impact study, in 2007 the South Carolina SHPO published a comprehensive preservation plan for 2007 to 2015. Written by Mary Edmonds, “Preserving Our Past to Build a Healthy Future: A Historic Preservation Plan for South Carolina 2007-2015” outlines the importance of historic preservation to the state. Edmonds states what is already done well to support the field and the different areas in which they can improve. The state advocates historic preservation as beneficial because it provides roots and a past to build on, a sense of community pride, and sources of knowledge and inspiration. It helps increase the beauty of the state, encourages travel and tourism, has significant economic development potential (as seen in the previous study), and has environmental benefits. All these areas are important for the state at

62 Edmonds, “Preserving Our Past to Build a Healthy Future,” 3-10.
large, but are especially important for many of the rural counties who are experiencing economic hardships. After describing the main benefits of historic preservation, the preservation plan identifies the three main threats to historic buildings: unplanned and insensitive development, population shifts and economic inactivity in rural areas, and a lack of awareness and appreciation.\(^6\) The report outlines some key issues in rural areas specifically, a unique feature for many reports on historic preservation. One of the key problems facing rural areas in South Carolina (and across the country) is the move of residents from rural communities to cities. In 1900, only 12.8% of the population of South Carolina lived in urban areas, compared to 60.5% in 2000. This drop in the rural population causes many problems, such as an increasing number of abandoned buildings, a lack of new uses found for older structures, and an inability to attract investors.\(^7\) The report ends with recommendations for the future, and promoting the use of federal (and state) HTCs is a main goal, along with increasing public policy and planning around historic preservation. While these will benefit rural communities, the preservation plan provides no specific steps for how this will happen in rural areas. The steps taken in rural communities will need to be different than those in urban ones. The success of South Carolina is directly impacted by its rural communities and historic preservation. No one is denying the increased issues in rural areas or the importance of preserving our past, but clear steps on how to improve the two are never mentioned.

\(^{6}\) Edmonds, “Preserving Our Past to Build a Healthy Future,” 12-14.
\(^{7}\) Edmonds, “Preserving Our Past to Build a Healthy Future,” 13.
Rural Preservation

Rural areas have received much attention and awareness with regards to their need for better economic development and infrastructure. Around the turn of the twentieth century when our nation’s agricultural industry began its continued decline the amount of attention increased significantly. The federal government has been particularly active in creating policies and providing funding for rural communities, mostly in the form of agricultural policy. Yet the potential of HTCs in rural areas has gained very little attention. The National Trust for Historic Preservation’s Saving America’s Countryside fully explores how historic preservation benefits rural areas and why it is especially important to protect rural resources. The publication is aimed at helping local community members start their own organizations and preservation programs, and HTCs are mentioned only briefly. But as the seminal work on rural historic preservation, it supplies the most comprehensive look. The authors first provide their loose definition of rural as places outside of cities and suburbs where there is a strong reliance on natural resources.65

No discussion of rural preservation is complete without describing its connection to natural resource conservation, farmland retention, historic preservation, and scenic protection, the four main areas Saving America’s Countryside addresses.66 Rural areas are heavily characterized by their natural settings and many of their historic resources are natural resource based rather than specific structures. The emphasis on natural resources makes applying HTCs to these areas even harder. This reliance on natural resources has also been one of the main causes of rural area decline. Most of their economy depends

65 Stokes, Watson, and Mastran, Saving America’s Countryside, 2.
66 Stokes, Watson, and Mastran, Saving America’s Countryside, 3.
on one natural resource and our nation as a whole has been moving away from an agricultural economy. As a result, small downtowns lose their patrons, and with increased competition from strip malls and Walmart, rural poverty rates have risen higher and higher.67 This decline and loss of businesses more often than not leaves vacant buildings that need funding and a creative reuse scheme in order to survive for future decades. On the other hand, because rural town centers have faced serious decline, their historic structures have retained a high level of integrity with very little new construction. HTC projects have become the champions for adaptive reuse, with any NPS publication on the federal HTC program praising the adaption of schools to affordable housing, mills to office buildings, gas stations to restaurants, and a multitude of other uses. Unfortunately creating new economic development and new uses for abandoned historic structures requires time, skill, and financial investment that most rural communities severely lack.

Economic development can take many different forms. Saving America’s Countryside identifies the key main areas as infrastructure, housing, education, basic social services, as well as industrial, retail, and service development.68 The connection between and benefits of historic preservation to these issues in rural areas may not be as readily obvious, but preserving historic structures and economic development can work together in rural communities. After identifying the key economic issues rural communities face, the National Trust provides a series of recommendations for reviving rural communities, including attracting a new industry or facility (such as a prison or hospital), bringing multiple groups together to encourage downtown development, and

67 Stokes, Watson, and Mastran, Saving America’s Countryside, 16-18.
68 Stokes, Watson, and Mastran, Saving America’s Countryside, 256.
finding a unique niche for downtown stores to entice shoppers away from the cheaper
and more convenient strip malls found in more populated areas. The publication barely
touches upon how HTCs can help accomplish these goals. HTCs are briefly mentioned in
regards to the fact that they have been utilized more prominently in urban areas but some
rural communities have taken advantage of them as well. An important aspect of
downtown revitalization the authors continually stressed is maintaining the appearance

Figure 6. Historic building in downtown Ridgeland, Jasper County, SC. Jasper County has not
completed a federal or Homeowner HTC project. One of the few standing historic structures in
Ridgeland’s small downtown, the building no longer has a roof and is at risk of further decay. Photo by
the author.

Stokes, Watson, and Mastran, Saving America’s Countryside, 257-259.
Stokes, Watson, and Mastran, Saving America’s Countryside, 327.
of the historic downtown, which helps attracts more business and tourists. HTCs are designed to help store owners and landlords retain the appearance of their structures and they are not presented in the publication as a method for accomplishing this goal.

Another national program, the National Main Street Center, has been one of the largest national forces in aiding with restoring and maintaining historic appearances of downtowns. In South Carolina there are eighteen Main Street SC Communities, with a range of populations from 3,126 (Pickens, Pickens County) to 43,392 (Summerville, Dorchester County) at the 2010 census. While none of the Main Street SC communities are considered rural by the US Census Bureau’s definition, four of the towns have a population below 5,000 people, which is still very small. The program provides trainings, organizational and promotional services, and guidance for downtown economic revitalization, but does not provide financial incentives in the same way the federal or state HTC do. Saving America’s Countryside recommends and supports the use of the Main Street program in rural areas, but finds that more often than not rural Main Streets must find a niche market to sell their downtown. Saving America’s Countryside mentions McCormick, South Carolina as an example. The city marketed itself as “The Real Ghost Town You Never See in Movies” and has experience success with this self-proclaimed designation.

Stokes, Watson, and Mastran, authors of Saving America’s Countryside, include some discussion on other rural policies enacted by the federal government. By 1997 there

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71 Stokes, Watson, and Mastran, Saving America’s Countryside, 263.
72 “Main Street SC Communities,” Main Street SC, Municipal Association of South Carolina, accessed February 8, 2019, http://www.masc.sc/pages/programs/knowledge/MainStreetParticipants.aspx.
74 Saving America’s Countryside, 259.
were fewer and fewer federal policies and less funding invested. The federal government had shifted efforts away from nation-wide programming to empowering states to create their own federal programs in the 1980s. Many of the programs took one of two approaches: providing qualified experts to advise on economic growth or providing loans or tax relief for new housing. These programs rarely incorporated HTCs to their fullest ability, though when combined they could create even more financial relief for rural areas. *Saving America’s Countryside* fully described the main components for rural conservation, but it also fails to highlight some of our current shortcomings with regards to fully integrating existing programs to areas that do not necessarily have the inherent resources to appreciate them at their full extent, such as federal and state HTCs. The book also acknowledged and presented the shortcomings of a tax credit for rehabilitating historic buildings in an area that is largely focused on its natural resources and farmland.

The National Trust has published one of the only complete resources on the preservation of rural historic resources, but many other programs exist throughout the federal government to help aid rural areas. Rural decline has been one of the largest areas of focus over the last century for the government, as the problems they face have been wide and drastic as our way of life and economy have moved away from rural areas. While much has been written on the government policies affecting rural areas over the last century, very few policies have been directly related to historic preservation and the federal HTC more specifically. *New Directions in Rural Preservation*, published in 1980 by the Heritage Conservation and Recreation Service, is the only government publication

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75 *Saving America’s Countryside*, 344-346.
specifically tied to historic preservation in rural areas. The book discusses many of the same issues as *Saving America’s Countryside*, including the importance of preserving the natural landscape and the issues found in rural communities. *New Directions in Rural Preservation* was published by the U.S. government under the direction of President Jimmy Carter. As it was published almost twenty years prior to *Saving America’s Countryside*, *New Directions* provides very little further insight, but it addresses more of the government’s involvement in rural preservation. The Tax Reform Act of 1976, with the original tax credit for historic rehabilitation, was only a few years old at the time, and while it is mentioned in the publication, no further insight into its success or failure are provided.

**Other Federal Rural Policies**

Our nation’s rural population has been the subject of national attention for over a century. The federal government has spent a considerable amount of time, resources, and funding on trying to counteract the loss of income, economy, housing and many other problems in rural areas. The history of rural policy is long and tenuous, with each administration creating new policies and forms of funding to aid in reviving rural communities. Loans for housing, creating better infrastructure, training and providing professionals, and creating subsidies for farming have been the main focus of these policies.

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HTCs can help solve many of the same issues other federal rural policies address, yet they are never mentioned. A review of other rural policies addresses how HTCs can be utilized to aid in helping the same rural communities. The last time any strong federal government attention was paid to rural areas was in the 1980s. The sentiment for rural policy centered on empowering local communities to enact policies to help improve their condition with support from the federal government, rather than imposing federal mandates that are not in the best interest of all rural areas. One of the past U.S. Department of Agriculture chief historians Wayne D. Rasmussen wrote an article in 1985 reviewing almost the past century of federal rural programs. He found that the main benefits of rural policy in the past decades included “paved roads and highways, electricity, telephones, water and sewer systems, and postal delivery.” His review failed to address that while all these are important advances in our society that rural areas should have access to, there is no focus on preserving the unique culture associated with rural life in America. At the time HTCs were in their infancy and the comprehensive tax credit policy we use today was still a year away, but it speaks to the bias that new was better and the old was not important in rural areas.

The early efforts of rural policy focused on providing better connections between farm life and the rest of the world, primarily through the postal system. In 1908 one-third of all Americans lived on farms, and the there was no set difference between farm life and

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78 Further information on rural policy will be provided if necessary for the interpretation of the data compiled by the author.
80 Rasmussen, “90 Years of Rural Development Programs,” 2.
Better roads were another heavy focus of the federal government at the turn of the twentieth century, with the goal of “Get the farmer out of the mud!” and ending rural isolation. In the 1930s, New Deal policies created better legislation protecting and enabling farmers to grow and produce crops while also finding new jobs in the industrial sector. One of the most important components of 1930s rural policy included bringing electricity to rural farms. Prior to this 90% of people who lived on farms with no form of electricity. This included rural communities as well. In the 1950s federal policy moved to empowering state and local governments to develop specific policies for their area, but overall the main focus was on improving health and training for farm and specifically nonfarm jobs. It was during this time that farms saw some of their most significant population declines, from twenty-five million in 1950 to almost sixteen million in 1960. 

Rural federal policy then switched to combating poverty in rural areas. One of the most relatable policies was the 1965 Housing and Urban Development Act, which allowed the Farmers Home Administration to provide personal loans for the purchase of previously occupied dwellings and farms or improvements to farm buildings. The 1967 federal report on rural areas was titled The People Left Behind, and rural poverty was becoming such a large issue that the government continued to create new programs to help combat the problem. The issue became so serious that in 1971 Deputy Under Secretary for Rural Development Henry Ahlgren stated that rural development “has essentially failed to this point.” Housing continued to be an important component of rural policy, with the majority

81 Rasmussen, “90 Years of Rural Development Programs,” 2.
82 Rasmussen, “90 Years of Rural Development Programs,” 3.
83 Rasmussen, “90 Years of Rural Development Programs,” 4.
84 Rasmussen, “90 Years of Rural Development Programs,” 3.
of spending related to housing loans. Rasmussen concludes his review with his opinions on the success of rural policy in the last 90 years. For all the policies enacted, the population of farm people went from 17 percent of our total population in 1945 to only 3 percent in 1984. But in the 1980s people were moving back to rural areas, mostly because of the success of rural policy in diminishing the isolated nature of rural life. And while Rasmussen may tout it as a bonus for increased rural population, the fact that rural people “are no longer readily distinguishable from nonrural people in speech, dress, or manner” speaks to the continued loss of an important way of life to the narrative of our country.

Since the 1980s, rural policy has further evolved and changed. The 1980s saw a marked shift away from spending federal money on rural areas and towards aiding states and local governments in forming their own rural policy and plans. Rural policy prior to the 1980s spent much of its time and energy on the agricultural aspect of rural life, as that was the part that had drastically changed and caused much of the decline. But the nation’s economy and agricultural system was shifting further, and rural areas needed different solutions. Each state and local rural community required different types of programs which is why the federal government moved away from nation-wide programming. In the late 1980s the rate of movement of people from rural to urban areas increased again, and another shift in rural policy was necessary. A focus on a more skilled workforce and better business development services (especially in telecommunications) is necessary to help rural communities evolve in the 21st century.

85 Rasmussen, “90 Years of Rural Development Programs,” 6.
86 Rasmussen, “90 Years of Rural Development Programs,” 10.
One publication by the National Park Service tried to address the lack of connection between federal policies and historic preservation. *Preserving and Revitalizing Older Communities: Sources of Federal Assistance* outlined ninety different federal assistance programs in 1993 that could be used for historic communities. As the main private-investment federal assistance program for historic rehabilitations, the federal HTC gained a mention in the introduction, but is not included within the ninety federal assistance programs. The National Register of Historic Places, on the other hand, received a mention in the introduction and as an official federal program within the publication as well. The publication has not been updated since 1993, and while some of the programs still exist today, many do not or have undergone changes in rules and regulations. The book looked at historic preservation at large, but many different federal programs can aid in rural historic revitalization specifically. Some are designed for rural areas in the country, as briefly outlined above, but other programs are designed to help in all communities that rural areas can take advantage of as well. When leveraged together with HTCs, the economic return on investment from federal incentives can be substantial. A further discussion of some of the current potential areas of more federal assistance will be discussed in Chapter Five: Recommendations.

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Conclusion

South Carolina has been defined by and tied to the land for centuries, and its preservation has been an important component of understanding the state. However one defines rural, whether it be based solely on population data or by the general feel of a place, it is an important fixture to the identity of South Carolina. The state built its economy off of the rural lifestyle and dependence on natural resources. To this day, half of the South Carolina counties are still rural. Rural economic decline has been a problem in our country for decades and many different government administrations have tried find a solution. While many different federal policies have been enacted to help rural areas combat the decline of agriculture and the rise of urban centers, no program addresses how historic preservation and HTCs can help. The threats to rural areas are not disappearing, and their historic structures are at a greater risk than ever. South Carolina’s historic preservation plan and goals are very applicable to the same goals to help rural communities. Saving South Carolina’s countryside is saving South Carolina; the state’s ties to its historic rural landscape make South Carolina.
CHAPTER THREE: METHODOLOGY

Introduction

To better understand the patterns of application of HTCs across South Carolina, a comprehensive analysis of the population, demographics, HTCs, and National Register listings for each county in South Carolina ascertains if any disparity exists between HTC distribution between rural and urban areas. As HTCs were first passed in 1976 and later heavily updated in 1986, the study conducted a diachronic analysis of data from 1970 to 2018 where possible. This allowed a complete picture of how HTCs in the aid of preservation have been utilized in rural counties versus urban counties in South Carolina. While collecting and analyzing HTC data is important, expanding the analysis to include population, demographic, and National Register data allows for a better idea of the challenges facing those communities. Collecting data from 1970 onwards showed how South Carolina has changed since the adoption of HTCs. Most analysis of HTCs has focused on their broad economic benefits. This study will expand upon the economic data to include a wider scope of research and analysis. HTCs have been a catalyst for economic growth and revitalization in many communities across the country, and this has been well studied by other reports. The analysis in Chapter Four will determine if there is a difference in use from urban to rural areas.

89 The first iteration of the federal HTC was not implemented until 1976, but the most accurate data for the decade was taken at the 1970 Federal Census. The National Historic Preservation Act was implemented in 1966 as a response to many different tax credits and benefits occurring during the 1960s, so the 1970 data also serves as an in between point between the two main historic preservation acts.
Historic preservation projects are closely tied to and driven by the people who live in the communities the project will impact. Rural and urban areas are defined by their population, so analyzing who lives in these areas beyond just the simple population numbers enhances the understanding of why HTC projects have been centered in certain parts of the state. The U.S. Federal Census is the most reliable of any source for population data in the country. Pulling data from the U.S. Census Bureau (USCB) also provides a standard sampling process across the state. All data for the United States Census is accessible on the USCB’s website or the Social Explorer website. Social Explorer compiled all past census’ data in a comprehensive and easy to use map and exportable chart. Population data was recorded for each census since 1970 (1970, 1980, 1990, 2000, and 2010). For South Carolina, the 1970s marked the major shift in population trends moving from rural to suburban and urban areas, often known as urban sprawl. Most of the counties with the highest population growth since 1970 were rural and no longer are, so recording these numbers and changes highlights the risk rural areas are facing. Census data provided both the total population for the state of South Carolina and the population for each county. The percentage of the total population found in each county from the state total was calculated for later analysis. This aided in further breaking down the specific numbers and issues facing rural counties compared to their urban counterparts.

From the census, a few different fields were vitally important. The overall population numbers provided the key difference between urban and rural, as well as helped define which areas are rural. Population density was used as the most accurate measure of rural versus urban at the county level. The U.S. Census defines urban versus rural first at the town/city level which dictates most of its rural and urban distinctions. Any city with a population over 50,000 people is considered urban. Any town or city with a population between 2,500 and 50,000 people is considered suburban. A town with a population below 2,500 is considered rural. Since this study investigates South Carolina by county, a tally of the number of towns and cities that fall under each category for each

Figure 1. Historic building in Varnville, Hampton County, SC. With a population of 2,162 at the 2010 U.S. Census, Varnville is considered rural by the USCB’s definition. No federal HTC projects have been completed in Hampton County. Photo by the author.
county has been documented to ensure that the population density is not skewed by one or two large towns. For this study, any county with a population density below eighty people per square mile is considered rural. A population density of eighty or below excludes any county with larger towns or cities and created the most logical divide between rural and urban counties in the state. Dividing counties by population also strengthens and enriches the argument and definition of rural within the context of HTCs in South Carolina. While for this study the information was divided by county, many individual towns face their own preservation issues, and some rural towns fall within more urban counties.

Beyond population data, different demographics for each county were considered to document different trends across South Carolina. The percent of the population sixty-five years and older per county was recorded to show any changes in senior populations between rural and urban counties. Other tax credits are available for senior housing, and areas with a higher senior population often experience less change in housing. In the past, it has been shown that rural areas have a higher population of older people, which creates different needs and issues with regards to the private funding of preservation. This data was primarily important for later recommendations for increasing the use of HTCs in rural areas. A different type of investment and investor will be drawn to rural areas where there is less turnover of properties.
The number of housing units per county were also pulled, as well as the median value of owner-occupied housing units in 2010.\textsuperscript{91} For other federal rural policies, housing remains one of the largest factors. Rural housing issues rarely get tied to HTCs and the opportunities rehabilitations may have in providing more housing. By comparing housing numbers with both the federal HTC that often gets used for apartment and low-incoming housing projects and the state Homeowner credit which helps individual homeowners repair their historic houses in a sensitive manner, some of the discrepancy between federal rural policy and HTCs can be studied. The housing numbers also provide another comparison between the numbers of structures in each area with the number of housing projects that have been completed. In order to address the issue that the overall numbers for rural counties are by nature lower because less people live there, a ratio between the number of houses and the number of Homeowner HTC projects will allow for a more accurate comparison between each county. In theory, the ratio should be relatively even across the state, but the data has not yet been analyzed at any point in the history of HTCs in South Carolina.

The other data that was used from the United States Federal Census is the median household income and the percent of the population in poverty. While not directly tied to HTCs, the data is closely related to the challenges facing rural communities, as well as most of the basis for other federal rural policies. Population and demographic data provides a background for the arguments for a more aggressive push of HTCs in rural areas and how they can better serve these communities. It also demonstrates any

\textsuperscript{91} This study will not focus on the economic data and market trends of the real estate market in each county in South Carolina. A very general overview of the difference in housing prices in each county allows for some understanding of the different markets in the state.
shortcomings in the federal and state HTC programs for future recommendations. Poorer areas have less funds for rehabilitations, even with the benefits of tax credits helping offset some costs. Poverty rates also indicate lower income tax liability. As the HTCs are used to offset income tax liability, the lower rates make the credits less desirable for lower income areas. The number of building permits issued in 2017 per county was also documented. This data helps reinforce which communities are experiencing more growth and have the resources and markets for rehabilitations. When compared with the HTC data, it shows whether historic preservation is a priority in areas of higher growth.

**Historic Tax Credits**

The analysis of HTCs in South Carolina focuses on the distribution of projects throughout the state. The majority of the data is comprised of the records of the federal and state HTCs for South Carolina. The original federal HTC was initiated in 1976. The current HTC program was passed in the Tax Act of 1986. The HTC data for South Carolina was analyzed up to November 15, 2018. Early HTC data in South Carolina is not as complete as it is for more recent years. A record has been kept of every completed project. Each project was analyzed and sorted by county. Projects that are still in progress were not included in the study, but all completed projects up to the cutoff date of November 15, 2018 were included. This information was an important tool for better understanding

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92 All data for both the federal and Homeowner HTCs for South Carolina were provided to the author by the South Carolina State Historic Preservation Office in the South Carolina Department of Archives and History.
whether the smaller proposed projects in rural areas are not completed at a higher rate than in urban areas which have better resources for consulting and historic rehabilitations.

The other main tax credit data that was collected was the South Carolina State Homeowner Historic Rehabilitation Tax Credit. The state Homeowner credit, while only implemented in 2003, has helped generate even more interest in historic rehabilitation throughout the state. The program has greater potential in rural areas as its regulations are more adaptable for homeowners and increases the type of properties that can be rehabilitated. The Homeowner HTC data has similar limits as the federal HTC, as some of the data was not recorded. The cut-off date for the Homeowner credit is also November 15th, 2018, and projects not completed will not be considered. Primarily the number of completed S1s, S2s, S3s,93 and SHPO approval were recorded, as well as the total number of potential projects listed in the SHPO records. Each was broken down by county. For better spatial analysis, within some counties the projects were broken down by city or town. This allowed for a more detailed view of where projects are completed within counties and whether or not projects were still located within only a small portion of the county. The HTC data can provide some additional information, but for the purposes of this study only a limited portion of the data was used.

93 In the Homeowner credit, the components of the application are referred to as S1, S2, and S3 rather than Part 1, Part 2, and Part 3 as in the federal HTC.
National Register of Historic Places

The number of structures listed on the National Register in each county in the state were tallied as another component for understanding historic structures in South Carolina. Listing on the National Register is the first part of the application process for the federal HTC, and thus generates many National Register nominations in its own right. The National Register listings were broken down into five separate categories to demonstrate which types of properties are available in each county for potential HTC projects. The five categories were: houses, commercial/schools, historic districts, churches, and other.\textsuperscript{94} For HTCs, the most frequently used categories for projects are historic districts (structures listed within them), commercial/school structures, and houses. Historic districts can contain a multitude of different type of building uses within them. They have garnered their own category without further identification as they represent a higher concentration of historic structures within an area. The buildings within historic districts will still fall under either the federal or Homeowner HTC and their higher concentration identifies them as areas to receive historic preservation attention. As the federal HTC requires all projects to be income-producing, gaining an understanding of what type of structures exist within each county provided a more in-depth analysis for why HTCs may not be used as frequently in rural counties. In theory all historic structures can be repurposed into income-producing properties. Certain buildings prove more of a challenge in this type of reuse and are therefore not often adapted. While not a perfect representation of the types of buildings available for HTCs in each county, when combined

\textsuperscript{94} Other most often consists of structures that cannot be adaptively reused, archaeological sites, ruins, Native American sites, shipwrecks, and a few other outliers.
with other housing and building data from both the Census Bureau and the Department of Revenue, a comprehensive picture of the buildings and building types available for rehabilitation is available to compare with the number of HTC projects completed. National Register listing information was also used throughout Chapter Five: Recommendations to help understand the potential type of rehabilitation projects that could be completed in rural communities. The National Register information also helped inform whether the income-producing or homeowner HTC should be promoted more in rural areas. The National Register served as the most consistent historic resource catalogue for the state.

**Data Analysis**

After collecting all the data necessary from the three distinct sources, analyzing and synthesizing the data created a complete picture of rural counties in South Carolina and the use of HTCs. First, data was collected and sorted by county in a comprehensive Microsoft Excel spreadsheet. This facilitated a comparison of the data across fields, counties, and years. Once the data was compiled and sorted, a few different methods were deployed for the analysis. The population data was first compared across decade, and then compared against the HTC data per county. Population data analysis consisted of a comparison of the change in growth for each county from the 1970 Census to the 2010 Census. Bar graphs were created to help visualize this data across each county, as well as a basic chart with the change in population for each county. This information will be useful for any future investigations done by interested parties. The average growth or
change in population in rural counties compared to urban counties was an important comparison to demonstrate the migration of the South Carolina population from rural to urban areas. A similar analysis was conducted for the housing numbers, average income, and poverty rates from 1970 to 2010. This data helped show the changes in rural counties over the last forty years in which HTCs have had a lasting impact on our country. Rural counties are at a greater risk for land loss and population migration to housing developments and urban sprawl. These threats are the main impetus for studying how rural counties can better protect their historic resources and create more viable economies and livable communities through HTCs. After this data was analyzed and graphed by county and compared across rural and urban counties, it was utilized to understand any trends in HTC data.
The largest portion of the data analysis was centered on understanding patterns of HTC project distribution in the state. First, it was organized by county and the overall numbers for each were recorded by overall listed, completed Part 1s, Part 2s, Part 3s, and NPS and/or SHPO approval. The majority of the data was imported into graph form. A map showing an overlay between rural counties, counties with no federal HTC projects, counties with no Homeowner HTC projects, and those counties that have never utilized either program was generated to show how those counties overlap. Maps were also completed to show the number of Homeowner and federal HTC projects completed in each county with rural counties highlighted. After a general understanding of the raw numbers of HTC projects was reached, the numbers were compared against the housing numbers and the National Register listing numbers per county. Rural counties will automatically have lower HTC numbers due to the fact that less people live there and less buildings are necessary. The raw numbers were further analyzed in order to actually understand HTC use between counties. The percentage in each data set per county as compared to the overall totals helped determine if HTCs have been used equally across counties. In theory, the percentages should be relatively equal. By comparing the data across population, the National Register, and HTCs, better conclusions were drawn about whether or not HTCs were equally distributed. Only looking at one set of the data left other aspects out. The data was graphed with a comparison of each percentage across all counties.

Finally, Esri ArcGIS mapping was conducted to visually represent how HTCs are dispersed throughout the state and a few example counties. As mentioned previously, when looking at a county overall, some towns within the county are not considered rural.
ArcGIS creates interactive maps that can easily be manipulated to include additional data. The first step in understanding the distribution of HTCs in the state was mapping all completed federal and state HTC projects. They were geocoded using their addresses by ArcGIS. The Esri U.S. census tract data from 2010 was mapped beneath it to show the distribution of population density across the state. Census tracts are a smaller division of counties based on population numbers, and their population density was recorded in the U.S. census as well.

Three counties were then chosen to additionally map further information. Greenville County, Beaufort County, and Union County were the three chosen. Greenville County represents a county that has remained urban since the 1970 census. The county has also undergone many HTC projects and was at a level that was easily mapped.\textsuperscript{95} Beaufort County was chosen as it was just above the rural cut-off in 1970 and has seen some of the most significant growth in the state until 2010. Beaufort also has some of the highest number of HTCs in the state. Finally, Union County was chosen as it is one of the more rural counties in the state, and has been historically, and also has one of the higher numbers of federal HTC projects for rural counties. All three counties represent a different type of county in South Carolina and by mapping them individually the spatial differences of HTCs were easier to visualize. All other counties were mapped using just completed federal and Homeowner HTC projects. For rural counties, simply mapping HTC projects demonstrated their spatial use within their boundaries.

\textsuperscript{95} Charleston County, which has completed the most number of HTC projects in the state, was not chosen due to the sheer number of HTC projects and National Register listings. A map of the completed HTC projects on the Charleston peninsula was included in Chapter Four: Data Analysis for comparison.
In order to show that historic resources can be found throughout the entire county, the National Register listings for the county were also geographically mapped through ArcGIS. The boundaries for historic districts were outlined, and houses and other standing structures were plotted. Sites and ruins were not included in the ArcGIS maps as they do not apply for HTCs. Some listings also have restricted addresses that could not be accessed by the author, so those were not listed either. Fortunately they fell primarily under the “sites” category and were not pertinent to HTC projects. As is the case with many historic resources in rural areas, exact addresses were not listed for many of the NR listings in the county. An Excel spreadsheet provided by the National Parks Service with every NR listing for the state served as the basis for mapping those listings. The locations were mapped by the author for the three test counties to ensure that properties that cannot be reused for HTC projects were not included. The South Carolina SHPO has an interactive GIS map of all historic properties listed on the National Register available for public view. The process can be replicated easily by any other interested parties for future reference for other counties.

Conclusion

Three different categories of data were collected and analyzed in order to understand HTCs in rural South Carolina. Population data strengthened the analysis of the past few decades for each county in the state and determined which counties qualify as rural. The National Register listing numbers provide insight into the potential HTC projects in rural counties and demonstrate how National Register listings are distributed across
the state. Both the federal and Homeowner HTC data was the most important data to collect and provides the history of HTC use in the state. A combination of both graphing and mapping showed the differences from county to county and the distribution of projects throughout the state. The information collected and processed in this chapter will be analyzed to show how HTCs have been used and form recommendations for a wider use of HTCs in South Carolina.
CHAPTER FOUR: DATA ANALYSIS

Introduction

Analysis of the HTC data for South Carolina reveals two broad patterns of use between rural and urban areas. First, that HTC projects are focused primarily in the urban areas of South Carolina. Second, those HTC projects in rural areas are very centralized in downtowns. In addition, the Homeowner HTC, which generally has a wider and easier application across the state, has been used spatially in a similarly small portion of the state. The data, both through statistical and geospatial analysis, showed how rural counties have been underutilizing both a beneficial federal and state program. Population changes, National Register listings, and the raw HTC project numbers were all used in conjunction with each other to reveal the lack of rural historic rehabilitations using tax credits. While the data confirms that rural counties use HTCs much less, it also showed that even within the state’s more urban counties rehabilitation projects are still very compact.

Population Data

The South Carolina population has had a strong tie to its rural land for centuries. Yet in the last fifty years, that population has moved further and further away from the rural landscape. The population data collected from 1970 to 2010 shows the major trend of population movement from rural to suburban and urban areas in South Carolina. The use of HTCs in the state exemplifies this more from rural to urban areas. From the 1970
Census to the 2010 Census, the South Carolina population grew by 79%, and the primary areas of growth were in urban counties. The twenty-three counties with a current population density below eighty people per square mile, considered rural for this study, cover just over half of the land area of the state (Appendix A.1). In 1970, 24.4% of the population lived in one of the twenty-three present-day rural counties. The number is even higher when considering an additional four counties had population densities below eighty in 1970: Oconee, Berkeley, Dorchester, and Horry. This increases rural counties to twenty-seven in South Carolina in 1970 and the percentage of people living in rural counties to 34%. By 2010, only 16.2% of the state population live in the current twenty-three rural counties. The number of people living in rural counties has dropped by more than half since 1970. The population did not see a uniform decline during the intervening censuses. The 2000 Census saw only 15.8% of the population living in rural counties, 0.4% below the 2010 number. The slight change in population moving to rural areas may be explained by continued growth of suburbs into counties that still fall below the definition of rural, but no definite explanation is available at this time.

The average population density across the state itself has seen a drastic increase in the past fifty years. In 1970, the average population density per county was 83.9 people per square mile, just above the definition of rural for this study. By 2010, the average rose to 140.8 people per square mile, a 71.5% increase, pushing the entire state further away from its rural roots. More telling than anything has been the change in population densities per county over the same time period (Appendix A.2). Rural counties had an average

96 The total land area for the state is 30,110 square miles. The 23 rural counties cover 15,203 square miles (50.49% of the total land area), and the urban counties cover 14,907 square miles.
increase of 31.9% and urban counties a 111.1% increase. Five counties had over a 200% increase in population density over the time period: Beaufort (220.3%), Berkeley (251.4%), Dorchester (323.4%), Horry (288.1%), and Lexington (219.8%). Of those counties, Beaufort, Berkeley, Dorchester, and Horry were all either rural or just above the rural definition in 1970. Since then, their population increase has transformed their environment. They have gone from primarily rural to suburban and urban counties. Counties like Berkeley and Dorchester have experienced the effects of urban sprawl more than others, with the population of Charleston slowly spilling into their counties. A few other counties were rural or just above rural in 1970 and have now seen the increase in their populations turn them into urban areas today. Aiken, Lancaster, and Oconee have all moved further from their

Figure 1. Historic theatre in downtown St. George, Dorchester County, SC. St. George is a rural town in the rapidly growing Dorchester County, where federal HTC projects have only been completed in the city of Summerville.
historic rural character as South Carolina’s population rise has spread further and further from the historic urban cores.

The population size of the towns and cities within each county was another important component of the population data (Appendix A.1). The USCB primarily bases its definition of rural versus urban at the town level, so it was a crucial step in determining whether a county was truly rural or not. Every county in the state except Bamberg had at least one town or city over the definition of a rural town, which is less than 2,500 people.97 South Carolina has seven cities considered urban, with a population above 50,000 people. Of the 153 towns in South Carolina that have a population that falls between 2,500 and 50,000 people (suburban), only 20% are found in rural counties and the majority of those fell between 2,500 and 10,000 people. Comparatively, 43% of towns with a population under 2,500 are in rural counties. While all this data may seem obvious, it helped ensure that the rural definition for each of the twenty-three counties still holds true. When analyzing the HTC data it also helped to know the general make-up of rural counties. HTC projects, especially the federal HTC, are centered in city and town centers. Even rural counties have a considerable number of downtowns within them that can benefit from tax credits for income-producing properties.

In addition to population numbers and density, poverty data was recorded for each county. Poverty is often closely tied to rural counties as evidenced by the number of federal programs in the past few decades aimed at addressing the issue. In the South Carolina 2010 Census data, eighteen of the twenty-three counties with the highest percentages of their population living below the poverty line were rural (Appendix A.4).

97 Population data for towns and cities taken from the 2010 U.S. Census.
Saluda, Calhoun, Newberry, McCormick, and Georgetown Counties (all rural) are within the top twenty-three counties with the lowest percentages of their population living below the poverty line. Beaufort County, interestingly, has the lowest percent of their population living below the poverty line. As will be discussed later on in this chapter, Beaufort County has had some of the highest number of HTC projects in the entire state. While no direct connection is made between HTCs and decreasing poverty, HTC projects can help alleviate some of issues tied to poverty. Further discussion of poverty and HTCs will be addressed in Chapter Five: Recommendations.

**National Register of Historic Places**

*Figure 2. Map of total National Register listings 1966-2018 per county in South Carolina. Those counties highlighted in purple are rural counties. Map created using Mapchart.net.*
The National Register of Historic Places has aimed to represent all aspects of historic places in the United States. National Register nominated sites undergo a rigorous evaluation process at the NPS which “were developed to recognize the accomplishments of all peoples who have made a contribution to our county’s history and heritage.”98 National Register nominations are designed to be completed by any community member. Nominations pass through the SHPO for approval before being sent to the NPS for final evaluation and listing on the National Register of Historic Places. Many communities emphasize the importance of National Register listings as part of their preservation plans, but the nomination process can be lengthy. While not every historic property and place has been listed on the National Register, it serves as the most accurate measure of historic structures in South Carolina and historic preservation activity within the community.99 These listings help visually identify where historic resources are located throughout the state and show that potential historic tax credit projects exist outside of the town centers and cores where they have been located historically.100 The percentage of National Register listings in rural counties compared to the total National Register listings in the state fall above the percentages for the state’s housing data. The 2010 rural population of South Carolina was 16% of the total population. In 2017, the number of housing units in rural counties equaled 13% of the total housing units South Carolina. In contrast, the National Register listings in rural counties comprised 25% of National

99 South Carolina SHPO’s ArchSite was consulted to further identify potential historic structures. Based on their map and the understanding the author was able to reach, no historic structures not already listed on the National Register in ArchSite are eligible for listing. Further research of the surveys conducted per county for ArchSite is needed to find other potentially eligible historic structures.
100 The South Carolina Department of Archives and History’s ArchSite will be discussed in Chapter 5: Recommendations as another option locating potential historic sites within a county.
Register listings for the state. The National Register listings better reflect the previous percentages of those who lived in rural areas. 34% of the population lived in rural counties in 1970, which closer matches the 25% of National Register listings in rural counties.101

The National Register process is closely tied to the application process for HTCs. A project must be listed on the National Register to qualify, or be listed by the time the project is completed. HTC projects have helped many new structures get listed on the National Register. Since the federal HTC is for income-producing properties only, breaking up the National Register listings into five main categories helped show what type of properties were more readily available for HTC projects. While the National Register is not a completely accurate picture of all the historic properties in a county, it does provide information on the types of properties in rural versus urban counties. As one might expect, there are more houses and churches listed in rural counties than commercial properties and historic districts. Rural National Register listings account for 25% of the total listings in the state, whereas rural houses account for 28% of the total houses listed and rural churches account for 31% of the total listed. Rural historic districts account for 26% of all historic districts listed, and rural commercial buildings account for 22%. Historic districts often account for a large portion of both state and federal HTC projects as they encompass a larger number of listed structures. While rural counties present a decent portion of historic districts in the state, six rural counties have no historic districts.

Some of the most interesting data from the National Register listings comes not from the rural counties, but rather from the counties that were once rural and are no

101 South Carolina National Register Listing information provided by the South Carolina Historic Properties Record at the South Carolina Department of Archives and History, http://schpr.sc.gov/index.php/Search/advanced/listings.
longer. As they've seen exponential growth, a few have prioritized historic preservation more than others. Beaufort County has prided itself on its historic structures and has helped grow the city of Beaufort and the economy through heritage preservation and tourism. Beaufort County has the fourth highest number of National Register listings in the state with only the eleventh highest population number. Aiken County, which has also seen significant growth, has forty National Register listings and falls as the twelfth county with the most completed HTC projects in the state. Other counties with large percentages of growth that have gone from rural to urban over the last five decades - Horry, Berkeley, Lancaster, and Oconee – all fall in the middle of the National Register listing numbers per county, which is understandable for their population sizes. One county stands as a considerable outlier: Dorchester County. With only twelve National Register listings, Dorchester falls as the thirty-eighth county in the state based on the number of National Register listings per county. As a county that neighbors Charleston, it is very surprising that it has so few National Register listings. Charleston County has the most listings in the state, and Berkeley County (also next to Charleston County) has listed more the twice the number of structures and districts as Dorchester County. Even urban counties in the state do not show a consistent pattern for National Register listings. Those counties that have prioritized preservation and closely incorporated it into their growth plans have been able to see more of their historic structures listed and potentially saved.

For rural counties, the National Register listings per county fall within the expected range. A few rural counties have higher listings numbers than other urban counties, primarily rural Fairfield County (Number 9 with 42 listings), Georgetown County (Number 11 with 41 listings), Newberry County (Number 12 with 37 listings), and Union County
(Number 20 with 27 listings). All four counties benefit from close proximity to larger cities in the state, primarily Charleston, Columbia, and Greenville. The other rural counties have the lowest National Register listings in the state except for a few outliers of urban counties. The counties with the lowest National Register Listings, surprisingly, are not the counties with the smallest populations. Many different factors lead to differences in National Register listings, so population data is not the primary indicator. Certain dedicated citizens, a strong historical society, an invested developer, and other aspects lead to different numbers in listings. Urban counties also benefit from the ability to list more historic districts which include a higher number of historic structures. For the purpose of understanding HTC use in South Carolina, National Register listings can only serve as a starting point and to show the some of the properties available for rehabilitation. The National Register program has the mission of representing all types of historic structures and sites from all over the country. South Carolina has done an admirable job of ensuring their listings are spread throughout the state and reach different types of structures. There are still plenty of potential new buildings to be listed. The HTC programs do not have the same goal of preserving buildings in all parts of the country. They are driven primarily by markets and investment opportunities, which leads them to be centralized in more populated areas. Overall the National Register listing data reads as
one would expect, with a few outliers, but serves as a helpful starting point to understanding the past use of HTC projects and future recommendations.

**Historic Tax Credits**

Overall, the patterns of use of HTC data for South Carolina was relatively expected. Larger urban counties had more projects, both federal and state, and rural counties have a considerably lower number of projects. These initial numbers simply demonstrate that urban counties have more buildings. Before delving into a deeper analysis, an overview of the counties that have not submitted HTC projects illuminates some of the initial findings about HTCs in South Carolina. The South Carolina SHPO, in their annual review of HTC activity in the state, produce maps of those counties that have submitted HTC projects for both the federal and state HTCs. As a preliminary investigation into the use of HTCs in rural versus urban counties, a composite map was created to compare not only the federal versus Homeowner HTC, but also between the rural and urban counties (Figure 3). The majority of counties that have never submitted an HTC are rural counties. Those counties

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that have never submitted either a federal or state HTC project are three counties: Bamberg, Calhoun, and Jasper. All three are rural. While they are not the most rural counties in the state, nor those with the lowest number of National Register listings, they are still very rural. Jasper County, especially, has very few town centers within its borders.

Seven counties have completed federal projects but no Homeowner credit projects. Anderson and Lancaster counties are the two urban counties that have yet to complete a Homeowner project. Chester, Lee, Clarendon, Dillon and Marion Counties are the five rural counties that have never completed a Homeowner project since the HTC was passed in 2003. McCormick, Saluda, Barnwell, and Hampton Counties are all rural counties that have completed a Homeowner credit, but have never completed a federal
project. Of those counties, Barnwell has the lowest number of National Register listings in the state with only six. Four of those are churches, which are harder to re-purpose as income-producing properties. It is understandable then why no federal HTC projects have been completed within the county. Cherokee County, an outlier, has not completed a federal HTC project, but it is an urban county. All other counties in the state have completed both a federal and Homeowner HTC project (Appendix C.1 and C.2).

Twelve of the forty-six counties in the state were highlighted as not completing some aspect of HTC projects. The number is relatively small, but too many rural counties are represented. Fortunately, more than half the rural counties in the state have been able to benefit from preserving their historic structures through HTCs. Even still, within the entire state the majority of historic tax credit projects are centrally located within

Figure 4. Map of South Carolina with both completed federal and Homeowner HTC projects listed. Population densities from the 2010 U.S. Census is show by census tract to provide visual reference to the rural areas of the state (darker blue represents a higher population density). Map created using Esri ArcGIS.
Greenville, Richland, and Charleston Counties. Perhaps the most telling information from both the federal and Homeowner HTC data is the disproportionate amount of HTC projects that have occurred in Charleston County. As the oldest city in the state (and once the capital), Charleston has a large inventory of historic structures. Charleston County is more than well represented on the National Register. Charleston has the highest number of National Register listings in the state at 197. Richland County follows not too far behind with 169 listings. When compared to the HTC data though, Charleston stands far above all other counties. For both the federal and Homeowner credits Charleston lays claim to more than half the projects completed (Appendix C.1 and C.2). In total 664 federal HTC projects have been completed in South Carolina as of November 15, 2018. 349 of those were completed in Charleston County. Downtown Charleston has become the archetype for the state on how HTC projects can completely revitalize a city, community, and economic base (Figure 5). The city center has defined itself based on its historic structures. The Homeowner HTC follows a very similar trend in South Carolina. Of the 173 completed Homeowner HTC projects (as of November 15, 2018), 97 (or 56%) of those were completed in Charleston County, and primarily on the Charleston peninsula. It is not a model that can be easily replicated in other towns and counties throughout the state. Part of the reason Charleston is so successful is that it is fairly unique in its amount of preservation. The HTC projects are still located in only a small part of Charleston County (Figure 4).

Richland and Greenville Counties have the next highest numbers for both the federal and Homeowner HTC (Figure 6). Their numbers are high in large part due to the cities of Columbia and Greenville, respectively. Richland stands well above Greenville with
seventy-two federal HTC projects to Greenville’s twenty-six, but neither gets anywhere close to Charleston County. Greenville County also has almost half as many National

Figure 5. Map of Charleston Peninsula with federal and Homeowner HTC projects mapped. Map created using Esri ArcGIS.
Register listings compared to Richland and Charleston Counties (88 total listings to Charleston’s 197 listings and Richland’s 169 listings). As the Homeowner HTC is much newer it does not have the same number of projects to compare. The numbers between the top three counties is just as uneven for the Homeowner credit too. All three counties are the most densely populated counties in the state. While they are not as directly related to the discussion of the use of rural HTC projects, the fact that Charleston County itself has more than half of all federal and Homeowner HTC projects demonstrates that amongst all counties in the state there is a considerable disparity. Charleston has really set itself apart in its use of HTCs and has become one of the model cities not only in South Carolina but in the entire country for the benefits of historic rehabilitations.

Beyond these three counties with the most HTC projects, a few rural counties have experienced more HTC projects than their urban counterparts. Both Union and Marlboro
Counties completed twelve federal HTC projects, tied for the sixth highest number of projects in the state with York County. Compared to the 349 projects completed in Charleston County twelve seems extremely low. Most South Carolina counties have completed fewer than ten projects. Sixteen out of the twenty-three urban counties have completed less than ten federal HTC projects. Rural counties account for only 11% of all completed federal HTC projects. Beyond Union and Marlboro Counties, seven rural counties have completed between five and ten projects, five counties have completed between one and three projects, and nine counties have never completed a federal HTC project. Unfortunately, no exact measure of the number of historic properties in a county exists to compare to the number of income-producing federal HTC projects that have been completed. The SHPO ArchSite provides some increased measure of historic resources in each county, but the sampling methods across counties are not even. The ArchSite maps all historic properties in the state based on National Register listings and historic resource surveys conducted at all levels of government. An exact number is hard to maintain within a county. Buildings change regularly, some are torn down, and each year new buildings become available for consideration for listing. Most counties do not have the resources to fully maintain active historic structure lists. Recommendations for potential steps towards maintaining such a list are addressed in Chapter Five: Recommendations. The Homeowner HTC data, while not as extensive, provides a relatively similar reading of the use of HTCs in rural counties. A few outliers, such as Fairfield and Chesterfield Counties, have done between one and three completed

Homeowner HTC projects. After the top three counties, no other county in South Carolina has completed more than six Homeowner HTC projects as of November 15, 2018.

Three counties have been chosen to further analyze the distribution of HTC projects within their boundaries. The three counties chosen were: Greenville County, one
of the more urban counties in South Carolina since the 1970s; Beaufort County, which went from rural to urban between 1970 and 2010; and Union County, which has remained rural. Based on their population densities, number of federal and Homeowner HTC
projects, and National Register listings the three counties represent a range of county
types for the state. Mapping HTC projects and National Register listings in each of these
counties showed that much like Charleston County, HTC projects are centered in the larger
downtowns within the county. National Register listings were mapped as well to show that
historic resources reach throughout most counties, and are not only in town and city
centers. Greenville County (Figure 7), the most urban of the three, completed a revival of
its downtown with HTC projects centered along the river and historic business corridor
(Figure 8). Overall the HTC projects are clustered in downtown Greenville and a few in
Greer, South Carolina, a relatively large town. Smaller towns in the county like Fountain Inn
and Travelers Rest, though, have not completed an HTC project even with multiple
National Register listings.

Beaufort County, which at the 1970 Census had a population density of 86.3
people per square mile that ballooned to 276.4 people per square mile by 2010, showed a
similar distribution of its HTC projects (Figure 9). The county as a whole has a wider
spread of its National Register listings, primarily due to a very active preservation force in
the area. One of the most telling aspects of the Beaufort map is the distribution of the
population within the county as well. By underlying the census tract density, it becomes
more evident how and where the population has grown within the county. New housing
developments and golf courses have grown the towns of Beaufort, Bluffton, and Hilton
Head. While downtown Beaufort has capitalized on HTCs, other areas with historic resources within the county have not. St. Helena Island has an important history that has
been represented by the historic sites on the island for decades. The number of National Register listings on the island demonstrate its importance to the area, the state, and the nation as a whole for telling a part of our history that has often gone unnoticed and that
makes the Lowcountry unique. Yet not a single HTC project, either for the federal or Homeowner program, has been officially completed on the island. Nearby Jasper County, which touches to the southwest border of Beaufort County, has no completed HTC projects. Jasper only has eleven National Register listings to Beaufort’s seventy-four. Jasper County’s average annual income is about $20,000 less per year. Beaufort County, much like Charleston, has marketed itself as a Lowcountry heritage tourism destination and proven the success of HTCs. But even within a successful county like Beaufort, HTCs have been highly centralized (Figure 10). The effects of a strong preservation ethic have not spread much further than downtown Beaufort.

Union County, by comparison, is one of the most rural counties in the state. In fact it is the only county that has seen negative population density change since 2010. It also has the fourth highest number of National Register listings for rural counties at twenty-seven. Union County is tied for the highest number of federal HTC data of rural counties at twelve with Marlboro County (Figure 11). There have been no completed Homeowner projects as of November 15, 2018 in Union County. What was most surprising (although based on other findings, it is probably fairly obvious) was that even as the rural county with the most federal HTC projects, all twelve rehabilitations were centered within about three blocks of the entire county (Figure 12). This should be celebrated because downtown Union has found the merit in using HTCs to help rehabilitate its town center and advertise the area as a beneficial place to live. Other town centers in rural towns, like Dillon in Dillon County, have not been able to incorporate HTCs in revitalizing downtowns. The majority of historic properties within Union County are houses, making the federal HTC harder to use in other parts of the county. The neighboring town of Buffalo, also found
in Union County, has primarily house-related historic structures. Therefore, like many rural counties, the federal HTC reaches its limits without more considerate recommendations and unique reuses of the structures (found in Chapter Five: Recommendations). The lack

Figure 11. Union County with federal and Homeowner HTC projects mapped, as well as all pertinent National Register listings. U.S. Census Tract population density from the 2010 Census shows how rural the county is. Map created using ESRI ArcGIS.
of use of the Homeowner HTC is more interesting in Union County. The National Register historic district to the east of Union’s commercial historic district is primarily residential. Yet even with the large number of completed HTC projects a few blocks over, no houses
have been rehabilitated using either the federal or Homeowner HTC. These listings are primarily historic houses and lend themselves easiest to the Homeowner HTC. Other rural counties can and should be mapped in a similar way to show other potential areas for increased or new use of HTCs.

**Conclusion**

Historic tax credits in the rural counties of South Carolina fall far behind their urban counterparts, yet not as far as previously believed. The three most heavily populated counties – Charleston, Greenville, and Richland – all claim the majority of HTC projects for the state. Even those counties with quickly growing populations such as Dorchester and Berkeley Counties fall far behind in the use of tax credits to fund historic rehabilitations. Even in urban counties like Charleston and Richland, the completed HTC projects are still located in a small area within the county. Probably the most telling data in the study was the shear difference in numbers between Charleston and every other county in the state. Charleston has positioned itself well through different programs to take full advantage of HTCs. This skews the numbers for the state though, as overall it appears South Carolina is a leader across the country for historic rehabilitations. It turns out Charleston, Richland, Greenville, and Beaufort Counties are the leaders.

Mapping the existing HTC projects throughout the entire state and within a few counties on a smaller scale better showed the large swaths of rural land that have never completed an HTC project. Since most HTC projects are located in a few downtowns within a county, huge rural parts of the state that cover multiple counties remain untouched by HTCs. Town and city centers will draw HTC projects more readily because
of the requirements for the federal HTC and the markets they support. The patterns shown through analysis of the HTC data shows that even the Homeowner credit, which can be more easily applied, still is not reaching many rural areas. Union County best demonstrated how even though their National Register listings may reach all parts of the state, the type of properties do not lend themselves as readily to the standard federal HTC projects seen in urban areas. The analysis of the federal and Homeowner HTC data brought no surprises. The visual patterns of use are powerful tools though for championing the use of HTCs in more rural areas and creating a strong set of recommendations to help historic preservation reach parts of the state that rarely sees its benefits.
CHAPTER FIVE: RECOMMENDATIONS

Introduction

Historic Tax Credits are a beneficial tool that have helped saved thousands of significant historic buildings. They have, however, been unequally distributed. For South Carolina’s rural places to make better use of HTCs, the benefits to be derived must become more accessible to a wider range of communities. Many South Carolina counties do not include HTCs as an important aspect of their historic preservation plan, if they even have a plan. Many of the recommendations that follow address preservation at large. Increasing the use of HTCs in rural areas goes beyond just advertising the tax benefits for investors. Communities, local governments, developers, and homeowners must understand the importance of historic preservation to our society. The qualitative cultural benefits of historic preservation, which often are not as attractive to investors, need to be clearly presented as well. The tools for and benefits of HTCs are also often not clearly presented in rural areas as they are in urban ones. Areas that have seen continuous HTC projects have the benefit of spreading HTC benefits through the visible buildings that have been restored and the neighborhoods that have been revitalized. The following recommendations are largely based on adapting existing successful preservation efforts in urban areas to rural counties. Recommendations are based in four main areas: adjustments in the federal HTC, wider outreach at the state level for the Homeowner HTC, specific preservation planning for rural counties and towns, and more connections to other federal programs.
**Federal Historic Tax Credit**

The federal HTC is one of the most effective historic preservation tools in the nation. The National Park Service (NPS) has administered the current version of the tax credit since 1986. Since then the program has undergone some changes in different tax reforms, most notably in 2017. Yet the majority of the statute has remained the same. At its inception, the regulations and financial incentives worked well for igniting private investment in historic buildings. Large historic structures in city downtowns that sat forgotten and neglected found new life as developers saw the potential for strong investment return boosted by historic tax credits. Restored historic buildings have raised real estate prices and helped old historic downtowns find new life.

The regulations set for the federal HTC favor urban projects in larger market areas. Large-scale urban areas possess a greater stock of historic structures. As demonstrated through the National Register listings, though, rural areas still have historic structures that can be used for income-producing purposes. Large developers and real estate financers have been active funders of historic rehabilitations, focused on the cost of construction and rehabilitation compared to the return on their investment. In rural areas, lower population numbers and a lower economic base lead to markets that may not be as strong. Smaller projects with the promise of smaller profits has historically discouraged most developers. The historic buildings in the rural counties of South Carolina are often smaller and without the potential return offered by larger urban projects. Yet examples of rural HTC projects do exist. Downtown Union has seen twelve of their historic commercial structures rehabilitated through the federal HTC program.
Rehabilitations of historic buildings are often seen as a potentially risky investment and often scare away investors. The success of the program across the country shows that even as a risky investment, the return on investment still outweighs the potential costs for a project of the right scale. Many of the same reuses found in urban historic rehabilitations can be easily adopted in rural buildings and are often just as needed if not more. From fiscal years 2012 to 2016, housing has been the largest category of federal HTC projects. As the federal regulations require that the project be income-producing, most projects are rental housing properties. While rental properties are often not quite as common of a housing opportunity in rural areas, housing has consistently been an issue. Even smaller rehabilitations into a few rental units can provide quality housing to rural communities. Office space is often the next most popular use for federal rehabilitations, closely followed by commercial uses. Both offer potential benefits for rural town centers. Small businesses, which are most commonly found in rural towns, do not have the same type of capital to undergo a serious preservation project as larger rehabilitation developments in urban centers.104

The current federal HTC regulations are not as accessible to rural income-producing properties. One the reasons many rural areas have struggled using HTCs is the cost of hiring lawyers, historic preservation consultants, and accountants to aid in financing and distribution of credits. For smaller rural projects, the costs for the additional services begins to outweigh the benefits from the tax credits. Most small businesses in rural communities also often do not have a significant tax liability to incentivize the five

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years the federal credit must be taken in or for it to be carried forward for 20 years. While it may help, it is not a significant enough amount to motivate developers that the cost and time required for a historic rehabilitation. Many state credits allow for the transfer or selling of tax credits, which helps infuse projects with additional outside funding. For the federal credit, in order to use the credits a person or company must be the title holder of the building. Many banks or other financial investors will fund rehabilitation projects with the understanding that the tax credits will exceed their investment and offset income tax. For large projects, paying for the legal advice to set up the appropriate contracts is not significant compared to the amount being invested. But for a small rural business owner, that level of investment and legal advice is often cost-prohibitive and not worth the trouble. Allowing the federal credit to be more easily transferred or sold, even just for projects in certain areas, would allow more rural investment.

Lowering the threshold for consideration of a substantial rehabilitation, also often a hindering component to federal HTC projects, would allow a larger number of smaller rehabilitations to qualify for the credit. The regulations regarding minimum rehabilitation investment have not been updated since the Tax Reform Act of 1986. Our economy, inflation rates, and property values fluctuate and change constantly. The current requirement, in which the QRE must be greater than either the adjusted basis or $5,000 (whichever is value is higher), does not help smaller rehabilitation projects. A historic downtown commercial structure that does not need significant updates or changes still cannot take advantage of the tax benefits. Lowering the minimum rehabilitation expenditure amount and allowing the transfer of the federal credit would allow the program to reach a wider audience of income-producing structures.
Beyond the financial barriers hindering rural counties, the educational aspects of the NPS could be broadened to include specific rural historic preservation issues beyond land preservation. Writing new specialized programs and publications by the National Park Service (NPS) and other national groups about rural rehabilitations would help bring historic preservation to areas that do not experience its benefits as readily as cities like Greenville or Charleston. The NPS releases many publications on how to fill out National Register nominations, HTC applications, and the benefits of the federal HTC. None are geared towards their application in rural areas. The majority of NPS publications focus on overviews of the application process and the technical preservation issues regarding historic structures.¹⁰⁵ These both can be used by historic structures in rural or urban areas, but none focus on the unique issues rural areas face. Some smaller towns and cities have seen considerable transformation through the HTC program, but knowledge of the program is often spread through a dedicated preservationist, business owner, or town council that knows the program.

Increasing the NPS preservation presence in more parts of the country is important as well. Targeting programming to those people who may be outside the direct preservation fields, but still have a large influence in rural real estate and commercial endeavors, could make a lasting change on a national scale. Businesses like nation-wide chain dollar stores and pharmacies are often still building and succeeded in rural towns

¹⁰⁵ More information on publications and educational services provided by the Technical Preservation Services branch of the National Park Service can be found at their website here: https://www.nps.gov/tps/education.htm.
where others frequently fail. Yet they more often than not they build new structures. Reaching out to these types of businesses at the corporate level and explaining the tax benefits they would receive by rehabilitating historic structures could enact a serious preservation effort at a much larger scale.

The NPS recently enacted the Historic Revitalization Subgrant Program for the 2018 fiscal year which allows nonprofits, Tribal Historic Preservation Offices, SHPOs, and Certified Local Governments to apply for grants for the preservation of rural historic structures. Those organizations can than distribute grants to National Register listed properties or properties eligible for listing. The program is still accepting grants, so its success is yet unknown. But there is a clear acknowledgement by the NPS that further programming and potential changes are necessary to create different opportunities for rural historic properties, as they are in a different type of market and have a different type of need. Some of the biggest questions most people have with the federal HTC and rural historic structures is that they do not often lend themselves to income-producing properties as easily. Conducting a study and writing a publication aimed at what type of rural adaptive reuse projects have already proven successful through the federal HTC program would help potential investors and community planners. This information could be utilized to help sell historic properties as rehabilitations rather than tear-downs and better convince potential investors of the effectiveness of rehabilitations.

Even those publications written about general historic preservation in the United States and about rural preservation barely mention HTCs. The National Trust for Historic

Preservation’s book on rural preservation, *Saving America’s Countryside*, raised many good points and provides many tools and a wealth of information. It only briefly mentions HTCs. No economic reviews of the impacts of HTCs to rural areas could be found.\textsuperscript{107} This is not the case for economic reviews of individual state historic tax credits. The NPS and other national preservation organizations show a serious lack of knowledge of the difference in privately-invested historic preservation in rural versus urban areas in our country. They have taken steps to increase preservation efforts in rural areas, but very few, if any, through the HTC program.\textsuperscript{108} While this study focused on South Carolina specifically, the federal credit is used nation-wide and every state has rural communities with important historic structures. A few federal programs aid in the preservation of structures through grants and other funding. The importance of HTCs is their ability to leverage private funding for rehabilitation projects, which has demonstrated time and again a serious return on investment for the federal government. A few potential adjustments to the program and more specific training and publications can drastically increase the federal HTC use in rural communities.

**South Carolina SHPO**

The South Carolina Homeowner Historic Tax Credit has much greater application for rural uses than the federal credit, as most state credits do. Income-producing properties are fewer and farther between in rural communities, but owning a home is very common. The investment involved in rehabilitating a historic home can be substantial and

\textsuperscript{107} Chapters 1 and 2 outline in greater detail the existing literature on HTCs.
\textsuperscript{108} A further discussion on other federal programs that can be used in conjunction with the
can be more manageable than for a rural business. The Homeowner credit has also helped save historic houses in some cases as the ability to see a slight return on investment can help find a buyer. The SC SHPO oversees the Homeowner Credit and provides many additional resources on their website to help homeowners understand the process of restoring a historic house. Even with the additional help, the Homeowner Credit can still be further applied in rural counties throughout the state.

A few areas can be improved within the SC SHPO in order to better serve all communities in the state. Unfortunately, most options depend on additional funding for the SHPO, which is easier said than done. The first component that would aid preservation for the entire state is writing and publishing an updated historic preservation plan for South Carolina. The most recent preservation plan, “Preserving Our Past to Build a Healthy Future: A Historic Preservation Plan for South Carolina 2007-2015,” carefully outlined the preservation goals for the state.\textsuperscript{109} The document begins by stating why historic preservation is important to South Carolina, and many of the reasons revolve around the ability for historic preservation to create economic development. Other benefits include ties to our history, community pride, and environmental benefits. After addressing the benefits of historic preservation, the SHPO discuss the threats to the historic resources in the state. Preservation regulations in towns and cities like Charleston and Beaufort have been able to prevent further loss of their historic buildings. About 75\% of the pre-1940 housing in South Carolina had been lost by 2000. One of the biggest threats to these

\textsuperscript{109} Edmonds, “Preserving Our Past to Build a Healthy Future.”
buildings found by the SHPO was “unplanned and insensitive development,” which is especially significant to many once-rural counties.¹¹⁰

Within the 2007-2015 Preservation Plan for South Carolina, a few of their goals, objectives, and strategies call for an increase in private investment for preservation through federal and state HTCs. The SC SHPO also understands and promotes the need for more “technical assistance to help citizens and communities preserve historic properties.”¹¹¹ The final important call to action by the plan is to increase the amount of local and county governments who prioritize and plan for historic preservation as well. By writing an updated preservation plan the SHPO can reflect on their past preservation plan and see which areas still need to be improved upon. A state-wide preservation plan also helps create a starting point for many local governments. Smaller county and town governments and planning offices do not always have experienced preservationists on staff or as consultants who understand the intricacies of different preservation theories and programs. Included in an updated preservation plan should be a section dedicated to specific goals for reaching more rural areas. While South Carolina has managed to use HTCs better than many other states, as shown previously the use has been very centralized. Explicit goals from the SHPO and other state organizations to expand the reach of HTCs could greatly benefit those rural counties that do not have the same resources to prioritize HTCs. There are a few different ways the state can become more active in rural HTCs.

¹¹¹ Edmonds, “Preserving Our Past to Build a Healthy Future,” 16.
Education and promotion of rural use of HTCs can also happen at the SHPO through similar means as recommended at the federal level. The SHPO could produce publications aimed directly at the type of historic buildings potentially found in rural South Carolina and successful examples of adaptive reuse. One such example is the Rosenwald Schools that are primarily prevalent in rural parts of South Carolina. The SHPO and other organizations and preservationists have actively recorded and listed the important historic resources for prosperity, but many existing schools sit unused. Working closely with communities to empower them to find a new use and fund rehabilitation projects could lead to the restoration of these historic structures. Resources on how to incorporate historic structures within land preservation at a private level would also educate investors and developers on how to turn rural landscapes into potential investments. Some of this type of work has been done by non-profit organizations and counties (mostly to turn unused land and buildings into parks), but opportunities exist as well to engage land preservation with private historic structures rehabilitations. The SHPO can enlist graduate programs in the state to conduct studies related to economic impacts of HTCs throughout South Carolina. Virginia Commonwealth University and Rutgers University are two examples of higher education institutions that partner with the NPS or SHPOs to help conduct studies on preservation. These partnerships serve a two-fold purpose: students gain experience and knowledge and the SHPO is able to analyze their programs at a much lower cost.

Some states have changed their state HTCs to include additional credits for rural and underserved areas. Alabama has the most overly affirmative state rural HTC program. Updated in 2017, their state credit has an annual cap of $20 million, with 40% of that
amount set aside for the first six months of each year for rural communities. If the total amount is not claimed within the first six months any remaining credits return to the overall pool for that year. North Carolina, in their 2016 state tax credit, included an additional 5% credit on top of the 15% credit for income-producing properties in Tier 1 or 2 counties. County classification is conducted by the North Carolina Department of Commerce annually and is based on the economic well-being of all 100 counties. The 40 most economically distressed counties are ranked as Tier 1, then next 40 ranked as Tier 2, and the top 20 least economically distressed are Tier 3. For many states, including both North and South Carolina, many of the most economically distressed counties are those that are classified as rural. North Carolina also includes an additional 5% credit for historic buildings that are manufacturing or agricultural related and at least 65% of the structure has been vacant for the two years prior to submitting a Part 1 application. Many of these are found in primarily rural areas as well. The Ohio HTC takes a slightly different approach than both Alabama and North Carolina. Their credit has an annual cap as well, and credits are awarded based on a scoring process for each income-producing project. Reviewed jointly by the Ohio SHPO and the Ohio Development Services Agency, each project is awarded a score out of 100 based on “regional balance across the program, economic impact of the project, and a cost-benefit analysis comparing the

115 “The New NC Historic Preservation Tax Credits.”
requested tax credit to state and local tax revenues that could be generated by the proposed project.”

This allows the Ohio credit to be more carefully administered throughout the entire state and allows certain projects more funding if they are deemed more beneficial to certain areas.

While South Carolina has no limit on the amount of credits the state can allocate each year, all three examples demonstrate that some states are starting to make strides to incentivize HTCs in underserved and rural areas. All three changes are relatively new so no data has been published yet about their effectiveness. South Carolina could consider adapting their state HTC to include an additional incentive for projects conducted in

certain counties or areas. The North Carolina model of adding a five percent tax credit for those projects conducted in the most economically depressed counties would be the easiest to establish in the state. Another change to consider would be to allow nonprofits to use HTCs by permitting non-profits and smaller or rural projects to transfer credits. Currently a few states allow nonprofits to take advantage of HTCs because even though they do not have any tax liability, they can transfer or sell the credits for financial benefits.

Along with allowing for the transfer of credits, lowering the minimum rehabilitation monetary amount per project could also incentivize more use of the Homeowner HTC program. Currently the minimum is set at $15,000, which for many rural homeowners can bar them from using the program. Lowering the minimum spending amount does not need to be a state-wide change to the regulations and can be implemented only in qualifying areas. Another area in which the SC SHPO can improve use of the state HTCs are by charging a fee for application. The current state tax law allows the SHPO to charge a fee for applications in order to help cover the costs of the program, yet the SHPO currently does not.117 A sliding scale for fees based on estimated project costs would allow the state to still encourage smaller projects while collecting the funds necessary to increase promotion and education of the program. As South Carolina already has a fairly liberal state HTC, adjusting the state credit to increase incentives for rural counties would be one of the hardest steps within these recommendations. The example states listed above more serve as a demonstration that rural areas are beginning to receive more specialized treatment with regards to private investment towards rehabilitating their historic structures.

State-wide Programs

Beyond the SC SHPO, a few other state-wide programs either focus on historic preservation or can better utilize it. First, increasing awareness for the benefits of HTCs is necessary in rural counties. One nation-wide program that has proven successful in bringing preservation and assistance to individual neighborhoods is the Main Street Program. Bringing the Main Street Program to more rural downtowns could help spark more downtown preservation efforts. The program empowers local communities to reactivate their historic downtowns through their Main Street Four-Point Approach: organization, promotion, design, and economic vitality.¹¹⁸ For many downtowns that do not have the resources to implement such drastic reform, assistance from the Main Street Program and their tested formula for success can greatly alleviate many of the problems with creating a downtown revitalization plan.

The Main Street Program unfortunately is only designed for downtowns. In South Carolina, the program is overseen by the Municipal Association of South Carolina (MASC). In order to qualify as a designated Main Street and participate in the trainings conducted by MASC, the town must be one of the 271 municipalities that are a part of MASC. Fortunately well over half of the municipalities in South Carolina have a population below 2,500 people. The model has worked in some smaller towns in South Carolina, but it does not address the multitude of historic resources lying outside of the downtown core – a primary feature in rural towns. For example, the town of Union, South Carolina completed

multiple different federal HTC projects in its main commercial district, a National Register listed historic district. The historic houses in the neighboring listed historic district, on the other hand, have not seen any Homeowner credit projects. Explicitly tying the Main Street Program with the Homeowner credit would add an additional piece of preservation for small towns.

Another state-wide program that would greatly benefit from an increased preservation presence is the Riley Mayor’s Design Fellowship. Organized by the Joseph P. Riley, Jr. Center for Livable Communities at the College of Charleston, the fellowship program allows eight mayors across the state the opportunity to present issues and brainstorm solutions for their communities in a two and a half day conference. Along with the eight mayors, experts from the field of design forms the team that provides advice to the South Carolina mayors. The mayors are chosen from cities and towns of all sizes throughout the state. While only eight mayors are chosen a year, it is still a valuable platform to promote HTCs. Historic structures are a design element that are part of any community landscape. HTCs are a useful tool for mayors to promote to gain private investment and potential new business in their communities. The Municipal Association of South Carolina (MASC), who also oversees the South Carolina Main Street Program, are a partner in the Riley Mayor’s Design Fellowship. Further joint programming on historic preservation and especially HTCs through the MASC would bring HTCs to an even wider group of local officials, planners, and mayors. Many mandatory state trainings for local

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120 Tara Romanella, “Graduate Students Work to Transform Eight South Carolina Communities,” The Newsstand, Clemson University, December 3, 2018, http://newsstand.clemson.edu/mediarelations/graduate-students-work-to-transform-eight-south-carolina-communities/.
officials are overseen by the MASC. 121 By further educating city and town officials and planners, a wider range of people can advocate HTC use in their communities.

Another way to increase preservation education is engaging local schools and existing community programs in preservation activities. Students in counties with a strong preservation ethic have the benefit of visiting historic house museums and other historic areas through school field trips and outreach. Many historic foundations even hold summer programming for students. Rural students are not often afforded the same opportunities, unless they raise the funding to travel farther to cities like Charleston. While education may seem separated from private historic rehabilitation investment, rural communities have a strong pride in their homes and many choose to stay generation after generation. Educating students on the importance of historic buildings will ensure that future generations preserve the buildings they have grown up with and push for programs that will help them do that. Building pride in the history they can see around them every day will establish a community that seeks out assistance to rehabilitate their historic homes and commercial buildings. Federal, state, and even county government organizations can only do so much in promoting their programs. Education programs could include walking tours with older residents through historic areas, theoretical design competitions for vacant historic structures, and bringing preservation specialists (especially in construction techniques) from other areas into high schools for career fairs. Historic preservation is often overlooked as an educational tool within the classroom.

Historic preservation can easily be incorporated into a range of subjects and would build community pride and create young preservationists.

A recent study in Virginia, another state with a large number of HTC investment, found shifting patterns in the state’s HTC application. The study, conducted by the Virginia Commonwealth University L. Douglas Wilder School of Government and Public Affairs Center for Urban and Regional Analysis, found that state HTC projects in Virginia have begun to increase in rural towns.¹²² As more and more HTC projects have been completed in Virginia’s urban centers, the stock of available historic buildings has diminished, so

developers and investors have started looking further afield to rural towns for new projects. The study also determined that hotels and bed and breakfasts were far more popular for reuse of historic structures in rural towns in Virginia than in their urban counterparts. This model of reuse can be easily replicated in South Carolina, where many historic bed and breakfasts have already become major selling points for rural communities. Some examples already exist, such as Anchorage 1770 at 1103 Bay Street in Beaufort (Figure 2). One of the other interesting trends in Virginia’s use of HTCs in rural versus urban areas is the amount of low and medium income rental projects completed. For urban areas, they accounted for approximately ten percent of their HTC projects. Rural areas, on the other hand, only had 0.01 percent of their HTC projects as low and medium income rentals. Commercial rehabilitation projects were much higher in rural areas versus urban areas in contrast, as “rural areas, where the market to support commercial redevelopment is weaker, are increasingly using tax credits for rehabilitation.”

The VCU report provides a good model for economic reviews of HTC use in urban versus rural towns.

Homeowner credits, for the most part, have not been studied as extensively as income-producing. There have not been any significant changes to state HTC programs in the country to allow for additional credits for residences restored in rural areas. Privately owned historic residences are still an important component of our historic landscape. For rural areas they are often one of the most defining features. Many can be repurposed into income-producing properties, and SHPO publications and programming on the type of income-producing uses that may be most adaptable for rural areas would be very helpful.

123 “Preserving the Past, Building the Future,” 60.
Increasing awareness in rural areas about the Homeowner credit would help homeowners as well. Many of the previously mentioned recommendations apply, but targeting realtors and other home improvement professionals for educational purposes would widen the scope of professionals who are advocates for preservation. There is a growing trend in the nation for renovating older houses (particularly through television programs). Rehabilitating a historic home to SHPO standards can be daunting for many homeowners, but the benefits of HTCs may outweigh the costs. An increase in actively promoting and aiding HTC projects in rural areas by the SHPO and other state-wide organizations would make a drastic impact on helping rural communities understand and take advantage of the benefits of historic preservation.

**County and Town Historic Preservation Planning**

Beyond increasing efforts at the federal and state levels, counties and towns can promote historic preservation and HTCs further to save their historic structures. One of the most important components of counties for historic preservation is their comprehensive plan. The South Carolina legislature requires each county to write a comprehensive plan that is reviewed and updated at a regular basis. The counties must include a cultural resource element that “considers historic buildings and structures, commercial districts, residential districts, unique, natural, or scenic resources, archaeological, and other cultural resources.”124 Beyond listing what type of resources must be addressed, the South Carolina state government provides no further guidelines.

on what counties should do with these resources. Towns and cities like Beaufort, Charleston, and Greenville have been able to utilize and benefit from HTCs because they have created preservation plans or design guidelines within their historic districts to ensure that their historic buildings stay the way they are. Charleston especially has very strict regulations overseen by the Board of Architectural Review (BAR) to check every potential change that may affect historic structures and any new construction that may drastically change the appearance of historic neighborhoods. Greenville has multiple different guidelines for both its historic districts and its central business district that follow similar ideas as the Charleston BAR to protect its historic neighborhoods and create sensitive new construction that does not completely overshadow the older structures. Beaufort has two separate review boards, one for the Beaufort National Historic Landmark District and one for developments within the Development Design Districts. The rural town of Union, in contrast, has no design guidelines or review board.

126 More information on the Beaufort Historic Review Board can be found on their website at the following link: http://www.cityofbeaufort.org/372/Historic-Review-Board.
127 More information on the Beaufort Design Review Board can be found on their website at the following link: http://www.cityofbeaufort.org/379/Design-Review-Board.
and no mention of historic properties within its zoning ordinance. Even those cities with systems in place to protect their historic areas only have them for small sections within the city cores. The more rural historic resources outside of the cities have no set regulations or design guidelines to protect them.

For many counties having the same type of design guidelines or board of reviews is unnecessary. There are not enough historic structures and building for it to make sense to have a strict review process. Funding is another issue that restricts rural towns from design reviews. Many of those same counties though are feeling the pressure of suburban

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Figure 3. 82 Calhoun Street, Bluffton, SC. An example of one of the historic buildings in Bluffton Historic District in Beaufort County, where no federal HTC projects have been completed. Picture by the author.

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sprawl and their rural identities are changing rapidly. For counties, comprehensive plans are the space where their preservation plans are articulated the most. These comprehensive plans contain a section on land and cultural resources and how best to protect them. Land preservation is very important to most of the rural counties in the state, as they value it as a core component of their identity. Counties like Beaufort and Jasper include a special section in both of their comprehensive plans for land preservation, often turning them into community assets through parks. Beaufort County even established the Rural and Critical Land Preservation Program in 2000 to preserve important “scenic vistas, working farms and forests, important cultural and historic sites, passive parkland, streams, rivers, coasts, and watersheds” primarily through acquisition by the county or through grants. The program was built out of Beaufort County’s first comprehensive plan that was passed in 1997. The current version, updated in 2010, includes the importance of cultural resource preservation and has recommendations on further steps to take. There is no mention of the use of HTCs within the plan, even though the city of Beaufort has seen the success of many HTC projects both through the federal program and the state Homeowner programs.

Jasper County, on the other hand, recently passed a new comprehensive plan in 2018 that briefly mentions HTCs, though the county has never completed a project in either program. The mention of HTCs is very brief. The recommendations section for

cultural resource preservation has no mention of HTCs.¹³¹ Most comprehensive plans focus on overall preservation education and listing more buildings on the National Register of Historic Places. Any potential grants or county programs that can be leveraged or created in the aid of preservation are also included for counties that can afford them. Listing on the National Register is an important step not only in historic preservation but also for an HTC application, but any county can benefit from an increase in private investment in preservation. Expanding the cultural resource preservation chapter within a comprehensive plan, or creating a separate preservation plan altogether, would further increase preservation efforts at the county level. The plans are often specific with regards to what resources they would like to preserve, but by more explicitly stating what they will be educating the public on and ways to encourage more private investment are important in order to enact further growth of HTC programs.

At the county level, more detailed steps to how they are going to achieve their preservation goals need to be stated. These steps can come in a variety of forms, but should be articulated to help the county, local governments, and any invested groups understand what should be done. Each county is in a different place in their preservation efforts and better articulating that will only drive the counties closer to their goals. For many counties, even those with strong use of HTCs, updated historic building surveys would greatly aid in targeting which buildings need saving and which could benefit most through HTCs. In rural counties, where historic resources are limited, this would not be as arduous a task as in a county like Charleston. It could also be a great educational

opportunity for high school or college students by enlisting their help. The SHPO SC ArchSite is a great tool for understanding historic resources throughout the state. The site hosts an interactive map of all different types of historic resources. Building a separate survey off of the existing map of properties in each county that could access HTCs would build a more targeted approach to recruiting developers and homeowners who would use the program. Creating a clear vision of what historic structures are at the top of the list of those that need intervention within the county or town will help build targeted plans for preservation. Counties and towns can also include additional incentives for developers if they choose one of the targeted properties for HTC redevelopment. Another important component to a county-wide survey should be buildings that could potentially be listed on the National Register within the next five, ten, even twenty years. Unfortunately historic structures are lost every day, and highlighting the newer buildings that have had an impact on the county prior to them reaching the fifty-years-old mark can easily ensure they last. A readily available study of untapped potential historic structures would be a very useful tool to attracting investors to the area.

Other steps at the county level focus on increasing historic preservation efforts in general. Implementing or creating a historic preservation organization for the county would draw more attention to historic resources. Preservation is often considered a “passion” field and is driven by dedicated citizens. By empowering citizens to form a preservation organization, even just as a volunteer group to start, the county can better gauge and increase community involvement. Such groups are especially beneficial in

areas that may not have as many historic museums. Local preservation organizations can be a great resource for homeowners who are interested in the Homeowner HTC. Potential preservation organizations, or existing ones, should recruit members who have completed past HTC projects to help educate other citizens and promote the program. Educational efforts, like those mentioned in the section on increasing state involvement, can be implemented through the county as well.

By creating county-wide detailed preservation plans, either on their own or within a comprehensive plan, more historic resources can be preserved through careful planning. Involvement from both the community, preservationists, and county leaders is necessary to ensure careful and thoughtful preservation occurs that benefits all aspects of community life. Community involvement is especially important in many rural areas that have had very little preservation efforts in the past, as preservation often gets viewed as a threat to personal property rights. Changing the narrative of HTCs in rural areas to one of preserving their town from outside threats and taking pride in one’s history can increase preservation efforts. A key component of any rural preservation plan would include a large amount of education, both about what historic resources exist within the area, the importance of preservation, and the potential funding and credits available to homeowners, business-owners, and non-profits in the county. Many resources exist for creating preservation plans. Involvement and outreach from other established preservation organizations in urban centers would help spread successful practices to rural areas. Developers who have found continued success through the program in urban areas should be targeted to potentially invest in historic properties in rural counties. Undergraduate and graduate programs with a focus in history, construction, historic
preservation, planning, and other built environment programs are a great source for early stages of preservation efforts. Teaching young, future preservationists the importance of rural historic building preservation will help the field grow in those areas too. South Carolina is fortunate in that it has strong universities and colleges throughout the state that can easily access small rural towns and counties. County officials and leaders play an important role in economic development and growth in each and every county in South Carolina. By making private investment in preservation a clear goal for every comprehensive or preservation plan, counties can be empowered to create new programs and to promote the economic benefits of HTCs for their historic resources.

**Other Federal Programs**

The final main recommendation for improving the use of HTCs in rural areas is to promote HTCs in partnership with other federal and state programming. Federal rural policy has a long history, as the decline of the country’s agricultural economy required the federal government to address many of the issues facing rural communities. Nation-wide, the Low Income Housing Tax Credit (LIHTC) program is used jointly with the federal HTC more than any other program. The LIHTC, also passed in 1986, provides either a four or nine percent tax credit based on investment costs for the project. When tied with the federal historic program, developers can receive almost thirty percent of their investment back in the form of tax credits. The combination has been successful in projects throughout the nation and 21% of federal projects in 2016 used the LIHTC. Twenty-one percent also

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combined the federal HTC in 2016 with other Department of Housing and Urban Development (HUD) programs. These include HOME, Insured Loan Programs and the Community Development Block Grant (CDBG); New Market Tax Credit Program (NMTC); Tax Increment Financing (TIF); and Brownfields Economic Development Initiative Grants. The United States Department of Agriculture (USDA) has different programs that can be used in conjunction with HTCs, such as the Rural Development Loan Program. The USDA has many different programs specifically designed for rural areas as their main goal is to aid agricultural communities. These include programs aimed at both housing and small businesses, so both income-producing properties and homeowners can benefit from tying HTC projects to USDA programs.

The NPS has promoted the joint use of these programs very well through their annual statistical reports, but more information regarding these additional opportunities should be distributed for rural historic resources as it can further incentivize investors and developers and homeowners. Beyond the programs mentioned above, senior housing is another area that can be further expanded upon in rural areas. Rural counties in the state have some of the highest percentages of their population at 65 years or older. Affordable senior housing is becoming more and more of an issue across the nation as the baby boomer generation starts hitting retirement age. HUD has multiple senior housing programs that focus on keeping housing affordable for seniors. The Low Income Housing Tax Credit (LIHTC) is often used for senior housing, as developers will often receive more

135 The USDA administers many different programs that provide financial assistance for rural buildings. As the guidelines and regulations for these programs change frequently, and many are discontinued, the most accurate information for these opportunities can be accessed on the USDA website found here: https://www.rd.usda.gov/programs-services/all-programs.
Increasing the use of programs like LIHTC, especially for affordable senior housing, along with HTCs will help solve some of the more unique problems facing rural counties. In South Carolina, the Abandoned Buildings Revitalization Credit and the South Carolina Textile Revitalization Credit are often combined with the federal HTC to multiply tax benefits. Both programs are well advertised on the SHPO website and are well known to potential developers.

A new incentive was passed in the Tax Cuts and Jobs Act of 2017 called Opportunity Zones that has generated an increased interest in income-producing HTC projects designated Opportunity Zone areas. The program was enacted to spur economic investment in low income communities by incentivizing “investors to re-invest their unrealized capital gains into dedicated Opportunity Funds.” South Carolina selected 135 census tracts out of 1,097 total census tracts in the state, which is equal to about 12% of the state (Figure 4). All approved census tracts are low-income, as per the regulations for Opportunity Zones and many are in rural counties. There are a few different incentives investors can choose from, which are all related to different tax options. For the most part they all include holding or lowering the amount of tax an investor pays on investments within the designated area for a certain period of time. Unfortunately the exact regulations for Opportunity Zones has yet to be approved, so the success of the program is still relatively unknown.

For HTCs, they created yet another additional incentive on top of

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the tax credits for enticing potential investors to invest in a historic rehabilitation. Opportunity Zones raised awareness for the need for more private investment in low-income communities, and rural areas can certainly benefit. By better promoting connections between other rural programs the incentives for investment in rural areas will draw developers and homeowners alike to the HTC programs.

Figure 4. South Carolina Opportunity Zone census tracts are highlighted in blue. Map courtesy of SCOpportunityZones.com.
CHAPTER SIX: CONCLUSION

Historic tax credits have proven themselves time and again as one of the most successful components of the country’s historic preservation efforts. Harnessing and incentivizing private investment has allowed the field to grow exponentially. Without the tax credits, however, much of that private investment would be lost. For income-producing properties, as with the federal HTC program, a guaranteed return on investment is a necessity. Developers have been attracted to the program as it increases the return on rehabilitation costs. The historic character is often a large selling point too. The economic impacts of historic rehabilitations have been well documented through economic impact reports conducted at the state and national level. The federal HTC was implemented to slow down and hopefully stop much of the damage that was occurring in city centers under the guise of urban renewal. Tax benefits in the 1950s and 1960s incentivized new construction and parking lots. The federal HTC and a changing mindset towards historic buildings shifted urban renewal away from tearing down structures to preserving them. Federal and state HTCs sustained that transition.

Even with all their success, publications about historic preservation underplay the important role HTCs have played. Tax credits are always mentioned as an important part of the historic preservation movement but their effect never further articulated. State programs receive even less attention. Economic reports make up the majority of literature on HTCs. According to analysis by Randall Mason, these reports primarily focus on selling the benefits of HTCs, as the expense of the program often still needs to be justified for
many politicians. The NPS has the largest repository on how to use the federal HTC and economic reviews. Along with a lack of substantial literature on HTCs, rural building preservation has received little mention in the narrative of historic preservation as well. Rural land preservation has been the primary focus for rural areas. This limited literature on both rural preservation and HTCs hinders the application of historic preservation to the rural parts of our country.

Historic rehabilitations and rural counties have different relationship than their urban counterparts. For South Carolina, the state’s rural character is an important defining
feature for the state’s identity. From its beginnings, a dependence on agriculture has been prominent in South Carolina. A rural lifestyle culture has remained a defining characteristics of most of the state. Plantations and farming remain important economic fixtures. Much of the state’s population lived in rural counties, and even today a large portion still does. It was not until about the 1960s and 1970s that the state’s population started shifting more towards urban centers and their suburbs. As the state’s population began shifting, preservation and careful planning were not considered heavily. Some urban centers in South Carolina started protecting their historic fabric and used HTCs as a way of rehabilitating historic structures.

The federal and Homeowner HTC data for South Carolina confirms two investment trends. First, the majority of HTC projects have been in urban centers. Second, limited investment in rehabilitating historic structures in rural areas. Charleston County more than leads with regards to completed HTC projects. Charleston, Richland, and Greenville Counties account for over 68% of the federal HTC projects completed in the state and around 74% of the Homeowner HTC projects. Surprising was that those counties neighboring counties with large HTC numbers still have very few rehabilitation projects completed. Urban centers expand into once-rural counties without on planning for historic preservation. Even within the state’s urban counties, HTC projects are tightly focused in a small part of the county. This study only focused on three counties for mapping of historic resources compared to HTC projects. The method showed that historic rehabilitations across counties with different population densities are still centered in only one or two downtowns. Beaufort County is one of the more interesting counties in South Carolina as it has seen huge economic redevelopment through HTCs in its urban center, but not
elsewhere in the county. Places like St. Helena Island, also in Beaufort County, have many historic resources listed on the National Register, but has seen few HTC projects completed.

Turning advantages of HTC programs to South Carolina’s underserved rural communities will require significant effort across a wide range of areas. Recommendations for improving HTC use in rural areas are focused primarily in three main areas: first, updating HTC regulations to include additional benefits for rehabilitations in rural areas; second, improving education of historic preservation and HTCs; and third, tying HTCs to other tax benefit programs. First, at the federal level, the federal HTC has proven itself time and again. But the program is not the easiest for smaller income-producing properties, especially in areas where historic preservation professionals are not common. Providing more in-house consulting or grants for smaller projects to hire professionals would help first-time applicants understand the process better. Further educational materials on rural building preservation and the different challenges they face (smaller markets, land preservation) by the NPS can also further aid in bringing more information to rural historic structure owners. Finally, adjusting the regulations for the federal program to allow the transfer or selling of credits would increase opportunities for rural areas.

Second, at the state and county level, some of the same steps can be taken. Other states have added additional tax credits for projects completed in rural or economically depressed regions. Increased potential return on investment can better incentivize historic rehabilitations in rural areas. Rural markets are often not as desirable for developers so a better return can help incentivize more private investment. By increasing
the amount of credits an investor would receive, the fact that rural areas have primarily small projects would not matter as much. The Homeowner credit is another important aspect of rural HTC use. Commercial ventures are not as viable in rural markets, but home owning has and always will be an aspect of rural life. By adjusting the state Homeowner credit to lower the minimum spending requirement, more people can take advantage of the program. In order to help direct preservation efforts at both the state and local level, updating a preservation or comprehensive county plans is a necessary step.

Finally, spreading the importance of preservation to more areas of the state will help drive more interest in preservation. Education can come in many forms and does not need to be specific to HTCs. Cities and urban centers that have established historic preservation efforts spread the message through both implicit and explicit methods, including the preserved buildings standing on their streets, conferences and lectures, and active preservation organizations. Residents of rural towns deserve to preserve their history in the same way as urban areas, they just need some more specific attention. Recommendations at the county level follow similar goals. By better incorporating HTCs in county comprehensive plans, city planners and other officials can take greater steps to advertising and protecting historic resources. Some historic preservation organizations, like the Palmetto Trust, host third-party advertisements for historic structures for sale. These efforts are usually small-scale and unknown by most potential home-buyers or developers. By creating a platform that is larger and better advertised, potential HTC projects can reach an even larger audience. Counties can also conduct county surveys that focus on historic properties most likely to be rehabilitated as income-producing
properties. A close partnership between the SHPO and county officials can bring many of these goals and steps to a reality.

Historic rehabilitations are an important part of our built environment. All people no matter where they live should be able to appreciate the beauty of the historic structures that surround them. HTCs can further help rural downtowns preserve these important structures. Beyond just retaining important markers of often forgotten towns, HTCs are economic drivers that can change a small downtown. A newly renovated historic structure in the heart of a rural downtown can be a new space for a small business, a fresh start for an established entity, or the chance for a new investment. Historic rehabilitations can improve housing, which can exponentially change a small town. For the dedicated homeowners, the Homeowner credit can allow them to restore their long-time home or buy their dream historic house. This study brings awareness of the benefits of HTCs to underserved parts of our country. While this study only included South Carolina within its reach, the documented pattern of rural HTC use is broadly true for the rest of the nation. Without an increased effort to save and restore more of the historic resources in rural towns, more historic buildings will be lost. HTCs can provide the economic incentives and resources to support the preservation of historic rural buildings that face an uncertain future.
APPENDIX A: POPULATION DATA

Note: All rural counties are highlighted in green for tables and graphs. Rural counties are highlighted in purple for maps.
## A.1 Population Data per County

<table>
<thead>
<tr>
<th>County Name</th>
<th>Population Density (2010)</th>
<th>Land Area (Sq Miles)</th>
<th>Number of Cities over 50,000</th>
<th>Number of Towns 2,500 - 50,000</th>
<th>Number of Towns under 2,500</th>
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A.2 Percent Change of Population per County 1970-2010

Abbeville
Aiken
Allendale
Anderson
 Bamberg
Barnwell
Beaufort
Berkeley
Calhoun
Charleston
Cherokee
Chester
Chesterfield
Clarendon
Colleton
Darlington
Dillon
Dorchester
Edgefield
Fairfield
Florence
Georgetown
Greenville
Greenwood
Hampton
Horry
Jasper
Kershaw
Lancaster
Laurens
Lee
Lexington
Marion
Marlboro
McCormick
Newberry
Oconee
Orangeburg
Pickens
Richland
Saluda
Spartanburg
Sumter
Union
Williamsburg
York
A.3 Population Total per County, 2010
A.4 Population Total per County, 2010 (10s of Thousands)

York
Williamsburg
Union
Sumter
Spartanburg
Saluda
Richland
Pickens
Orangeburg
Newberry
McCormick
Marlboro
Marion
Lexington
Lee
Laurens
Lancaster
Kershaw
Jasper
Horry
Hampton
Georgetown
Greenville
Greenwood
Hampton
Horry
Jasper
Kershaw
Lancaster
Laurens
Lee
Lexington
Marion
Marlboro
McCormick
Newberry
Oconee
Orangeburg
Pickens
Richland
Saluda
Spartanburg
Sumter
Union
Williamsburg
York
### B.1 National Register Listings per County

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<th>Commercial/Schools</th>
<th>Historic Districts</th>
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| Urban Total  | 784   | 296    | 251                | 91                 | 77       | 69    |
| Rural Total  | 793   | 301    | 162                | 93                 | 86       | 151   |

Percent Rural to Total 50.29% 50.42% 39.23% 50.54% 52.76% 68.64%
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Abbeville County Federal and Homeowner HTC Data

Legend

- Federal HTC
- Homeowner HTC
Aiken County Federal and Homeowner HTC Data

Legend
- Federal HTC
- Homeowner HTC
Allendale County Federal and Homeowner HTC Data

Legend

- Orange circle: Federal HTC
- Black dot: Homeowner HTC
Bamberg County Federal and Homeowner HTC Data

Legend
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- Homeowner HTC
Barnwell County Federal and Homeowner HTC Data

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- Homeowner HTC
Beaufort County Federal and Homeowner HTC Data
Berkeley County Federal and Homeowner HTC Data

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- Homeowner HTC
Calhoun County Federal and Homeowner HTC Data

Legend

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Charleston County Federal and Homeowner HTC Data

Legend
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137
Charleston Peninsula Federal and Homeowner HTC Data

Legend
- Orange circle: Federal HTC
- Purple circle: Homeowner HTC
Cherokee County Federal and Homeowner HTC Data
Chesterfield County Federal and Homeowner HTC Data
Clarendon County Federal and Homeowner HTC Data
Darlington County Federal and Homeowner HTC Data
Dillon County Federal and Homeowner HTC Data

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Legend
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Florence County Federal and Homeowner HTC Data

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Georgetown County Federal and Homeowner HTC Data

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Greenville County Federal and Homeowner HTC Data
Greenwood County Federal and Homeowner HTC Data

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Hampton County Federal and Homeowner HTC Data

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Horry County Federal and Homeowner HTC Data

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Jasper County Federal and Homeowner HTC Data

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Kershaw County Federal and Homeowner HTC Data
Lancaster County Federal and Homeowner HTC Data
Laurens County Federal and Homeowner HTC Data

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Sumter County Federal and Homeowner HTC Data

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Union County Federal and Homeowner HTC Data

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Williamsburg County Federal and Homeowner HTC Data
York County Federal and Homeowner HTC Data

Legend
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- Homeowner HTC


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