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Historic Preservation and Revitalization in Working-Class Communities

Paul Woodward

Clemson University, paul.woodward1@gmail.com

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HISTORIC PRESERVATION AND REVITALIZATION IN WORKING-
CLASS COMMUNITIES

A Thesis
Presented to
the Graduate School of
Clemson University

In Partial Fulfillment
of the Requirements for the Degree
Master of Science
Historic Preservation

by
Paul Andrew Woodward
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Accepted by:
Jennifer McStotts, Committee Chair
Jonathan Poston
Ashley Robbins
Robert Russell

ABSTRACT

Historic preservation and revitalization efforts undertaken in lower-income, working-class communities often have negative consequences, including displacement and gentrification. Too often, sense of place and community spirit are sacrificed in an effort to save important historic buildings. As both sense of place and historic fabric are important, it is necessary for preservationists, planners, community members, and others to analyze the current condition under which preservation and revitalization take place, and begin looking at alternatives.

Through analysis of case studies that focus on mill villages, three different approaches to preservation and revitalization are considered. In Glencoe, North Carolina, the mill village is undergoing a revitalization that focuses strictly on building fabric. In Greenville, South Carolina, the Greenville County Redevelopment Authority rehabilitates old mill villages, using all modern materials, to provide affordable housing opportunities to lower-income individuals and families. In Woonsocket, Rhode Island, the city has teamed with the State Historic Preservation Office to revitalize the Globe mill village, while striking a balance between affordability and preservation concerns.

Each of these case studies offers valuable information for other communities facing similar dilemmas. Analysis of the funding programs utilized for each community project is undertaken in an attempt to understand how community preservation can take place without the displacement that so often accompanies it. Alternatives are discussed, both generally, and in relation to the Newry mill village, in Oconee County, South Carolina.

DEDICATION

To my parents and my brother for their continued love and support.

And to Erin, for everything.

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I owe many people a large debt of gratitude for the completion of this project. Firstly, I am grateful to my thesis advisor, Professor Jennifer McStotts, for her diligent effort, keen editorial eye, and good sense of humor. She has helped and encouraged me every step of the way, and I could never thank her enough.

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CHAPTER 1

INTRODUCTION

Preservation of its historic resources is an important step that the United States needs to take as it prepares for the future. Historic buildings offer glimpses into the way our country has evolved. In order to properly learn from our past, preservation of the built environment is, without doubt, an important endeavor.

The built environment, however, is just one aspect of our nation's history, and preservation of that alone would not properly tell the story of our past. The philosopher Edmund Burke once said, "People will not look forward to posterity, who never look backward to their ancestors."¹ An effort needs to be made within the preservation community to ensure that, with the preservation of the historic fabric of our nation's past, attention is also paid to the people who created it. This is not necessarily a new proposal, as many historic sites today bear the names of the people and families responsible for their construction. These tend, however, to also be either the homes of famous people, or museum quality examples of architectural styles. The reality however, is that most Americans were never famous and most never lived in museum quality houses.

The preservation of our built environment is largely advocated by the National Trust for Historic Preservation whose mission statement says, in part, that it "provides leadership, education and advocacy to save America's diverse historic places and

¹ John MacCunn, *The Political Philosophy of Burke* (New York: Russell & Russell, 1965), 92.

revitalize our communities.”² Unfortunately, the revitalization of America’s communities that it speaks of is too often done at the direct expense of the lower and middle classes, the people largely responsible for shaping the communities in the first place. Is preservation truly accomplished when neighborhoods are restored if the result is that property values (and associated taxes) become so high that the traditional residents of the communities can no longer afford to live there? Historic preservation that is done with only the building itself in mind is missing the point. Whether a coastal village in New England, a row house neighborhood in Philadelphia, or a mill village in the South, communities are the product of the people who inhabit them. Successful preservation honors both buildings *and* people.

The goal of this thesis is to address some of the negative aspects of historic preservation, including displacement and gentrification, as well as problems faced by preservationists in the interpretation of traditionally working class areas. Discussion will focus on affordability issues for lower-income Americans, and how historic preservation efforts can be modified to be more inclusive to these groups. The case studies will analyze three different approaches taken in the treatment of historic mill villages. Analysis of these three areas is meant to inform the discussion of Newry, a fourth mill village, located in Upstate South Carolina, that is currently in need of rehabilitation efforts.

The barriers faced by communities wanting to practice historic preservation while still providing affordable housing are well known, and will be discussed. Through analysis of programs meant to encourage preservation, as well as affordable housing, I

² National Trust for Historic Preservation website [Internet]; available from <http://www.nationaltrust.org/about/annual.html>; accessed 7 March 2007.

will provide alternatives to the approaches currently being taken. These alternatives will be discussed, both generally, and in relation to the Newry mill village as a typical example of a Southern textile mill and village from the late nineteenth century.

CHAPTER 2
ISSUES WITH HISTORIC PRESERVATION
AND AFFORDABLE HOUSING

Historic preservation and revitalization efforts, while providing tangible links to our past, are often controversial for some of their associated shortcomings. In particular, issues of displacement and loss of affordable housing opportunities are often bemoaned in areas where neighborhood revitalization takes place. This chapter is intended to define some of these terms and give a statistical framework to many of the issues that preservation and revitalization efforts affect.

Gentrification

Gentrification is a growing problem in the United States, and the preservation, restoration, and rehabilitation of historic homes and structures is often times, at least partly, to blame. The phenomenon of gentrification can be a difficult concept for people to understand because, on the surface, many of the things associated with it appeal to the American desire for economic growth. The process of gentrification, a term originally coined by sociologist Ruth Glass,³ was originally defined as “the movement of the ‘gentry’ into existing lower income housing, which they subsequently rehabilitated and

³ Ironically, Glass was using the term to describe conditions in London neighborhoods that were experiencing the phenomenon. One of the neighborhoods she was discussing, Islington, was recently featured in a London Times article entitled “There’s plain gentrification...and then you have Islington” (Lewis Smith, September 1, 2006) which described a trend called “super gentrification” in which a new generation of people are coming into an already gentrified neighborhood and gentrifying it even more.

upgraded.”⁴ Others have discussed the term in a somewhat broader fashion. Anthony Downs, for instance, defines gentrification as a process whereby “improvements in local neighborhoods increase property values and reduce affordability.”⁵ Interestingly, Downs’ definition makes no mention of the term ‘gentry’ from which the word was originally derived. This is important because it shows how the term has evolved in the forty years since it was first coined. Glass seemed to be targeting the actions of the people (the gentry) as the main problem, whereas the effects of gentrification that Downs talks about can be related to larger policy decisions, including a community’s decision to rehabilitate dilapidated buildings.

It should be noted that the fact that Anthony Downs is an American likely has much to do with his omission of the term ‘gentry’ from his definition. However, the comparison of these two definitions serves to highlight a broader debate that has been ongoing between urban geographers, sociologists, and others since the late 1970s over the root causes of the process (or set of processes) that is gentrification. These debates initially pitted a production-side explanation of gentrification against a consumption-side explanation.⁶

In arguing the point of production-side gentrification, geographer Neil Smith proposed his theory of a ‘rent-gap,’ which he defined as “the disparity between the

⁴ David Ley, *The New Middle Class and the Remaking of the Central City* (Oxford: Oxford University Press, 1996), 3.

⁵ Anthony Downs is a Senior Fellow at the Brookings Institution and is considered an expert on real estate and housing policy. Anthony Downs, ed., *Growth Management and Affordable Housing: Do They Conflict?* (Washington, D.C.: Brookings Institution Press, 2004), 90.

⁶ Neil Smith, *The New Urban Frontier* (London: Routledge, 1996), 41.

potential ground rent level and the actual ground rent capitalized under the present land use.”⁷ Gentrification occurs, he claims, when:

The gap is sufficiently wide that developers can purchase structures cheaply, can pay the builder’s costs and profit for rehabilitation, can pay interest on mortgage and construction loans, and can then sell the end product for a sale price that leaves a satisfactory return to the developer. The entire ground rent, or a large portion of it, is now capitalized, the neighborhood is thereby “recycled” and begins a new cycle of use.⁸

Smith asserts that it is the movement of capital, not people, that causes gentrification, and that as a city’s periphery expands, “the outward movement of capital to develop suburban, industrial, residential, commercial, and recreational activity results in a reciprocal change in suburban and inner city ground rent levels.”⁹

The alternative view of consumption-side gentrification places more of an emphasis on people, as opposed to capital, as the primary impetus for change. David Ley’s theories on gentrification stress the emergence of a new middle class and their “cultural and consumption requirements” as the key to gentrification.¹⁰ People choose to gentrify, as opposed to having the choice made for them. Ley, and others arguing the consumption-side theory, claimed that variables such as education and occupation had more to do with gentrification than did fiscal matters such as rent and income.¹¹ Michael

⁷ Smith (1996), 67.

⁸ Ibid., 68.

⁹ Neil Smith, “Restructuring of Urban Space,” in *Gentrification of the City* ed. Neil Smith and Peter Williams (Boston: Allen and Unwin, 1986), 23.

¹⁰ Chris Hamnett, “The Blind Men and the Elephant: The Explanation of Gentrification” *Transactions of the Institute of British Geographers*, New Series, Vol. 16, No. 2 (1991), 178.

¹¹ David Ley, “Reply: The Rent Gap Revisited” *Annals of the Association of American Geographers*, Vol. 77, No. 3 (Sep., 1987), 465.

Jager described the function of this new class as promoting a new consumption ethic where “the ‘trendy’ and the ‘tastemaker’ emerge as the new social types.”¹²

By the mid-1990s, some of the key members from both sides of the debate were beginning to recognize that neither of the theories could be absolute. The claim was made that “explanations which remained confined to consumption or production practices, narrowly conceived, were of decreasing relevance.”¹³ While there is still no singular definition to gentrification, the process continues in communities throughout the world. Regardless of the definition, the idea of gentrification sparks intense debate every time a new development is slated for a blighted or run-down part of town. Scholars and laypeople alike will likely continue to debate both the causes and the effects of gentrification. The ambiguity of the term, and in turn the difficulty in analyzing gentrification’s effects, means that it is often difficult for people to say that they are definitely for it or definitely against it. Most people like the cleaned up streets, the newly fixed up houses, and the resulting reductions in crime that are often associated with the process. On the other hand, many people, often including the residents of the areas in question, oppose the rising property values/taxes that come with “progress”.

To an outsider looking at the issue from strictly an economic standpoint, gentrification seems like the best possible solution (higher property values, a higher tax base to support local businesses, etc.) This is the view taken by the Fannie Mae Foundation, an organization whose mission is, in part, to “create affordable homeownership and housing opportunities through innovative partnerships and initiatives

¹² Michael Jager, “Class definition and the esthetics of gentrification: Victoriana in Melbourne,” in *Gentrification of the City*, ed. Neil Smith and Peter Williams (Boston: Allen and Unwin, 1986), 86.

¹³ Smith (1996), 42.

that build healthy, vibrant communities across the United States.”¹⁴ In a 2000 paper supported by the Foundation, they claim

The risk of displacement is often raised by critics of gentrification who view the return of middle-income suburbanites to cities as a zero-sum game. While the risk of displacement is real, we think it is outweighed by the even greater risk of losing a chance to secure a larger tax base. Taxing new middle-income residents and spending the money on programs for a general urban population is a benefit that at least partially offsets the pain caused by displacement.¹⁵

This position disregards important factors. These historic neighborhoods did not appear spontaneously. They are the result of years - in many cases generations - of people who worked to create functioning communities. Changes in fortune, be it the mass exodus of industry that the United States has seen over the last half-century or some other economic or natural disaster can cause these communities to falter to the point where it seems that starting over is the best solution.¹⁶

While displacement caused by government action and that caused by natural disaster are completely different situations, the end results are the same: people leave, buildings stay. Revitalization efforts in these areas tend to honor their traditional pasts with plaques, monuments, or museums. Meanwhile, the scattered resettlement of the

¹⁴ Fannie Mae Foundation, Fannie Mae Foundation: Revitalizing Neighborhoods and Creating Affordable Housing Opportunities for Nearly 30 Years [Internet]; available from <http://www.fanniemaefoundation.org/about/index.shtml>; accessed 7 February 2007.

¹⁵ Robert E. Lang, James W. Hughes, and Karen A. Danielsen. “Target Marketing Can Help Attract City Residents,” Fannie Mae Foundation- Housing Facts and Findings volume 2, no. 1 (Spring 2000) [Internet]; available from <http://www.fanniemaefoundation.org/programs/hff/v2i1-marketing.shtml>; accessed 9 February 2007.

¹⁶ The year 2005 saw one of the worst examples of this in recent American history with Hurricanes Katrina and Rita causing the displacement of thousands of people along the Gulf Coast.

traditional populace has taken away the sense of community that residents of lower income areas often hold dear.

Historic Preservation

Preservation and rehabilitation of historic structures has a reputation of being an extremely expensive business, in many cases justifiably so, but while historic preservation and rehabilitation efforts have been known to impede affordable housing production and displace residents, these consequences should not be a foregone conclusion.¹⁷ The importance of economics in modern society cannot be understated, as it is often the driving force behind what decisions get made. This is true on the micro-level, as economic factors can determine which job a person takes and where he or she lives, but it is also true on the macro-level, as countries often debate what economic policy best serves their citizens. Being economically successful is one of the modern standards of achievement, on all levels, and preservation is certainly no different. Preservation, restoration, and rehabilitation projects are often driven by the economic benefit that they can bring, both to a developer and to the surrounding community.

Economics are but one measure of success, though, and not always a reliable one. If a project is labeled as economically unviable it may be in reference to a developer's inability to *maximize* profits on a particular project. This does not mean that the project will not be advantageous to the greater good of the community. British economist Lord Keynes said that it was "important not to overestimate the importance of the economic

¹⁷ David Listokin, Barbara Listokin, and Michael Lahr, "The Contributions of Historic Preservation to Housing and Economic Development," Fannie Mae Foundation- Housing Policy Debate, Vol. 9, No. 3. (1998); available from http://www.fanniemaefoundation.org/programs/hpd/pdf/hpd_0903_listokin.pdf; accessed 3 March 2007.

problem, or sacrifice to its supposed necessities other matters of greater and more permanent significance.”¹⁸ Economists often disagree on what is sound policy.

Preservation and revitalization efforts should be encouraged not only for the economic benefits they bring to a community, but also for the social good they do, and the educational opportunities they present.

The Advisory Council on Historic Preservation is an agency established by the National Historic Preservation Act of 1966 whose goal is to “promote the preservation, enhancement, and productive use of our Nation's historic resources, and advise the President and Congress on national historic preservation policy.”¹⁹ Their recently amended statement on affordable housing and historic preservation says, in part:

Rehabilitating historic properties to provide affordable housing is a sound historic preservation strategy. Continued investment in historic buildings through rehabilitation and repair for affordable housing purposes and stabilization of historic districts through the construction of infill housing should be recognized as contributing to the broad historic preservation goals of neighborhood revitalization and retention.²⁰

There is much data available that supports the ACHP’s position.²¹ However, according to John Leith-Tetrault, President of the National Trust Community Investment Corporation,

¹⁸ E.F. Schumacher, *Small Is Beautiful: Economics as if People Mattered* (New York: Harper Row, 1973), 39.

¹⁹ Advisory Council on Historic Preservation, “Final Advisory Council on Historic Preservation Policy Statement on Affordable Housing and Historic Preservation,” *Federal Register* Vol. 72 No. 31. February 15, 2007. page 7387; available from <http://www.achp.gov/docs/fr7387.pdf>.; accessed 23 February 2007.

²⁰ The original policy statement, written in 1995, was revisited by a task force established in 2005. The goal was to assess the effectiveness of the statement in light of ten years of use. The new policy statement was published February 15, 2007.

²¹ David Listokin, Barbara Listokin, and Michael Lahr, The Contributions of Historic Preservation to Housing and Economic Development, Fannie Mae Foundation- Housing Policy Debate, Vol. 9, No. 3. (1998); available from http://www.fanniemaefoundation.org/programs/hpd/pdf/hpd_0903_listokin.pdf; accessed 3 March 2007.

two-thirds of projects funded by the federal historic rehabilitation tax credits were targeted at people with above moderate-income levels.²² If historic preservation as a means of affordable housing is in fact a sound policy, why is such a significant percentage of the Federal benefits for historic preservation spent on projects undertaken by, and benefiting, the upper classes?

The slant towards higher income projects is a result of multiple factors, including the guidelines set forth through Federal and State legislation regarding these tax credits, which are meant to encourage preservation efforts, and the accompanying criteria for qualification. A discussion of why the lower and middle classes are less likely to receive the benefits of the tax incentives that encourage historic preservation requires a discussion of the tax credits themselves. Chapter Five will address this issue.

Beyond the tax credits, numerous other issues are considered barriers to the use of historic properties for affordable housing. A study published by the U.S. Department of Housing and Urban Development in 2001 lists sixteen different barriers to the use of rehabilitation as a means of providing affordable housing. These barriers are broken down into development stage barriers, construction stage barriers, and occupancy stage barriers.²³ While these barriers can sometimes make rehabilitation more difficult than

²² The Historic Rehabilitation Tax Credit information is used because it is the “most significant single incentive for historic preservation and the production of housing (including affordable units), and the one for which the most comprehensive data are available.” David Listokin and Barbara Listokin, *Historic Preservation and Affordable Housing: Leveraging Old Resources for New Opportunities*, Housing Facts and Findings, Vol. 3, No. 2. (2001); available from http://www.fanniemaefoundation.org/programs/hff/pdf/HFF_v3i2.pdf; accessed 4 February 2007.

²³ For an in depth discussion of these barriers see David Listokin and Barbara Listokin, *Barriers to the Rehabilitation of Affordable Housing: Volume I Findings and Analysis*,” Office of Policy, Development and Research. U.S. Department of Housing and Urban Development. Washington, D.C., 2001; available from <http://www.huduser.org/Publications/PDF/brahvoll1.pdf>; accessed 22 February 2007.

new construction, they by no means make it impossible. Adaptive use of buildings, even historic ones, can and should play a vital role in providing housing for all income levels.

Affordability

The term affordable means different things to different people. With regards to the housing market, a person's income, coupled with the cost of living of the area in which he or she resides, are only two factors that contribute to a wide variety of what is considered affordable. These factors, among others, contribute to a wildly different standard of living for many Americans. That there is a wealth gap in America is indisputable, but the disturbing trend for the lower and middle-class is that the gap has widened by more than fifty percent over the past forty years.²⁴ Information prepared by Harvard's Joint Center for Housing Studies for the Millennial Housing Commission, which studied how five different income groups have fared since 1968, reveals the reality of the situation:

The lowest of these groups have shown little income growth over the last three decades. The next two quintiles showed slight growth. The upper two quintiles, however, showed significant income growth. The gap between rich and poor has become a wide chasm.²⁵

Nowhere is the effect of the difference in wealth more obvious than in the housing market. While some are fortunate enough to live in expansive (and expensive)

²⁴ Jeanne Sahadi, "Wealth Gap Widens: Chasm between wealthiest households and everyone else has grown more than 50% since the early 1960's," CNN Money, August 29, 2006; available from http://money.cnn.com/2006/08/29/news/economy/wealth_gap/index.htm; accessed 21 February 2007.

²⁵ Richard M. Haughey, *Workforce Housing: Barriers, Solutions, and Model Programs*. ULI Land Use Policy Forum Report (Urban Land Institute, 2002), 3.

houses, far too many are unable to afford even the most modest amenities, resulting in appallingly high numbers of homeless Americans.²⁶

The generally accepted definition of affordable housing is that the household pays no more than 30% of its income towards housing costs. Today, with the national minimum wage currently set at \$5.15 per hour, a full-time minimum-wage earner, working all 52 weeks in the year, takes home \$10,712 pre-tax. Using this data, it can be determined that a family of three, with both parents earning minimum wage (an unfortunate reality for far too many American families) can afford to spend, at the most, \$535 per month on housing. That is not taking into account the added expense of raising children.²⁷

Evidence of the financial difficulties faced by lower-income households is that the national median housing wage is \$16.31—a wage earner or household would need to earn this wage to afford rent on a two-bedroom unit. This wage level is more than three times the federal minimum wage. Under current conditions, this means that, on average, there must be more than two full-time minimum wage workers in a household to afford a home at current market rates. Even with the proposed federal minimum wage increase, to \$7.25, the housing wage remains more than twice as high as would be affordable. The United States is critically short of affordable housing—by at least five million units, according to some studies—and the crisis is getting worse because of deep cuts in federal

²⁶ In a 2007 report to Congress by the U.S. Department of Housing and Urban Development, it was stated that “on any given night, an estimated 754,000 people will experience homelessness throughout the U.S.”; available from <http://www.nationalhomeless.org/housing/hudprmonth.html>; accessed 15 March 2007.

²⁷ The United States Department of Agriculture (USDA) releases yearly reports on the costs associated with raising children in the United States. A child born in 2005 will cost his or her parents, on average, \$185,000 to raise through the age of majority.

subsidies and the accelerating conversion of affordable units into expensive apartments and condominiums.²⁸

Workforce Housing

While the problems facing the lowest income citizens are well chronicled, and by no means solved, the problem of affordability in the housing market is not limited to the poorest of the poor. In 1999, there were 3.7 million working families who paid at least fifty percent of their income for housing.²⁹ In comparison to more traditional low-income housing, more attention needs to be paid to workforce housing, which is defined as “housing for households making between 60 and 120 percent of AMI (Area Median Income).”³⁰ John K. McIlwain of the Urban Land Institute (ULI) contends that, “while the government is taking care of those with lower incomes and the market is taking care of those with higher ones, this group is left with few good housing options.”³¹

Recently, lower income working Americans have had one of two choices: live under the burden of excessive housing costs, or live in sub-standard units, built cheaply, often without the prescribed standards of decency or safety.³² The mobile home has been

²⁸ David Dillon, “Earning an A for affordable: best affordable housing practices in America's large cities,” *Planning* 72.11 (Dec 2006): 6(4). *InfoTrac OneFile*. Thomson Gale. Clemson University. 4 Feb. 2007.

²⁹ Donovan Rypkema, *Historic Preservation and Affordable Housing: The Missed Connection* National Trust for Historic Preservation, August 2002, page 1.

³⁰ Haughey, 4.

³¹ *Ibid.*

³² Joseph N. Belden and Robert J. Wiener, eds., *Housing in Rural America* (Thousand Oaks: Sage Publications, 1999), 46.

an attractive means of attaining affordable housing.³³ Unfortunately, in addition to known safety issues, mobile homes tend to depreciate over time, meaning that the owner sees none of the increase in equity that is so attractive about homeownership.

The people affected by this lack of available housing options have occupations that can be considered nothing less than vital to our nation's communities: teachers, police officers, firefighters, nurses, janitors, and retail salespeople, among others. The viability of our nation as a whole relies largely on the work of these people, and they are consistently being priced out of the communities they serve. The result is that these workers move to areas that they can afford, but often keep jobs in their former communities. More attention needs to be paid to providing viable housing options for the workforce. As a part of a larger public policy effort to provide this desperately needed housing, historic preservation and revitalization of existing housing stock has a definite and important role.

³³ Between 1997 and 1999 seventy-two percent of new units built within affordable price ranges were mobile homes. *Housing in Rural America*.

CHAPTER 3

MILL VILLAGES

One early precedent for the provision of workforce housing in the United States was established more than a century ago when factory workers were provided housing in company towns. While these towns were far from ideal living conditions, they often outweighed the alternatives, which could include unemployment and outright homelessness. This method of housing was a common practice in mining towns on both coasts, timber camps in the Pacific Northwest, cotton mills in the Southeast, and many other places where company owners tried to attract people to join their workforce. Companies housed their workers differently, and the remnants of these places exist today in varying states of repair.

Recently, historic preservation efforts aimed at these communities have, for the most part, focused primarily on preserving the architectural character of the buildings. This method of preservation can present a problem, however, because these places were so much more than just a collection of buildings and houses. It truly was a different way of life. In the South, the experience of growing up in a mill village has been well chronicled.³⁴

³⁴ The two most significant bodies of interviews detailing mill village life are the works compiled by depression era WPA workers and, more recently, the University of North Carolina's Southern Oral History Program.

Life in a Mill Village

As the South became industrialized after the Civil War, textile manufacturing became a common investment for many members of the upper classes. The rural areas throughout North and South Carolina lent themselves to textile manufacturing because the rivers needed to power the mills were abundant. Because these mills were often built in remote locations, it was the mill owner's responsibility to provide everything that the workers would need for daily living. Mill villages often took on a common form:

Typically, a three-story brick mill, a company store, and a superintendent's house were clustered at one end of the village. Three- and four- room frame houses, owned by the company but built in a vernacular style familiar in the countryside, stood on lots that offered individual garden space, often supplemented by communal pastures and hog pens. A church, a company store, and a modest schoolhouse completed the scene.³⁵

At the turn of the century, over ninety-two percent of southern textile families lived in villages owned by the men that gave them work.³⁶ The fact that so many of the mills were located in rural regions encouraged this living arrangement. Isolation required a system where the companies provided all of the basic necessities.

As an outsider, it is easy to assume that mill owners were exerting unfair controls over their workers by controlling every aspect of their daily lives. Indeed, in the early years of some mills, workers were compensated with varying forms of currency, including paper script, coupons, brass chits, and others, which could only be redeemed at

³⁵ Jacquelyn Dowd Hall, Robert Korstad, and James Leloudis, "Cotton Mill People: Work, Community, and Protest in the Textile South 1880-1940," *The American Historical Review*, Vol. 91, No. 2 (Apr. 1986), 247.

³⁶ Jacquelyn Dowd Hall et al, eds., *Like a Family: The Making of a Southern Cotton Mill World* (Chapel Hill: University of North Carolina Press, 1987), 114.

company owned stores.³⁷ Unfair as this may seem, however, many of the people that actually lived with these conditions considered them to be more helpful than harmful; one mill village resident wrote, “All the company-owned houses were within easy walking distance to the droning cotton mill, so automobiles weren’t necessary elements in our uncomplicated lives. And the mill provided shelter and, in a sense, clothing and food as well. And people took comfort in that.”³⁸

The prevailing attitude concerning life in a Southern mill village is captured by Hoyle McCorkle in his discussions of the Highland Park mill village in Charlotte, North Carolina:

I guess there were two hundred houses on this village, and I knew practically all of them from a kid up. It was kind of a cliché: You grew up here and you knew everybody. It had its bad points; we didn’t make much money, I know my father didn’t. But like I said, it was kind of one big family, and we all hung together and survived. It was a two-hundred-headed family. Everybody on this hill, we looked after one another.³⁹

Although McCorkle was talking about one particular village in North Carolina, men and women who grew up in other Southern mill villages have expressed similar sentiments. The difficult circumstances brought about by the long workdays and low wages were such that the community often had to work together to make ends meet. Born out of necessity, this cooperation and community spirit is seemingly the fondest memory of village life for many. These days, more than the deterioration of the houses, the men and women who grew up in the mill villages and have watched their demise lament the effects on the people that the passing of time, and the closing of the mill, have had. To

³⁷ Walt Browning, *Linthead: Growing Up in a Carolina Cotton Mill Village* (Asheboro, NC: Down Home Press, 1990), 15.

³⁸ *Ibid.*

³⁹ Hall et al, 146

many these mill towns often seem idyllic for their stillness. For those that grew up surrounded by the smells and sounds of a vibrant community life, the stillness is a reminder of all that has been lost.

Analysis of life in a mill village must be approached objectively. Life in the mills was difficult, but then again, so was life on small family farms as the country began relying more and more on commercial agriculture. This fact was not lost on the mill owners, who “promoted factory work as a refuge for impoverished women and children from the countryside, hired family units rather than individuals, and required the labor of at least one worker per room as a condition for residence in a mill owned house.”⁴⁰ For this reason, mill village life was symbiotic. The textile mill owners offered an existence that was free from the uncertainty of family farming. In exchange for the guaranteed paycheck and the conveniences that living in the village brought, families (including for a time children under twelve years of age) endured achingly long, hot days, and dirty, dangerous work.⁴¹ Life could be very difficult if you worked in a mill, but the certainty of work was promoted as a way to offset the danger and difficulty.

It is this duality that makes analysis of life in a mill village difficult. Were the mill owners going above and beyond what they absolutely had to do to for their workers? In talking of the houses at his Newry mill, William Ashmead Courtenay describes the houses as being “comfortable homes, as I know from living in one for months past.”⁴²

Some scholars have viewed the role that mill owners took in dealing with their new

⁴⁰ Hall, Korstad, and Leloudis, 249.

⁴¹ Six twelve-hour days represented a normal work week for nineteenth century mill workers *Like a Family*, 77.

⁴² William Ashmead Courtenay personal notes (unpublished), Charleston Library Society, accessed 10 January 2007.

workforce as being somewhat paternalistic.⁴³ Because mill workers were often poor whites, plucked from the poverty of family farming, some mill owners considered it their responsibility to manage the workers closely to ensure a smooth transition regarding the new life that living in a mill village offered.⁴⁴

Others suggest that the entire design of the mill village was intended to provide the workers with only enough to keep them content and productive, without unduly reducing the company's profits.⁴⁵ While the houses were considered "comfortable" by the mill owners, they often lacked proper sanitation. It was well into the twentieth century before many of the mill villages were equipped with indoor plumbing and running water.⁴⁶ Electricity was provided for the houses in the mill villages but it was controlled by the mill owners. Houses were mostly built on pillars, which meant that without underpinning, protection from the cold of winter was often less than adequate. They provided shelter, but beyond that, they left much to be desired.

Beyond a mere provision of housing, the mill towns were designed so that most of life's basic necessities could be had in the village. As this was the case, it is conceivable that a person could live his or her entire life within an area of about six blocks and never leave. This was good for the mill owners, as the fewer chances workers had to see what

⁴³ William H. Phillips, "Southern Textile Mill Villages on the Eve of World War Two: The Courtenay Mill of South Carolina," *The Journal of Economic History*, Vol. 45, No. 2, *The Tasks of Economic History* (June, 1985), 273.

⁴⁴ M. W. Heiss, "The Southern Cotton Mill Village: A Viewpoint," *Journal of Social Forces*, Vol. 2, No. 3 (Mar. 1924), 346.

⁴⁵ Herbert J. Lahne, *The Cotton Mill Worker* (New York: Farrar and Rinehart, 1944), 27.

⁴⁶ It should be noted that each mill village approached these issues independently and therefore conditions varied greatly from place to place.

else the world had to offer, the more control the mill had over them, and the more control the mill had over its workers, the better.⁴⁷

Analysis of other industrial centers during the same time period has shown that, in comparison, the Southern mill village was a “civilizing and elevating social force.”⁴⁸ Mill workers took pride in what they did. One gets the sense in reading their accounts, and talking with them today, that they resent the pity that has been heaped on them through stories of the harsh life of the mill worker. With regards to how these places are viewed today, J.L. Gaillard of Newry had this to say:

You can't sit here in this room and relate how you and I live today with how people lived in a cotton mill village from 1900 on to about 1935. It wasn't a feudal-type system with serfs and people in bondage. Even to the point that it could have been partially that way, it served the people as well as the mill management. It wasn't all bad. Might not have been all good, but it wasn't all bad.⁴⁹

With regards to how these sites are preserved and interpreted, preservationists should know that it was not the architectural character of the houses that made these communities such special places. While the regularity of the simple vernacular mill houses evokes thoughts of a simpler time, it is imperative that these houses not be turned into something they never were, in the name of historic preservation. The houses provided shelter, but they were always secondary to the overall sense of community that was formed in the mill villages. The memory of these sites will be better served by preservation and rehabilitation efforts, if more attention is placed on people than on architecture. The following chapter presents three different approaches to the

⁴⁷ Hall et. al, 114.

⁴⁸ Heiss, 349.

⁴⁹ Michael Hembree, *Newry: A Place Apart* (Shelby, NC: Westmoreland Printers, 2003), 20.

preservation of the mill village, with respective emphases on the fabric, the community, and a balanced middle ground.

CHAPTER 4

CASE STUDIES

Glencoe Mill Village

Origin

Glencoe Mills, Inc. was established between the years 1880 and 1882 by James and William Holt, sons of Edwin M. Holt. The Holt family had been active in North Carolina textiles since 1837 when Edwin established the Alamance Mill, a mill that eventually become famous for producing “Alamance plaid”. The production of Alamance plaid made the family rich and allowed them to expand their textile operations. Eventually, the Holts would come to own the majority of the mills in Alamance county.⁵⁰

Project Description

The Glencoe mill village is located on the east bank of the Haw River in Alamance County, just north of the town of Burlington, North Carolina. The form of Glencoe mill village is similar to the form taken by most other Southern textile mill villages of the time.⁵¹ The three-story brick mill building has an ornamental quality with its ornate stair tower, corbelled cornice, and stuccoed quoins and lintels, standing in stark contrast to the simplicity of the mill village. The extant buildings, including the mill complex, and perhaps more importantly the mill workers’ housing, have been said to

⁵⁰ Hall et. al, 103.

⁵¹ See chapter Three for a discussion of mill village layout.

present “important evidence relating to the earliest forms and development of the textile industry in the county.”⁵²

Until recently, these important structures, like so many similar to them across the South, faced demolition. Preservation North Carolina (PNC), a grassroots organization founded to “protect and promote buildings, sites, and landscapes important to the diverse heritage of North Carolina,” recognized both the importance of the mill to the development of the state and the likely loss of this landmark if they did not intervene.⁵³ In 1997, PNC purchased the 105-acre site, along with the thirty-two remaining houses (of the forty eight original houses). At the time, all of the houses were vacant and in various states of disrepair. PNC installed new water and sewer lines, built additional roads deemed necessary for modern access to the houses, and began selling individual houses to people willing and financially able to rehabilitate them.⁵⁴

Analysis and Conclusions

By many accounts, the rehabilitation of Glencoe has been a major success. The houses have been saved for future generations and the village is more active today than it likely has been since the mill closed in 1954. However, the revitalization of the community has altered the socio-economic makeup of the area from one near extreme to another. Whereas the village was built specifically for the purpose of housing the working class, the current prices of homes and land exclude the working class from living

⁵² Historic American Engineering Record, The Library of Congress- American Memory, HAER Data page 3; available from http://memory.loc.gov/ammem/collections/habs_haer/; accessed 10 March 2007.

⁵³ Preservation North Carolina, Preserving North Carolina’s Irreplaceable [Internet]; available from http://www.presnc.org/buyproperty/central/Glencoe_Mill_Village/glencoe_current.html; accessed 1 March 2007.

⁵⁴ Ibid.

there. As of 2007, land in the Glencoe mill village was selling for more than \$30,000 per quarter acre.⁵⁵ Moreover, the price for renovated homes, when they become available, is significantly higher than the median home price for all of Burlington, North Carolina.^{56,57}

The discrepancy between the original intent of the village and its current direction is not necessarily a signal of a failed initiative on the part of Preservation North Carolina. PNC saw a problem with the deterioration of the village and took more of an interest in protecting its historic fabric than anybody had in the half-century since the closing of the mill. The new life breathed into the Glencoe mill village offers hope to an area that had been economically depressed for too long. Rather than being held up as the gold standard, however, the approach taken with Glencoe should be viewed as one option, of several, that communities can take for revitalization.⁵⁸ The problem with viewing the Glencoe project as the one and only solution is that it serves to perpetuate the idea that historic preservation is a worthwhile endeavor only for the wealthy and a means by which neighborhoods become gentrified, which can actually encourage people to actively oppose historic preservation efforts for fear of losing their communities. Although it cannot be said that the Glencoe mill village was gentrified, since all of the houses were

⁵⁵ The Glencoe Story, Glencoe Mill Village [Internet]; available from <http://www.presnc.org/GlencoeMill/story.htm>; accessed 20 February 2007.

⁵⁶ US Census: Median Price as of 2000 \$98,000; available from <http://www.census.gov>; accessed 1 March 2007.

⁵⁷ Recent prices for units in Glencoe \$200,000+; available from <http://www.presnc.org/GlencoeMill/property.htm>; accessed 1 March 2007.

⁵⁸ Preservation North Carolina believes that when the Glencoe project is completed “planners, preservationists, journalists and others interested in neighborhood revitalization will study Glencoe’s revival and how it can be replicated elsewhere.” Preservation North Carolina [Internet] available from http://www.presnc.org/buyproperty/central/Glencoe_Mill_Village/glencoe_current.html; accessed 20 February 2007.

vacant to begin with, the danger comes when trying to apply the same model of revitalization to communities experiencing less severe blight.

Preservation North Carolina should be applauded for taking an interest in a blighted area. Unfortunately, by focusing on the architecture, the true history of the place is forgotten. These houses were never meant to be celebrated for their beauty. Glencoe has been praised by preservation groups for its authentic mill village, and Preservation North Carolina believes that it can one day be a tourist destination on par with Old Salem.⁵⁹ However, by maintaining a village of immaculately renovated houses with manicured lawns, and relegating what life was actually like in the village to an on-site museum, the working class history of the place is lost.

Some critics have lamented communities like Seaside and Celebration, Florida where, “under the sign of historical authenticity, an elite class and race separatism is produced that has much more to do with the present than the past.”⁶⁰ Glencoe seems to be following a similar model. The difference is, whereas Seaside and Celebration are creating their communities from scratch and calling them authentic, Glencoe has taken a place that has a very rich history and turned it into something it never was, all in the name of historic preservation.

⁵⁹ Preservation North Carolina; <http://www.presnc.org/GlencoeMill/story.htm>; accessed 20 February 2007.

⁶⁰ Neil Smith, *Comment on David Listokin, Barbara Listokin, and Michael Lahr's "The Contributions of Historic Preservation to Housing and Economic Development": Historic Preservation in a Neoliberal Age*. *Housing Policy Debate*, Volume 9, Issue 3. (Fannie Mae Foundation, 1998), 483.

The Greenville County Redevelopment Authority
and the Mill Villages of Greenville, SC

Origin

Greenville, South Carolina's early development has been described as less like that of a city and more like a "loose collection of unincorporated mill villages joined by central business districts."⁶¹ The villages maintained a decidedly rural appearance. As a result, residents identified with their smaller communities, rather than the larger city in general. Strong senses of community were formed in these places, which had names like Dunean, Monaghan, Poe, Brandon, and Judson, after the companies that formed them. While the mills grew at such a rate that Greenville became known as the "Textile Center of the South",⁶² they were not immune to the decline of the textile industry during the middle part of the twentieth century. One by one, the mills halted operations, and employees were forced to find other means to support themselves. With the closing of the mills, the once active communities began to deteriorate.

Project Description

Seeing an opportunity for adaptive use of the mill villages, the Greenville County Redevelopment Authority (GCRA) began working on the houses to provide affordable housing opportunities for lower income citizens of the area.⁶³ Although the GCRA has

⁶¹ Hall et al, 116.

⁶² Official Website of Greenville, South Carolina [Internet]; available from http://www.greatergreenville.com/neighborhoods/historic_greenville.asp; accessed 27 March 2007.

⁶³ The GCRA was established in 1974 to serve as the county agency for providing safe and affordable housing for low- and moderate-income citizens.

been involved in some capacity with every mill village in Greenville County (excluding those within the City of Greenville itself), they do not focus on historic preservation per se, and actually tend to shy away from working with National Register districts because of the barriers that can arise. Their approach, rather, utilizes government subsidies to rehabilitate infrastructure and provide affordable homeownership opportunities. Hundreds of homes have been renovated in these revitalized communities, and neighborhood infrastructure has improved significantly.

The approach of GCRA focuses much more on sense of community. According to Bill Kohout, Operations Manager for GCRA, the first step in their involvement is to ensure that there is an organized neighborhood association that they can work with.⁶⁴ If no such group exists, GCRA will require that one is formed before work begins.

The work done by GCRA is typically divided equally among rehabilitation work and infill construction. If they are providing rehabilitation services to an area, they will offer these services to all members of the neighborhood. In areas of infill construction, new homes resemble the surrounding precedents in scale but are built entirely of lower-cost, modern alternatives to historic materials. Martin Livingston, Executive Director of GCRA believes that their mission requires that affordability take precedent over authenticity.⁶⁵

⁶⁴ Bill Kohout, interview by author, 23 March 2007, Greenville, South Carolina.

⁶⁵ Ben Cotton, "A Plan for the Village of Newry in Oconee County South Carolina" (Master's Thesis, Clemson University, 2006), 50.

Analysis and Conclusions

The approach being taken by the GCRA is entirely different than that of Preservation North Carolina's Glencoe project. GCRA sees the historic value in the villages but also sees the need for affordable housing in the area. Although the focus is not on historic preservation as it is traditionally conceived, an argument can certainly be made that by keeping these traditionally working class communities livable and accessible to lower-income residents, GCRA's work in Greenville is serving to preserve much more than PNC's work at Glencoe.

Some traditional preservationists might argue that important historic building fabric is being lost in the conversion to modern materials, and that it is necessary to maintain the integrity of the old materials to tell the story of the past. Implicit in this belief, however, is the idea that memory of a place or time is only related through its tangible qualities. Memory, however, encompasses much more than the built environment.

Authenticity, depending on how one views the word, may in fact not be sacrificed through GCRA's replacement of traditional building fabric. According to the *Nara Document on Authenticity*:

Depending on the nature of the cultural heritage, its cultural context and its evolution through time, authenticity judgments may be linked to the worth of a great variety of sources of information. Aspects of these sources may include form and design, materials and substance, use and function, traditions and techniques, location and setting, and spirit and feeling, and other internal and external factors.⁶⁶

⁶⁶ International Council on Monuments and Sites, *Nara Document on Authenticity*, Nara, Japan, 6 November 1994; available from http://www.international.icomos.org/naradoc_eng.htm; accessed 1 April 2007.

Rather than razing these traditional communities, and starting anew, GCRA is putting them back to work. By keeping traditionally working class areas available to working class people, the community spirit of these communities, and thus a sense of history, is preserved, perhaps even more so than if architectural fabric alone were retained.

The Globe Mill Village, Woonsocket, Rhode Island

Origin

The area known as the Globe Mill Village encompassed an area southeast of the Woonsocket Falls. Although mills occupied the site beginning in 1827, the acquisition of the property by area industrialist George Ballou in 1864 transformed the site greatly. Ballou constructed new worker housing and a new mill that stood “five stories tall, built of stone with 560 windows.”⁶⁷ The Globe mill was demolished in the 1940s, and the company housing began to fall into disrepair.⁶⁸

Project Description

In response to the numerous abandoned buildings throughout the city of 45,000 – evidence of the deterioration the area has experienced as a result of the mills’ closing – the City of Woonsocket has targeted some of the mill worker housing for revitalization. The Department of Planning and Development for the city, in cooperation with the Rhode Island Historical Preservation and Heritage Commission (out of the State Historic Preservation Office) targeted eleven specific houses. The Globe Mill Housing

⁶⁷ Woonsocket: My home town on the web [Internet]; available from <http://www.woonsocket.org/village.htm>.; accessed 24 March 2007.

⁶⁸ Ibid.

Rehabilitation Project focused on the combination of historic preservation and affordable homeownership opportunities.

Similar to the GCRA projects, government grant programs provided funding. The grant money was used for the rehabilitation work on the houses and provided each buyer with \$5,000 in assistance for closing costs and a down payment. The eleven houses were sold as duplexes, with an average cost of \$47,000 per unit. Currently, each duplex is arranged so that one of the units is owner occupied and the other provides rental income to the building's owner.⁶⁹

Analysis and Conclusions

The Globe Mill Village Rehabilitation Project seemingly finds the middle ground between the two previous case studies. The National Trust for Historic Preservation has spotlighted the development as a “Best Practice for Community Development” for multiple factors:⁷⁰

- The development restored one of the most blighted areas of Woonsocket.
- It provided homeownership opportunities in a city with a high percentage of renters (about 60% of the city's housing stock is rental units).
- The project provided rental income to the low-income homeowners to help cover monthly carrying costs.
- Mill housing from an historic period was preserved in an appropriate use.

⁶⁹ National Trust for Historic Preservation, *Rebuilding Community: A Best Practices Toolkit for Historic Preservation and Redevelopment*. (Washington, D.C.: National Trust for Historic Preservation), 46; available from http://www.nationaltrust.org/housing/Rebuilding_Community.pdf; accessed 25 March 2007.

⁷⁰ Ibid.

All of these issues certainly contribute to a successful project, but there are aspects of the revitalization that could be cause for concern. The City of Woonsocket, as the Participating Jurisdiction (PJ) dispensing the HOME funds did not impose any type of resale restrictions. Because of this, homeowners are only minimally restricted on resale value, and long-term affordability is not required.⁷¹ Once the units end up on the open market, it is likely that affordability will be lost. The benefit for the eleven homeowners in this instance is great, but the loss of the units to the speculative market means a loss of affordable housing opportunities for the greater community.

Long-term affordability, while not preferred by every jurisdiction, is an option that communities can choose to actively combat displacement and gentrification. This can be accomplished through a number of programs and alternatives. A lengthier discussion of these options occurs in Chapter Seven.

Conclusion

The approaches taken to the treatment of these mill villages represent lessons from which similar communities can learn. While the Glencoe mill village project can be classified as focusing solely on the building fabric, with no regard for maintaining affordability, it can also be said that the GCRA takes the opposite approach. The latter is far more concerned with providing homeownership opportunities to lower income individuals and families than with maintaining historic building characteristics. The Globe Mill Village Rehabilitation project, in Woonsocket, Rhode Island successfully bridges the gap between both present affordability and preservation but will soon face an

⁷¹ U.S. Department of Housing and Urban Development. Building HOME program requirements; available from <http://www.hud.gov/offices/cpd/affordablehousing/library/building/ch04.pdf>; accessed 22 March 2007.

affordability issue, as the units have minimal limitations as to how long they must remain affordable.⁷²

As to the appropriateness regarding each individual site's interpretation, that is somewhat more ambiguous. The only one of the three that has a plan for any type of formal interpretation is the Glencoe project. Perhaps formal interpretation is most necessary in Glencoe because its current direction is farthest from its historical intent. GCRA and Woonsocket could benefit from interpretive signage, but the act of providing housing for lower-income, working class people places these developments closer to their historical condition and demands less interpretation.

The absence of functioning mills (specifically functioning textile mills) means that none of these places will ever again exist in their original form. Therefore, it is necessary to decide which direction and approach is more suitable for future use. The economic benefits of the redevelopment of Glencoe have yet to be seen. However, in Greenville and in Woonsocket, maintaining affordability, if not authenticity, means that these communities can again serve another generation of the working class.

⁷² HOME grants limit resale potential for anywhere between five and twenty years.

CHAPTER 5

DESCRIPTION AND ANALYSIS OF FINANCING OPPORTUNITIES FOR PRESERVATION AND REVITALIZATION EFFORTS

Each of the case studies presents an opportunity to discuss the programs that contributed funding to them. Glencoe relied most heavily on private investors, who utilized the North Carolina 30% rehabilitation tax credit, while both GCRA's work, and the work completed in Woonsocket, Rhode Island demonstrate the use of government grant money available for lower income residents. Each of these methods requires further discussion as to their strengths and weaknesses in the larger picture of the rehabilitation of historic properties, and how they might be used to help fund preservation and rehabilitation efforts within mill villages to provide affordable housing.

Tax Credits

The Glencoe mill village was completed through cooperation with private investors who purchased the homes under an agreement that they would rehabilitate them. To offset some of the associated costs, many of the homes took advantage of the rehabilitation tax incentives offered for historic preservation efforts. These tax incentives are the primary incentive given by federal and state governments for the encouragement of historic preservation efforts.⁷³ Their use in the Glencoe mill village project highlights

⁷³ Listokin & Listokin (2001), 9.

some of the inherent flaws with the program in relation to the creation of affordable housing.

Federal Tax Incentives

The federal tax credits for rehabilitation, in their current form, were created by the Tax Reform Act of 1986.⁷⁴ Included in this legislation are both the 20% and 10% Federal Historic Rehabilitation Tax Credits (HRTCs) and the federal income tax incentive for easement donation.⁷⁵ Each of these incentives is discussed below.

The 20% Federal Rehabilitation Tax Credit

Eligible buildings include those listed individually on the National Register and buildings that contribute to a National Register historic district. To qualify, the rehabilitated buildings must be income-producing facilities, such as offices, stores, apartments or condominiums. The rehabilitation must be certified by the National Park Service as having adhered to the Secretary of the Interior's Standards for Rehabilitation, and a minimum expenditure must be made for the project to qualify.⁷⁶

⁷⁴ Some initial tax credits for historic preservation were formed by the 1976 Tax Act. The Economic Recovery Tax Act (ERTA) of 1981 significantly increased the benefits available for rehabilitation projects. The Tax Recovery Act of 1986 is a result of amendments made to the ERTA.

⁷⁵ Material provide on the federal tax legislation is largely summarized from the national trust publication A Guide to Tax-Advantaged Rehabilitation. Jayne F. Boyle, Stuart Ginsberg and Sally G. Oldham revised by Donovan D. Rypkema (2002).

⁷⁶ Costs must exceed the adjusted basis of the building, which is the purchase price, minus the cost of land, plus the value if improvements made, minus depreciation already taken, or \$5,000, whichever is greater.

The Secretary of the Interior's Standards for Rehabilitation are:

1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
2. The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
3. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.

10% Federal Rehabilitation Tax Credit

This credit applies to buildings built before 1936 that are not listed on the National Register individually or as a part of a registered district. These are reserved for income-producing, nonresidential structures, and the minimum expenditure is the same as for the 20% federal tax credit. Unlike the 20% credit, however, because the buildings affected by this credit are not listed on the National Register, there is no formal SHPO or NPS review involved, although the project must pass a specific physical test for retention of physical framework.⁷⁷

Federal income tax incentive for preservation easement donation

Easements are available independent from listing on the National Register. By transferring an easement to a government or non-profit organization, the owner is

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4. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
 5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
 6. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
 7. Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
 8. Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
 9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
 10. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

⁷⁷ Known as a “wall test” the rules regarding the retention of physical structure are as follows: 1. At least 50% of the building’s walls existing at the time the rehabilitation began must remain in place as external walls at the work’s conclusion. 2. At least 75% of the building’s external walls must remain in place as either external or internal walls. 3. At least 75% of the building’s internal structural framework must remain in place.

promising to keep the integrity of the features covered by the easement. Under a typical preservation easement, if an alteration is to be made, the owner of the home must get consent from the holder of the easement. The benefits of easement donation come in the form of income- or estate tax deductions, and vary based on property values and the strictness of the easement. No minimum expenditure is required, but there is a large commitment from the donee organization to enforce the requirements.

State Tax Incentives

Each state has different legislation, beyond the federal legislation, which provides additional incentives for the preservation and rehabilitation of historic structures. In South Carolina, the incentives include a 10% state historic rehabilitation tax credit, a 25% state historic rehabilitation tax credit (both of which are part of the South Carolina Rehabilitation Incentives Act), and an allowance for a local property tax abatement in instances involving participating jurisdictions.⁷⁸ Additionally, new legislation entitled the South Carolina Textiles Communities Revitalization Act was passed in 2004 and provides incentives for investment in abandoned manufacturing facilities.

10% state historic rehabilitation tax credit

This credit is available for any project that meets the qualifications for the 20% federal tax credit. Under this rule, an additional 10% of qualified expenditures can be deducted from the state income taxes. Because the same rules apply to the state credit as

⁷⁸ Each state has different legislation for the state rehabilitation tax credits. For instance, North Carolina, where the Glencoe project was completed, has state legislation authorizing a 20% additional credit for income-producing buildings and a 30% credit for owner-occupied rehabilitations. The information presented here about South Carolina is largely summarized from the South Carolina State Historic Preservation Office's website; available from <http://www.state.sc.us/scdah/hphistorichomestax.htm>; accessed 24 January, 2007.

apply to the federal credit, no additional application procedure is required. Similar to the federal tax credits, the building must be owned and used to produce income for a period of at least five years or the credit will be subject to recapture.

25% state historic rehabilitation tax credit

As opposed to the 20% and 10% federal tax credits, as well as the 10% state tax credit, this 25% rehabilitation tax credit is available for work on owner-occupied structures. The project must be pre-approved by the State Historic Preservation Office (SHPO) and must adhere to the Secretary of the Interior's Standards for Rehabilitation. To qualify, the building must be listed on the National Register of Historic Places, contributing to a National Register listed historic district, determined by the SHPO to be eligible for inclusion in the National Register, or be an outbuilding of a National Register listed or eligible property that contributes to its significance. Beyond the above qualifications, the allowable expenditures for the project must exceed \$15,000 over a period of thirty-six months. Allowable expenditures include, but are not limited to, preservation and restoration work done to the exterior of the structure, repair and rehabilitation of historic structural systems, restoration to interior historic plaster work, energy efficiency measures, repair or installation to HVAC systems, and architectural or engineering fees.⁷⁹

Local Property Tax Abatement

South Carolina's property tax abatement program is opt-in for local governments; those communities that choose to offer abatement do so by a preservation ordinance

⁷⁹ South Carolina State Historic Preservation Office.

passed by their local government. The incentive provided is that the rehabilitated property is assessed at pre-rehabilitation market value for a length of time established by the ordinance. Qualification for the abatement, as well as the benefit provided, is entirely contingent on the rules established in the authorizing ordinance.

South Carolina Textiles Communities Revitalization Act

This incentive is intended to encourage reinvestment in the textile mill buildings that supported the South Carolina economy for so long. The credit offered is a reduction of local property taxes, or state income taxes, equal to 25% of the rehabilitation costs. The owner can choose the credit that best suits his or her individual situation. Buildings that qualify for the credit are “abandoned mill buildings formerly used for textile manufacturing or for ancillary uses.”⁸⁰ There is no designation for how the rehabilitated building must be used.

Analysis of the HRTC

The federal Historic Rehabilitation Tax Credit (HRTC) program is touted by many as being a successful tool that communities can use to promote historic preservation. With regards to affordable housing, however, the program is problematic on multiple levels. For instance, the HRTC requires that the project adhere to the Secretary of the Interior’s Standards for the Treatment of Historic Properties. The costs that adherence to these standards can add can be prohibitive.⁸¹ The revised statement on affordability from the Advisory Council on Historic Preservation encourages flexibility

⁸⁰ South Carolina Textiles Communities Revitalization Act, Section 6-32-10, et seq. (1976)

⁸¹ Listokin and Listokin (2001), 116.

with regards to the interpretation of the Secretary's standards, but in the end it is up to the reviewing authority as to how the rules are interpreted.

An additional limitation to the HRTC as it is currently operated is the requirement that the rehabilitation be "substantial." Requiring that project expenditures exceed the adjusted basis of the building essentially eliminates selective rehabilitation efforts in favor of large-scale projects. Selective rehabilitation could include spot repairs on rotten siding, rather than wholesale replacement of *all* siding. Peter Werwath, Senior Program Director at the Enterprise Foundation argues that "contrary to popular opinion, selective rehabilitation can be just as reliable and durable as substantial rehabilitation when buildings are suited to this purpose and correct practices are used."⁸²

A third limitation to the creation of affordable housing units with the HRTC program is that it does not work well with Low Income Housing Tax Credit (LIHTC). In its current form the eligible basis for computing the LIHTC must be reduced by the amount of HRTC benefit received. Therefore, the incentive for creating affordable units is limited. The result is that the federal government's primary incentive for historic preservation and the primary incentive for the creation of affordable housing work against each other rather than in concert. To their credit, preservation advocates support a change in this legislation. In 2007, a bill was introduced into the House of Representatives that, among other changes, proposed eliminating the reduction of benefits received when the two programs are used together.⁸³

⁸² Peter Werwath, "Comment on David Listokin, Barbara Listokin, and Michael Lahr's "The Contributions of Historic Preservation to Housing and Economic Development" *Housing Policy Debate*, Volume 9, Issue 3. (Fannie Mae Foundation, 1998), 493.

⁸³ H.R. 1043, 110th Cong., 1st Sess. (2007).

Perhaps the most problematic element of the HRTC program, however, is that the majority of the benefits are only applicable to income-producing buildings, which places them out of reach for people with limited means and divorces them from owner-initiated projects. There have been efforts in the past to have the federal law changed to apply to owner-occupied structures, including the proposed but not enacted Historic Homeowners Assistance Act of 1997⁸⁴, the purpose of which was “to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.”⁸⁵ Unfortunately, this legislation has not passed. Charles Rangel, a Democratic congressman from New York led the opposition to the bill claiming that the legislation promoted gentrification.⁸⁶ According to Donovan Rypkema, “homeownership is widely seen not only as the fulfillment of the American Dream, but as a crucial component of building household wealth, stabilizing neighborhoods, increasing citizen participation, improved property maintenance” and other benefits.⁸⁷ Without a change in legislation authorizing the tax incentive program, lower-income citizens are only going to benefit from the program if a developer decides to complete a project for them, which prohibits citizens from empowering themselves.

⁸⁴ The Historic Homeowners Assistance Act was one iteration of a bill that had originally been introduced in the 103rd Congress (1994) by Texas Democrat Michael Andrews. A version of this bill has been introduced and defeated in every Congress since, with the exception of the 108th.

⁸⁵ H.R. 1172, 106th Cong., 1st Sess. (1999).

⁸⁶ Interestingly, Congressman Rangel was a co-sponsor of an early version of the bill but was unhappy with the final draft.

⁸⁷ Rypkema, 3.

According to Patrick Lally, Director of Congressional Affairs for the National Trust for Historic Preservation, of the 170,000 units created with the HRTC program, 60,000 were classified as affordable.⁸⁸ While this may initially seem like a high proportion, it means that nearly two-thirds of the federal tax credits that have been used for residential rehabilitations have gone to projects that were affordable only for people with higher levels of income. This data suggests that the HRTC is currently being utilized in such a way as to have the consequence, intended or not, of promoting historic fabric over people where the idea of “community” is sacrificed for the sake of higher profit and a stock of nicely preserved buildings. Until the legislation can be changed to encourage both a smaller required investment and rehabilitations completed by homeowners, the benefits are likely to remain largely skewed towards wealthier recipients. In their current form, the HRTCs represent a “circuitous means of providing affordable housing that would be more effectively delivered through direct subsidy.”⁸⁹

Other Funding Opportunities

Luckily, historic preservation and rehabilitation efforts can happen independently of tax incentive financing. The case studies of both the GCRA and Woonsocket, Rhode Island demonstrate that other funding methods can serve to bridge the gap between

⁸⁸ Patrick Lally, Director Congressional Affairs, The National Trust for Historic Preservation. Statement “Tax Incentives for Community Revitalization through Historic Preservation,” U.S. House of Representatives. Saving America’s Cities Working Group. June 28th, 2005 available from http://www.nationaltrust.org/advocacy/case/Patrick_Lally_Testimony.pdf; accessed 2 March 2007.

⁸⁹ Smith (1998), 479.

preservation and affordable homeownership opportunities.⁹⁰ What follows is a list of grants and alternative funding sources that communities can use to promote preservation of historic resources while being mindful of affordability issues. Some of the programs that follow were used in the GCRA and Woonsocket case studies, while others represent additional sources that can be tapped.

- **Community Development Block Grant (CDBG) program:** The largest source from which communities can draw for redevelopment efforts, and one that was utilized in both case studies, is the CDBG program. Established under Title I of the Housing and Community Development Act of 1974, the program's intent is to "create viable communities by providing funds to improve housing, the living environment, and economic opportunities, principally for persons with low and moderate incomes."⁹¹ Seventy percent of CDBG funds are automatically distributed to cities with 50,000 or more residents, with the remainder allocated for rural areas. Additionally, seventy percent of the money received by a jurisdiction must be spent to benefit people with low and moderate incomes.
- **HOME Investments Partnership Program:** Another program utilized by both GCRA and Woonsocket is the HOME fund grant program, which is designed to expand the supply of decent affordable housing for lower income people. The program is administered by the U.S. Department of Housing and Urban Development

⁹⁰ The Low Income Housing Tax Credit (LIHTC), while it is the federal government's largest incentive for the creation of affordable housing, is only available for rental units. Because this section deals specifically with incentives for owner-occupant initiated projects, the LIHTC will not be discussed.

⁹¹ U.S. Department of Housing and Urban Development, Community Planning and Development, Community Development Block Grant Program- CDBG [Internet]; available from <http://www.hud.gov/offices/cpd/communitydevelopment/programs/>; accessed 22 March 2007.

(HUD). Home grants can be used to assist buyers with acquisition, construction, and rehabilitation costs.⁹²

- **Rural Housing and Economic Development (RHED) Grants:** These grants can provide funding for groups on two different levels, known as Capacity Building and Support for Innovative Housing and Economic Development Activities. Capacity Building money can be used to hire and train staff, update software and other tools, develop accounting systems, conduct asset inventories, develop strategic plans, and seek technical assistance. Support for Innovative Housing and Economic Development Activities money can be used to prepare plans and architectural drawings, provide infrastructure, and purchase materials. In addition, this money can be used to cover construction-related expenses including the acquisition of land, the demolition of property, and payment of labor.⁹³
- **National Preservation Endowment Fund:** Matching grants to non-profits ranging from \$500-\$5,000 which can be used to provide assistance to preservation efforts ranging from planning and fundraising to architecture and engineering.⁹⁴
- **Self Help Homeownership (SHOP):** SHOP allows homeowners to contribute “sweat equity” to reduce the cost of homeownership.

⁹² U.S. Department of Housing and Urban Development, Community Planning and Development, Home Investment Partnership Program [Internet]; available from <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/>; accessed 22 March 2007.

⁹³ U.S. Department of Housing and Urban Development, Community Planning and Development, Rural Housing and Economic Development Program [Internet]; available from <http://www.hud.gov/offices/cpd/economicdevelopment/programs/rhed/>; accessed 22 March 2007.

⁹⁴ National Trust for Historic Preservation [Internet]; available from <http://www.nationaltrust.org/funding/nonprofit.html>; accessed 17 March 2007.

- **The Homeownership Zone Program:** This program allows communities to reclaim vacant and blighted properties, increase homeownership, and promote economic revitalization.
- **Housing Trust Funds:** About 150 states and localities have established housing trust funds. These public funds can be established by law at the national, state, or local level and perpetuated by ongoing revenues from dedicated sources of funding such as taxes, fees, or loan repayments.⁹⁵
- **Tax Increment Financing (TIF):** Used for infrastructure improvements and other site improvements, TIF directs the additional revenue that will be generated by new development in an area directly to that area, rather than back into the city's general revenue stream. It provides an excellent method of financing needed infrastructure improvements.⁹⁶
- **Infrastructure Finance Districts (IFD):** Homeowners living in an IFD are assessed a fee that is used to finance infrastructure improvements in their community. An IFD is similar to a TIF district, except that homeowners fund the improvements.

While these represent some of the more highly utilized public programs, there is a multitude of other funding opportunities that communities can use to promote preservation and neighborhood revitalization. While the GCRA and Woonsocket initiatives were highlighted because of their history as mill villages, other examples exist throughout the country where communities have used non-HRTC federal funding

⁹⁵ Mary E. Brooks, "Housing Trust Funds," in *The Affordable City*, ed. John Emmeus Davis (Philadelphia: Temple University Press, 1994), 246.

⁹⁶ Craig L. Johnson and Joyce Y. Man, *Tax Increment Financing and Economic Development: Uses, Structures, and Impacts* (Albany: State University of New York Press, 2001), 22.

to promote the nexus of affordable housing and historic preservation. Notable examples of this are the Savannah Landmarks Foundation's affordable housing initiatives in Savannah, Georgia, the Urban Reclamation Program in Covington, Kentucky, and work completed in the historic Manchester area of Pittsburgh, Pennsylvania.

While these programs offer options for community initiated rehabilitation, the process of applying for, receiving, and utilizing the funds can be difficult. Familiarity with grant programs and other sources for leveraging finances is imperative to the success of rehabilitating historic resources for affordable housing opportunities. Cooperation with a local government or Certified Housing Development Organization (CHDO) helps to ensure compliance with grant requirements.

CHAPTER 6

NEWRY MILL VILLAGE, OCONEE COUNTY SOUTH CAROLINA

The Newry mill village, located in the upstate of South Carolina, is currently facing many of the issues that the case study communities have dealt with. A lack of economic vitality, caused initially by the closing of the mills and spurred on by a lack of investment in the area in the successive years, has caused the area to suffer and the buildings to deteriorate. The approaches taken to the treatment of these mill villages represent lessons from which Newry can learn. While the Glencoe mill village project can be classified as focusing solely on the building fabric, with no regard for maintaining affordability, it can be said that the GCRA takes the opposite approach. They are far more concerned with providing homeownership opportunities to lower income individuals and families than they are with maintaining historic building characteristics. The Woonsocket, Rhode Island mill village project successfully bridges the gap between both affordability and preservation, but will soon face an affordability issue, as the units have minimal limitations as to how long they must remain affordable. As Newry moves forward with community revitalization efforts, there is an opportunity to try to blend some of the best practices from all of these models, while working towards a model of a more sustained affordability:

History: 1873-1975

The village of Newry, in Oconee County, South Carolina was founded by William Ashmead Courtenay. Courtenay was born February 4, 1831 to a family of Irish immigrants who had lived in America since the late eighteenth century. His father had moved to Charleston, SC from Newry, Ireland in 1791. The younger Courtenay was a successful businessman in Charleston, a Captain in the Washington Light Infantry, and eventually mayor of Charleston for eight years, from 1879-1887.⁹⁷ Courtenay's leadership was crucial during that time and is memorialized in the inscription on a monument to him in Charleston's city hall: "As chief magistrate, he administered the government with firmness, impartiality, and success, even amid the disasters of cyclone and earthquake, signally illustrating the safe maxim that 'public office is a public trust'."

After his service as mayor, Courtenay looked to the upstate to expand his business opportunities. Textile manufacturing was booming in the area and on April 21, 1893 the South Carolina secretary of state issued a charter to William Ashmead Courtenay and his associates (Francis Pelzer, William B. Whaley, R.C. Rhett, W.B.S. Heyward and John C. Cary) for the establishment of "a factory in Oconee County for the manufacturing, spinning, dying, printing, and selling of all cotton and woolen goods."⁹⁸

The mill building, designed by W.B. Smith Whaley, was constructed beginning in 1893.⁹⁹ By 1894, construction on the mill was complete and the village, which Courtenay

⁹⁷ The Washington Light Infantry was Charleston's militia. As a member, Courtenay saw significant action at the First Battle of Bull Run, Fredericksburg, Gettysburg, and Chickamauga. "Tribute to Captain Courtenay: Washington Light Infantry Adopts Resolutions on Death of Former Commander." News and Courier (Charleston), April, 1908.

⁹⁸ Hembree, 10.

⁹⁹ United States Department of the Interior Heritage Conservation and Recreation Service, National Register of Historic Places Inventory- Nomination Form, Newry Historic District. March 19, 1982;

named Newry after his ancestral home in Ireland, was housing the first of scores of people that would work in the mill.¹⁰⁰ The houses in the village were completed by 1910. While the majority of workers were housed in two story, wood-frame saltboxes which each functioned as a two family duplex, other housing types existed, including more elaborate homes built for supervisors and managers.¹⁰¹

Compared to many other mill villages, Newry received some modern conveniences early on. Electricity and a water-flowing sewer system were installed by the first part of the twentieth century, and by 1941 every home had indoor toilets and running water.¹⁰² Other conveniences that the village offered, like the school, church, and company store, stood in stark contrast to the lives on the farms that many early workers were leaving behind.

Not surprisingly, people who lived in the Newry village while the mill was still in operation fondly remember the family-like quality of life there. The mill provided work, and the houses provided shelter, but the aspect of community shines through. Interviews completed by Mike Hembree for *Newry: A Place Apart* show this: “If you left some windows or doors open and it started to rain, some of the neighbors would come and close them. People looked out for each other.” (p. 80) and “We used to go from house to house visiting. I guess there aren’t many houses down there I haven’t eaten a biscuit in.” (p. 41)

available from <http://www.nationalregister.sc.gov/ocone/S10817737008/S10817737008.pdf>; accessed 22 November 2006.

¹⁰⁰ Work would not be complete on the village until 1910. Hembree, 2.

¹⁰¹ Cotton, 22.

¹⁰² Hembree, 26.

Although the mill ceased operations in 1975, the village remains an outstanding example of a turn-of-the-century South Carolina textile mill village.¹⁰³ Newry was listed on the National Register of Historic Places in 1982, and has seen the surrounding area's population increase mightily as the shorelines of nearby Lakes Keowee and Hartwell have been developed. As the surrounding areas continue to grow, Newry will likely be faced with development pressures, and planning for the next step is vitally important.

Current Situation

Approximately sixty thousand people live in Oconee County, where Newry is located, and the figure is expected to reach one hundred thousand by the year 2030.¹⁰⁴ The added population will bring with it an increased need for housing, roads, and other community infrastructure. In order to provide for the growth that Oconee County is experiencing, while preserving the aspects of the area that make it unique, future growth needs to happen according to a plan, as opposed to haphazard development. At this time, however, Oconee County has no such provision.

Currently on the books in the Oconee County Planning Office are five separate ordinances related to land use, but no unified zoning map addressing plans for the future. The ordinances on the books are laid out in a document titled *Oconee County Unified Performance Standards Ordinance: Regulations Governing Sexually Oriented Businesses, Airport Height Standards, Communications Towers, Group Homes and Group Developments*. It would stand to reason that these are the main problems that Oconee County is experiencing, as the county planning office sees them.

¹⁰³ Newry National Register nomination.

¹⁰⁴ Oconee County (SC) Planning Commission, Oconee County Comprehensive Plan 2004, 9.

The county's lack of a unified zoning map places Newry in a difficult position. Certainly as the County moves forward, zoning regulations should be discussed as a method of controlling growth and monitoring change. As more of the land along the surrounding lakeshores becomes developed, Newry's cheap housing costs and close proximity to the lakes are likely to make it an attractive area for outside investment.¹⁰⁵

Current Conditions in Newry

Newry has suffered many of the problems commonly seen in other mill villages. Although a majority of the original houses still exist, they are in various states of repair. In order to plan for the future of Newry, it is necessary to have a grasp of the current state of the village. Documentation of historic resources is one of the key components of a more comprehensive assessment.¹⁰⁶ In December of 2006, a conditions assessment survey was completed in which each house was documented and was assigned a conditions grade.¹⁰⁷

The survey showed that, while many of the houses in the area show signs of deterioration, only a very small percentage of the houses could be considered dilapidated.¹⁰⁸ A majority of the homes, while in need of cosmetic work, were only in minor structural disrepair. Many of the houses have received non-historic treatments over the years. The most common of these are the additions of vinyl siding and asphalt

¹⁰⁵ The average building costs listed on building permits in Oconee County is \$240,000, while the average price of residential real estate in Newry, as of the 2000 Census was \$37,500. Cotton, 23.

¹⁰⁶ National Trust for Historic Preservation, *Rebuilding Community: A Best Practices Toolkit for Historic Preservation and Redevelopment*. (Washington, D.C.: National Trust for Historic Preservation), 7.; available from http://www.nationaltrust.org/housing/Rebuilding_Community.pdf; accessed 27 March 2007.

¹⁰⁷ See Appendix A: Conditions Assessment Samples and Methodology.

¹⁰⁸ See Appendix A for specific conditions definitions.

shingles. While not historic, it is these additions that have probably contributed to the fact that a majority of these houses are still standing. Maintaining a roof, even a non-historic one, on a building is imperative to that building's longevity. Of the buildings surveyed, the ones in the worst condition were those with either original wooden clapboards or original wooden shingled roofs. Admittedly, a more in-depth inspection would be necessary to gain a fuller understanding of structural issues with the houses, but the survey functions as a needed first step.

Despite the deterioration, Newry has retained enough of its character to maintain a sense of place. The extant houses, small lots, and narrow streets allow it to retain its feeling of a village. While the argument will continue as to whether or not modern materials have a place in a historic area, the remaining houses present a compelling argument for maintaining a historic scale.

Recommendations

Historic Overlay District

Ben Cotton addressed Newry's need to plan for future growth in a 2006 thesis written for the Clemson University City and Regional Planning program. One of the suggestions made in the thesis is the idea of a historic overlay, which could be applied to Newry as an added measure to preserve historic character.¹⁰⁹ Historic overlay districts are superimposed on the underlying zoning, if any is present. They can also be used when the area in question establishes itself as a Neighborhood Conservation District. As

¹⁰⁹ Cotton, 55.

defined by the National Trust, a Neighborhood Conservation District (also known as a Residential Conservation District) is:

A special type of conservation district that focuses exclusively or primarily on residential properties. They are both similar to and different from local historic districts. While the desire and commitment toward the preservation of a community's physical attributes rest at the heart of both programs, neighborhood conservation district programs tend to focus more on preserving community character than preserving historic fabric.¹¹⁰

The neighborhood conservation district program is generally reserved for communities that do not qualify for inclusion in the National Register, but it is possible that the teeth of an additional ordinance could protect against insensitive development. Because the National Historic Preservation Act Section 106 review process is not triggered unless there is a federal undertaking, there is nothing currently preventing a developer from buying up all of the housing stock in Newry and demolishing it, provided he or she did not use federal money to do so. An historic overlay or neighborhood conservation district would allow the County to regulate the changes to Newry's historic fabric by using the guidelines set forth in the accompanying preservation ordinance.¹¹¹ As part of the ordinance, an amended set of preservation standards could be applied to the Newry district that encouraged sensitive renovations, while still making concessions to affordability issues.¹¹²

¹¹⁰ Julia Miller, *Protecting Older Neighborhoods through Conservation District Programs* (Washington, D.C.: National Trust for Historic Preservation, 2004), 1.

¹¹¹ Appendix B- Annotated Preservation Ordinance for Newry.

¹¹² Although not the focus of this thesis, redevelopment of the mill complex is going to be crucial to the resurgence of Newry. While it is unlikely that it will ever again be a textile manufacturing facility, a sensitive redevelopment of the mill could be the anchor in a mixed-use revival of the village. While affordability should be stressed as part of any redevelopment, it needs to be as a part of a more economically integrated development.

Newry as a provider of workforce housing

As investment takes place in Newry, there is an opportunity to honor the working-class, community spirit of the place by focusing part of the revitalization on the creation of housing for the workforce. Newry's location makes it a good candidate for the development of a workforce-housing model. Although still somewhat isolated, it is within a reasonable distance of some of the area's largest employers. Oconee Memorial Hospital is 4.4 miles away, Clemson University is five miles away, and several of the area's elementary, middle, and high schools are located within five miles as well. Additionally, the Clemson Area Transit system already offers free bus service to the Seneca area, including areas very close to Newry. Extension of this service into the village would seem to pose little problem.

Revitalization that focuses on affordability, however, only accomplishes so much if the area eventually gentrifies. While an historic overlay would add a needed measure of protection against insensitive design decisions in Newry, an additional measure is likely necessary to prevent displacement. In order to encourage a more long-term solution to the affordability issue in Newry, as well as in other working class areas, it is necessary to re-examine traditional views of ownership at this point.

CHAPTER 7
RE-EXAMINING TRADITIONAL VIEWS OF
HOMEOWNERSHIP: SHARED EQUITY

One of the most promising tools that can serve to bridge the gap between historic preservation efforts and affordable housing is the shared equity housing model. In these ownership arrangements, owners enter into agreements that limit the amount of equity they can gain on the sale of their houses. In this sense, they make housing less of a speculative investment and ensure its affordability for a longer term.

Shared equity housing is a tool that has been successfully used to create affordable housing in many communities throughout the United States. Despite its success in providing housing in diverse markets and in many different ways (new construction, rehabilitation, apartments, detached houses, etc.), the shared equity model still only makes up about one-quarter of one percent of all housing. George McCarthy, program officer for the Ford Foundation, has urged land-trust advocates to set a goal of twenty-five percent in the first quarter of this century.¹¹³

Clearly twenty-five percent of the total housing stock is a lofty goal for shared equity housing models. Before that goal can be reached, the general public should be made more aware of these options and the benefits they offer. Part of the problem to date has been that the idea of shared ownership is so foreign to most Americans. Much

¹¹³ Bob Keeler, "A man on a MISSION: a lifetime of experience has convinced Bob Mulvey that land trusts are the route to affordable housing," *Newsday*, 21 January 2007, G06.

research has been done on the subject; however that makes a strong case for adoption of these models as sound housing policy.¹¹⁴

The three main types of shared equity housing are deed restricted homes, limited equity cooperatives, and community land trusts. Also called “resale-restricted, owner occupied housing” and “non-market models of homeownership,” each of these methods of homeownership has different provisions that keep housing affordable.¹¹⁵ To use the popular “bundle of sticks” analogy, these approaches to homeownership each sacrifice some of the individual sticks in order to make homeownership more attainable to more people.¹¹⁶ Variations exist upon these three main models, but they are the standards on which others are based.

Deed Restricted Homes

A deed-restricted agreement makes homeownership opportunities available to people through the sale of multiple housing types, including detached houses, attached duplexes, townhouses, and condominiums. It is important to note that deed-restricted housing communities do not always have affordability as a mission.¹¹⁷ When affordability is targeted as the main goal for a deed restricted community, it is guaranteed

¹¹⁴ Most notable among the research is that carried out by the Institute for Community Economics and the National Housing Institute.

¹¹⁵ John Emmeus Davis, *Shared Equity Housing: The Changing Landscape of Resale-Restricted, Owner-Occupied Housing* (Montclair, NJ: National Housing Institute, 2006), 18.

¹¹⁶ Property law often uses the analogy of a “bundle of sticks” in reference to property ownership, with each stick in the bundle representing a separate right in the property.

¹¹⁷ Some deed-restricted communities have restrictions on any type of change a homeowner wants to make, including general improvement, development, alteration, landscaping, repair, and restoration.

through a restrictive covenant that is placed on the deed to the home.¹¹⁸ While the owner of a shared equity home possesses the deed to his or her house, he or she does not have all of the rights commonly associated with homeownership. The covenant restricts both to whom the homeowner is allowed to sell, based on income requirements, as well as for how much they are allowed to sell. In addition to the deed for the house, owners of deed-restricted homes may also own the land on which their home sits.¹¹⁹ This is in contrast to some of the other shared equity models of homeownership, including the community land trust, which will be discussed in more detail later. With regards to the usage of their property, homeowners of deed-restricted housing focused on affordability are required to use the property as their primary residence. Beyond that, they are allowed to alter their property and make improvements as they see fit, realizing that re-sale restrictions will limit their return on investment.

Limited Equity Cooperatives

Best suited for multi-family housing units, the limited-equity cooperative is generally created as a condition of the initial sale or transaction. Housing co-ops exist on three levels in the United States: the market-rate co-op, the LEC, and the zero-equity co-op.¹²⁰ LECs are best-suited for affordable housing opportunities and represent a form of affordable housing in which resident-members exercise considerable control over their

¹¹⁸ David M. Abromowitz, “An Essay on Community Land Trusts: Toward Permanently Affordable Housing,” in *Property and Values: Alternatives to Public and Private Ownership*, ed. Charles Geisler and Gail Daneker (Washington, D.C.: Island Press, 2000), 217.

¹¹⁹ John Emmeus Davis, *Shared Equity Housing: The Changing Landscape of Resale-Restricted, Owner-Occupied Housing* (Montclair, NJ: National Housing Institute, 2006), 18.

¹²⁰ *Ibid.*, 23.

housing environment, primarily through self management and selection of members.¹²¹ Membership in an LEC is much like owning stock in a company. Co-op members do not have ownership interests in the real property. Rather, the property is owned by a corporation created under state law; owning shares of that corporation is what gives a person the right to occupy a unit in the building.¹²²

Community Land Trusts – The Best-suited Option

The community land trust (CLT) model was developed by the Institute for Community Economics as a way for communities to retain long-term control over the use and allocation of their land.¹²³ CLTs are dual-ownership models in which one party owns the deed to a parcel of land, and another holds the deed to a residential building that is located on the land.¹²⁴ The primary goal of this ownership arrangement is to hold the land permanently for the benefit of the community. Although many different building types can be managed through a CLT, affordability is the principal goal for all of them. Through a ground-lease, the use of land, and any buildings on the land, is conveyed to individual owners; essentially, the CLT consists of privately owned homes on community owned land.

The Community Land Trust is distinctly different from the similarly named conservation land trust; however, it is the tenets of the conservation land trust upon which

¹²¹ The Role of LECs in Providing Affordable Housing. P. 469. Thomas J. Miceli, Gerald W. Sazama, and C.F. Sirmans

¹²² The Enterprise Foundation, Enterprise Research Database, “Alternative Financing Models- Hybrids of Homeownership Limited Equity Cooperatives.”; available from <http://www.practitionerresources.org/cache/documents/19613.doc>; accessed 20 March 2007.

¹²³ Belden & Wiener, 187.

¹²⁴ Davis (2006), 18.

the CLT is based. The primary goal of the conservation land trust is to protect unspoiled land from development.¹²⁵ To this end, they use protective easements to limit actions on the land. Easements have been used to protect land in the U.S. since 1880, when the first one was written to protect Frederick Law Olmsted-designed parkways in and around Boston, Massachusetts.¹²⁶ The restrictions placed on the land via conservation easements have a similar effect to what resale restrictions have on CLT owned property. Essentially, in both instances, restricted use of the property serves to de-commodify it, making it less vulnerable to speculative investment.

CLTs are designed to work within a specific geographic area, referred to as the CLTs “affected area,”¹²⁷ and are set up to be independent, not for profit, 501(c)(3) ventures that are legally chartered in their home states. This gives them federal tax exemption and allows contributors to deduct donations from their federal taxes. In addition to 501(c)(3) status, CLTs all have certain basic features in common that form the framework of the CLT concept.

¹²⁵ Jon A. Souder and Sally K. Fairfax, “In Lands We Trusted: State Trust Lands as an Alternative Theory of Public Land Ownership,” in *Property and Values: Alternatives to Public and Private Ownership*, ed. Charles Geisler and Gail Daneker (Washington, D.C.: Island Press, 2000), 95.

¹²⁶ Julie Ann Gustanski and Roderick H. Squires, eds. *Protecting the Land: Conservation Easements Past, Present and Future* (Washington, D.C., Island Press, 2000).

¹²⁷ A CLTs affected area may include some houses and land not under the CLT’s control.

Framework of a Community Land Trust¹²⁸

1. Dual ownership: The nonprofit organization owns the land and an individual homeowner (or a nonprofit housing developer or cooperative housing corporation) owns the improvements on the land
2. Leased land: The individual homeowner owns the building inasmuch as he or she has the rights to it through a renewable ground lease that gives him or her the right to use the land for ninety-nine years.
3. Perpetual affordability: The ground lease gives the CLT the right-of-first-refusal to the home, should the current owner decide to sell, and the resale price is limited by a formula designed to give current owners some return on their investment while providing another lower-income household access to ownership.¹²⁹
4. Perpetual responsibility: The CLT plays an ongoing monitoring role with a continuing interest in the property and community in which it exists. The ground lease enables the CLT to force repairs, cure defaults, and monitor resales.
5. Community base: The CLT operates within a defined geographic area. This can be a single neighborhood, a city, or in some cases, an entire region.
6. Resident control: CLT residents and community members nominate, elect, and comprise the CLT's Board of Directors.
7. Tripartite governance: The Board is composed of equal numbers of seats for CLT homeowners, community members, and public stakeholders.
8. Expansionist acquisition: CLTs are focused on bringing new units into their stewardship, though the pace of acquisition varies widely from CLT to CLT.
9. Flexible development: The model accommodates a variety of housing types, although the most common are single-family homes. Some also provide land for community facilities, neighborhood-serving businesses, and open space.

Sustained Affordability through CLTs

Revitalization efforts in lower-income communities often have the result of displacing the residents of that community. Particularly in traditionally working class

¹²⁸ Rick Jacobus and Amy Cohen, *Creating Permanently Affordable Homeownership Through Community Land Trusts*. Page 14; available from http://www.burlingtonassociates.com/resources/archives/clt_101/000319.html; accessed 7 January 2007.

¹²⁹ See Appendix C for a detailed description of the most common resale formulas.

areas, the risk of displacement in the name of preservation or neighborhood revitalization is real. By limiting the appreciation that can be realized on property, CLTs serve to actively combat this result. While certainly not the solution in all instances, CLTs can assist in the preservation of community that is often dismissed during revitalization efforts.

Tom Peterson, an authority on CLTs, asserts: “Community land trusts are, by design, a way to link the individual members of a community with that community’s resources and challenges.”¹³⁰ Whether managing urban areas facing the problems of gentrification, or rural areas fighting to curb generations of poverty, the community land trust is a tool that can be used by community residents who want to see their area revitalized, without having to move after the work is completed. Hopefully, the trend that has seen individuals and families across the country pushed out of the communities they help support can be halted. Community Land Trusts have a definite and vital role to play in making that happen.

By maintaining a presence in the community, CLTs play a more active role in sustaining the affordability and community aspects of the preservation effort. They are superior to deed restriction systems because the latter lack the community aspect and powerful support system. In turn, CLTs share the strong cooperative basis with LECs but do not require the same level of resident sophistication and initiative.

The Community Land Trust model as a provider of affordable housing is not without its drawbacks, however, and admission of these is crucial to a broader understanding of the concept. One of the main aspects of the CLT model that is often

¹³⁰ Tom Peterson, *Community Land Trusts: An inside look*. available from <http://www.plannersweb.com/articles/pet112.html> Internet; accessed 5 January 2007.

called into question is the idea of financing. Financial institutions are not yet fully familiar with the concept of mortgaging houses on leased land.¹³¹ Crucial to the success of any CLT is the need to establish a relationship with financial institutions in their areas, to educate them on the concept of shared equity housing.

An additional drawback to Community Land Trusts, as seen by some, is the idea that there is an individual risk with homeownership, a responsibility for problems with the house, which is not a problem with rental units. With traditional homeownership, this threat is generally offset by the equity that the homeowner is gaining. While certainly a risk, the long-term success of CLTs across the country, particularly in Burlington, Vermont, is proof that people are willing to assume that risk. Financial gain is but one motivator for purchasing a home. The autonomy of homeownership, the ability to purchase an otherwise unattainable home, and the support received by the CLT are seen as ways to offset potential threats.

¹³¹ John Emmeus Davis, ed., *The Affordable City* (Philadelphia: Temple University Press, 1994), 97.

CHAPTER 8

CONCLUSION

Historic preservation tends to be thought of as being concerned primarily with the built environment. On the federal and state levels, mandates for preservation projects guide those projects by the impact they have on historic fabric. Ensuring the protection of historic fabric is an admirable cause, as buildings provide a concrete link to the past, from which there is much to learn. However, fabric alone does not always tell the complete story of what a particular building meant to its surrounding community. In fact, historic preservation efforts that hold building fabric above all else can, in the end, sacrifice an honest portrayal of history for well preserved material.

Gentrification and displacement are negative effects of historic preservation that cannot be denied but that are often justified as inevitable results of revitalization and economic development. As Peter Werwath notes:

The pioneer homesteaders and entrepreneurs holding up the preservation banner envision no less than a total transformation of their historic area, an upgrading of its demographics (to put it politely) and a many fold increase in property values and rents. Although they may have pangs of conscience, they know that success will be predicated on the removal of many of the areas residents and businesses and their replacement with households and companies that have fuller pocketbooks.¹³²

This result is particularly problematic when the buildings being preserved are in traditionally working class neighborhoods. The economic benefits of preservation are well publicized by the preservation community. Historic preservation and revitalization efforts generate jobs, both during the work phase and from the

¹³² Werwath, 487-488.

multiplier effects of increased earning and consumption.¹³³ They have the potential to attract new private investment and can contribute to the long-term economic health of many communities.¹³⁴ As Lord Keynes said, though, there are matters of “greater and more permanent significance.”¹³⁵ The economic success of historic preservation and community revitalization projects should be measured against the social impact on their historic neighborhoods.

Enhanced property values generated by revitalization result in increased revenues for local and state government through higher property, business, and income taxes. These results are most often the goal, but in traditionally low-income neighborhoods they can bring about a demographic shift, as the established populace is displaced by wealthier residents (gentrification), all in the name of economic benefit. While revitalization efforts have made great strides in protecting some of the country’s most vital cultural resources, more of an effort needs to be made to ensure that the communities directly impacted by the improvements remain livable and accessible to a wider spectrum of the society. No amount of economic development that is going to come out of preservation (or any type of revitalization effort) is going to eliminate the need for affordable housing options for the working class.

Historic preservation and revitalization efforts are often viewed warily by members of lower income communities. There are several reasons for this which range

¹³³ David Listokin, Barbara Listokin, and Michael Lahr, *The Contributions of Historic Preservation to Housing and Economic Development*, Fannie Mae Foundation- Housing Policy Debate, Vol. 9, No. 3. (1998), 455.; available from http://www.fanniemaefoundation.org/programs/hpd/pdf/hpd_0903_listokin.pdf; accessed 28 February 2007.

¹³⁴ Donovan D. Rypkema, *The Economics of Historic Preservation: A Community Leader’s Guide* (Washington, D.C.: National Trust for Historic Preservation, 1994), 68-69.

¹³⁵ Schumacher, 39.

from the fear of loss of community and loss of identity to actual loss of housing opportunities through displacement and gentrification. Because historic resources do not only belong to the upper classes, it is necessary to find opportunities to encourage the nexus of affordable housing opportunities and historic preservation.

The ideal result in these situations is preservation of both building fabric and community. Unfortunately, this is not always possible. Historic preservation is often about compromise, and in situations involving lower-income, working class communities it should be guided more by traditional residents than traditional fabric.

In the end, using preservation and revitalization efforts on existing building stock to provide workforce housing is most successful if the houses remain affordable for an extended period of time. Neil Smith of Rutgers University claims that gentrification is “first and foremost a social choice.”¹³⁶ Additionally, Smith and Peter Williams agree with Emily Achtenberg and Peter Marcuse’s theory that the only defense against gentrification is the “decommodification of housing.”¹³⁷ While Smith and Williams believe that it will take major political upheaval for this to occur, cities and towns are already proving that small-scale interventions can serve to decommodify parts of the housing stock, and preserve affordability. In order to honor both historic fabric and people, future generations will have to embrace a new set of tools in their advocacy of historic and community preservation.

¹³⁶ Smith (1998), 482.

¹³⁷ Peter Williams and Neil Smith, “From ‘Renaissance’ to ‘Restructuring,’” in *Gentrification of the City*, ed. Neil Smith and Peter Williams (Boston: Allen and Unwin, 1986), 222.

APPENDICES

APPENDIX A

Newry Conditions Assessment:
Samples and Methodology

Conditions Assessment Methodology

The houses in the Newry village were assigned a conditions grade using a system similar to one used by the Charleston and North Charleston Housing Initiative (CANCHI).¹³⁸ The conditions assessment was completed over several trips to Newry. It is important to note that the data used to determine how the houses graded out was gathered by street side observation. This should not be taken as being as comprehensive as an in-depth house inspection. The information is intended to show overall patterns in the condition of the houses in the village, as well as targeting specific houses as candidates for restoration.

The houses were assigned a grade of one to four on five different elements: roofs, windows/doors, foundations, siding, and porches. Individual grades were assigned to each element using the following criteria:

- 1** – Element is in excellent condition and requires no rehabilitative work.
- 2** – Element is present and only requires minimal work to restore to operable/working condition.
- 3** – Element is present, but major work is required to restore it to operable/working condition.
- 4** – Element is missing, collapsed, or beyond repair; it requires total replacement.

Once all of the information was gathered for these individual elements, an aggregate score was tallied. This aggregate score was then divided by the number of categories (five) and an average score was calculated. The average score is what is used to place the houses in the following categories:

¹³⁸ Special thanks to Jeremy Browning of CANCHI for supplying the criteria that his organization uses for grading houses in the Charleston area. This information was amended slightly to fit the needs of the Newry village.

0-1.5 – Excellent: An exceptional home. No structural work appears necessary. Any work needed is cosmetic only.

1.6-2.5 – Fair: This house is habitable in its current condition and only requires minor work on some of its elements.

2.6-3.5 – Poor: While not as substantial as the work required for the lowest category, major work is nevertheless required on some of the elements to make the house habitable.

3.6-4.0 – Dilapidated: This structure is a candidate for demolition and will require significant work to make it a habitable structure.

An exception to the above grading system is that any house receiving an unsatisfactory score (2 or below) on either the roof or the foundation, regardless of its overall score, is graded as dilapidated because such a significant repair requires expertise and substantial investment.



Address: 525 Broadway Street
 Date of Survey: December 27, 2006
 Name of Surveyor(s): Paul Woodward
 Aggregate Score: 6
 Overall Grade: 1.2 Good

- Roof: ___ Intact (no visible damage of any kind)
 2 Minor (missing shingles, weathered surface; other _____)
 ___ Major (holes in roof; caved in rafters or joists; missing gutters; other _____)
 ___ Collapsed or Missing (partial or no structure present)
- Walls and Siding: 1 Intact (no visible damage of any kind)
 ___ Minor (needs paint; some rust and weathering; cracks in bricks/wood; other _____)
 ___ Major (walls out of plumb; missing siding; other _____)
 ___ Collapsed or Vacant (partial or no structure present)
- Foundation: 1 Intact (no visible damage of any kind)
 ___ Minor (beams need re-leveling); other _____)
 ___ Major (collapsed piers and/or beams; other _____)
 ___ Collapsed or Vacant (partial or no structure present on lot)
- Windows: 1 Intact (no visible damage of any kind)
 ___ Minor (needs repainting and/or recaulking; frame has dry rot; other _____)
 ___ Major (dry rot spread to surrounding 2x4s; windows not square; windows boarded up; other _____)
 ___ Collapsed or Vacant (partial or no structure present on lot)
- Doors and Porches: 1 Intact (no visible damage of any kind)
 ___ Minor (needs painting; signs of weathering; other _____)
 ___ Major (frames rotted out; doors not square; missing beams; other _____)
 ___ Collapsed or Vacant (partial or no structure present on lot)



Address: 625 Broadway
Date of Survey: December 27, 2006
Name of Surveyor(s): Paul Woodward
Aggregate Score: 7
Overall Grade: 1.4 - Good

- Roof: 1 Intact (no visible damage of any kind)
 Minor (missing shingles, weathered surface; other _____)
 Major (holes in roof; caved in rafters or joists; missing gutters; other _____)
 Collapsed or Missing (partial or no structure present)
- Walls and Siding: 1 Intact (no visible damage of any kind)
 Minor (needs paint; some rust and weathering; cracks in bricks/wood; other _____)
 Major (walls out of plumb; missing siding; other _____)
 Collapsed or Vacant (partial or no structure present)
- Foundation: Intact (no visible damage of any kind)
 2 Minor (beams need re-leveling); other _____
 Major (collapsed piers and/or beams; other _____)
 Collapsed or Vacant (partial or no structure present on lot)
- Windows: 1 Intact (no visible damage of any kind)
 Minor (needs repainting and/or recaulking; frame has dry rot; other _____)
 Major (dry rot spread to surrounding 2x4s; windows not square; windows boarded up; other _____)
 Collapsed or Vacant (partial or no structure present on lot)
- Doors and Porches: Intact (no visible damage of any kind)
 2 Minor (needs painting; signs of weathering; other _____)
 Major (frames rotted out; doors not square; missing beams; other _____)
 Collapsed or Vacant (partial or no structure present on lot)



Address: 607 Broadway
 Date of Survey: December 27, 2006
 Name of Surveyor(s): Paul Woodward
 Aggregate Score: 8
 Overall Grade: 1.6 - Fair

- Roof: ___ Intact (no visible damage of any kind)
 2 Minor (missing shingles, weathered surface; other _____)
 ___ Major (holes in roof; caved in rafters or joists; missing gutters; other _____)
 ___ Collapsed or Missing (partial or no structure present)
- Walls and Siding: 1 Intact (no visible damage of any kind)
 ___ Minor (needs paint; some rust and weathering; cracks in bricks/wood; other _____)
 ___ Major (walls out of plumb; missing siding; other _____)
 ___ Collapsed or Vacant (partial or no structure present)
- Foundation: ___ Intact (no visible damage of any kind)
 2 Minor (beams need re-leveling); other _____
 ___ Major (collapsed piers and/or beams; other _____)
 ___ Collapsed or Vacant (partial or no structure present on lot)
- Windows: ___ Intact (no visible damage of any kind)
 2 Minor (needs repainting and/or recaulking; frame has dry rot; other _____)
 ___ Major (dry rot spread to surrounding 2x4s; windows not square; windows boarded up; other _____)
 ___ Collapsed or Vacant (partial or no structure present on lot)
- Doors and Porches: 1 Intact (no visible damage of any kind)
 ___ Minor (needs painting; signs of weathering; other _____)
 ___ Major (frames rotted out; doors not square; missing beams; other _____)
 ___ Collapsed or Vacant (partial or no structure present on lot)



Address: 621 Broadway
 Date of Survey: December 27, 2006
 Name of Surveyor(s): Paul Woodward
 Aggregate Score: 8
 Overall Grade: 1.6 - Fair

- Roof: Intact (no visible damage of any kind)
 2 Minor (missing shingles, weathered surface; other _____)
 Major (holes in roof; caved in rafters or joists; missing gutters; other _____)
 Collapsed or Missing (partial or no structure present)
- Walls and Siding: 1 Intact (no visible damage of any kind)
 Minor (needs paint; some rust and weathering; cracks in bricks/wood; other _____)
 Major (walls out of plumb; missing siding; other _____)
 Collapsed or Vacant (partial or no structure present)
- Foundation: Intact (no visible damage of any kind)
 2 Minor (beams need re-leveling); other _____
 Major (collapsed piers and/or beams; other _____)
 Collapsed or Vacant (partial or no structure present on lot)
- Windows: 1 Intact (no visible damage of any kind)
 Minor (needs repainting and/or recaulking; frame has dry rot; other _____)
 Major (dry rot spread to surrounding 2x4s; windows not square; windows boarded up; other _____)
 Collapsed or Vacant (partial or no structure present on lot)
- Doors and Porches: Intact (no visible damage of any kind)
 2 Minor (needs painting; signs of weathering; other _____)
 Major (frames rotted out; doors not square; missing beams; other _____)
 Collapsed or Vacant (partial or no structure present on lot)



Address: 431 Palmetto Avenue
 Date of Survey: December 27, 2006
 Name of Surveyor(s): Paul Woodward
 Aggregate Score: 13
 Overall Grade: 2.6 Poor

- Roof: ___ Intact (no visible damage of any kind)
 2 Minor (missing shingles, weathered surface; other _____)
 ___ Major (holes in roof; caved in rafters or joists; missing gutters; other _____)
 ___ Collapsed or Missing (partial or no structure present)
- Walls and Siding: ___ Intact (no visible damage of any kind)
 ___ Minor (needs paint; some rust and weathering; cracks in bricks/wood; other _____)
 3 Major (walls out of plumb; missing siding; other _____)
 ___ Collapsed or Vacant (partial or no structure present)
- Foundation: ___ Intact (no visible damage of any kind)
 2 Minor (beams need re-leveling); other _____)
 ___ Major (collapsed piers and/or beams; other _____)
 ___ Collapsed or Vacant (partial or no structure present on lot)
- Windows: ___ Intact (no visible damage of any kind)
 ___ Minor (needs repainting and/or recaulking; frame has dry rot; other _____)
 3 Major (dry rot spread to surrounding 2x4s; windows not square; windows boarded up; other _____)
 ___ Collapsed or Vacant (partial or no structure present on lot)
- Doors and Porches: ___ Intact (no visible damage of any kind)
 ___ Minor (needs painting; signs of weathering; other _____)
 3 Major (frames rotted out; doors not square; missing beams; other _____)
 ___ Collapsed or Vacant (partial or no structure present on lot)



Address: 432 Palmetto Avenue
 Date of Survey: December 27, 2006
 Name of Surveyor(s): Paul Woodward
 Aggregate Score: 13
 Overall Grade: 2.6 Poor

- Roof: Intact (no visible damage of any kind)
 2 Minor (missing shingles, weathered surface; other _____)
 Major (holes in roof; caved in rafters or joists; missing gutters; other _____)
 Collapsed or Missing (partial or no structure present)
- Walls and Siding: Intact (no visible damage of any kind)
 Minor (needs paint; some rust and weathering; cracks in bricks/wood; other _____)
 3 Major (walls out of plumb; missing siding; other _____)
 Collapsed or Vacant (partial or no structure present)
- Foundation: Intact (no visible damage of any kind)
 2 Minor (beams need re-leveling); other _____
 Major (collapsed piers and/or beams; other _____)
 Collapsed or Vacant (partial or no structure present on lot)
- Windows: Intact (no visible damage of any kind)
 Minor (needs repainting and/or recaulking; frame has dry rot; other _____)
 3 Major (dry rot spread to surrounding 2x4s; windows not square; windows boarded up; other _____)
 Collapsed or Vacant (partial or no structure present on lot)
- Doors and Porches: Intact (no visible damage of any kind)
 Minor (needs painting; signs of weathering; other _____)
 3 Major (frames rotted out; doors not square; missing beams; other _____)
 Collapsed or Vacant (partial or no structure present on lot)



Address: 414 Palmetto Avenue
 Date of Survey: December 27, 2006
 Name of Surveyor(s): Paul Woodward
 Aggregate Score: 20
 Overall Grade: 4.0 Dilapidated

- Roof: ___ Intact (no visible damage of any kind)
 ___ Minor (missing shingles, weathered surface; other _____)
 ___ Major (holes in roof; caved in rafters or joists; missing gutters; other _____)
 4 Collapsed or Missing (partial or no structure present)
- Walls and Siding: ___ Intact (no visible damage of any kind)
 ___ Minor (needs paint; some rust and weathering; cracks in bricks/wood; other _____)
 ___ Major (walls out of plumb; missing siding; other _____)
 4 Collapsed or Vacant (partial or no structure present)
- Foundation: ___ Intact (no visible damage of any kind)
 ___ Minor (beams need re-leveling); other _____)
 ___ Major (collapsed piers and/or beams; other _____)
 4 Collapsed or Vacant (partial or no structure present on lot)
- Windows: ___ Intact (no visible damage of any kind)
 ___ Minor (needs repainting and/or recaulking; frame has dry rot; other _____)
 ___ Major (dry rot spread to surrounding 2x4s; windows not square; windows boarded up; other _____)
 4 Collapsed or Vacant (partial or no structure present on lot)
- Doors and Porches: ___ Intact (no visible damage of any kind)
 ___ Minor (needs painting; signs of weathering; other _____)
 ___ Major (frames rotted out; doors not square; missing beams; other _____)
 4 Collapsed or Vacant (partial or no structure present on lot)



Address: 435 Palmetto Avenue
 Date of Survey: December 27, 2006
 Name of Surveyor(s): Paul Woodward
 Aggregate Score: 19
 Overall Grade: 3.8 Dilapidated

- Roof: ___ Intact (no visible damage of any kind)
 ___ Minor (missing shingles, weathered surface; other _____)
 ___ Major (holes in roof; caved in rafters or joists; missing gutters; other _____)
 4 Collapsed or Missing (partial or no structure present)
- Walls and Siding: ___ Intact (no visible damage of any kind)
 ___ Minor (needs paint; some rust and weathering; cracks in bricks/wood; other _____)
 ___ Major (walls out of plumb; missing siding; other _____)
 4 Collapsed or Vacant (partial or no structure present)
- Foundation: ___ Intact (no visible damage of any kind)
 ___ Minor (beams need re-leveling); other _____)
 3 Major (collapsed piers and/or beams; other _____)
 ___ Collapsed or Vacant (partial or no structure present on lot)
- Windows: ___ Intact (no visible damage of any kind)
 ___ Minor (needs repainting and/or recaulking; frame has dry rot; other _____)
 ___ Major (dry rot spread to surrounding 2x4s; windows not square; windows boarded up; other _____)
 4 Collapsed or Vacant (partial or no structure present on lot)
- Doors and Porches: ___ Intact (no visible damage of any kind)
 ___ Minor (needs painting; signs of weathering; other _____)
 ___ Major (frames rotted out; doors not square; missing beams; other _____)
 4 Collapsed or Vacant (partial or no structure present on lot)

APPENDIX B

Annotated Preservation Ordinance

Newry Village

Historic Preservation Ordinance for Newry, South Carolina

Establishing Local Historic Property Designation and Design Review

SECTION 1. TITLE

The title of this ordinance shall be the Newry, South Carolina Historic Preservation Ordinance.

SECTION 2. PURPOSE

The purpose of this ordinance is:

- (1) to protect and enhance the preservation of the distinctive heritage of Newry, South Carolina, including the architectural, archaeological, and landscape elements that represent important aspects of Newry's cultural, educational, social, economic, and political history;¹³⁹
- (2) to promote the educational, cultural, economic and general welfare of the people of Newry;
- (3) to foster civic pride in Newry's unique past;¹⁴⁰
- (4) to encourage harmonious, orderly and efficient growth and development of the town of Newry;

¹³⁹ In Newry's case, there is architectural importance in both the mill itself, and in the houses that make up the village. The prevailing architectural style found in the mill village is the New England saltbox, although several other vernacular building types are present. Although the mill supervisor's house no longer stands, most of the original fabric of the community remains. This includes worker housing, a company store, a church, a school, a company office, and the main part of the mill itself. Establishing the importance of preserving not just the buildings, but the way of life, is important in the interpretation of Newry. Beyond Newry, proper treatment of the village can serve as an example to other similar sites across the state.

Archaeologically, the site is important because the Cherokee Indians are known to have inhabited the land for centuries before the Europeans settled the area. Evidence of native cultures have been found in and around the area, including: arrowheads, pottery shards, stone axes, and other artifacts.

The landscape element of the ordinance pertains to the fact that Newry maintains the appearance of a 19th century mill village. As such, it provides an interesting view into a very important aspect of the area's development.

¹⁴⁰ One of the current issues plaguing Newry is the perception of the community by the "outside world." Geographically, Newry is located in a bowl or depression. Quite literally the people of Newry have been looked down on for years. With proper planning for the future, the town can celebrate and recognize its unique past while accommodating the changing needs of the area.

(5) to protect and enhance the town's attraction to both visitor's and residents in order to strengthen the local economy.¹⁴¹

It is the hope of Newry that by encouraging a general harmony of style, form, proportion and material between buildings of historic design and those of contemporary design, Newry's historic buildings and historic districts will continue to be a distinctive aspect of the area and will serve as visible reminders of the significant historical and cultural heritage of Newry, and State of South Carolina.

This ordinance is part of the zoning ordinance of Oconee County and is enacted pursuant to the South Carolina Code of Laws, Sections 6-29-710 and Section 6-29-870 et sequitur. (The ordinance can also be referenced in the zoning ordinance and adopted as a separate ordinance. If the general zoning ordinance is still operating under the authority of Title 5 it will be necessary to include or substitute those citations; e.g. SCCL 6-29-710, 6-29-870 et sequitur or SCCL 5-23-320.)

SECTION 3. DEFINITIONS

Alteration

A change in the external architectural features of any historic structure or in the interior of any such structure if the interior feature is specifically included in the historic designation; a change in the landscape features of any historic site or place; or work having an adverse effect upon designated archaeological resources.

Archaeological Resources

Any remains of past human life, activities, or habitation which are of historic or pre-historic significance. Such material includes, but is not limited to pottery, basketry, bottles, weapons, weapon projectiles, tools, structures or portions of structures, pit houses, rock paintings, rock carvings, intaglios, graves, skeletal remains, personal items and clothing, household or business refuse, printed matter, manufactured items, or any piece of any of the foregoing items.

Certificate of Appropriateness

Document issued by the Board of Architectural Review, following a prescribed review procedure, certifying that the proposed actions by an

¹⁴¹ The fact that Newry is cut off from the rest of Oconee county is a result of geography, but it is also the result of the fact that when the mill left, the area never recovered economically. Let there be no mistake, Newry was always a poor, working class community. The difference now is that there is no industry at all in the community, and absolutely no reason for anybody to come to visit, other than a visit between friends or family. A *sensitive* adaptive reuse of the mill could be the catalyst for reinvestment in the community and could help Newry become economically viable again.

applicant are found to be acceptable in terms of design criteria relating to the individual property or the historic district.

Certificate of No Effect

An official form of the city stating that proposed work on historic property will have no detrimental effect on the historic character of the property and therefore may proceed as specified in the certificate without obtaining further authorization under this ordinance, and authorizing the issuance of any permits required by the County Construction Code for proposed work.¹⁴²

County Construction Code

The Construction Code of the County which regulates construction in the county and requires building permits, electrical permits, plumbing permits and other permits to do work regulated by the construction code.

Demolish

An act or process which requires a permit under the County Construction Code and which destroys in part or in whole a house, building, or other structure within an Historic Preservation District.¹⁴³

Development

Any modification, alteration, remodeling, new construction, or excavation which requires a permit under the County Construction Code, or which affects the historical character of an historic property.

Historic District

The area of land, and the structures thereon, appearing on the National Register of Historic Places nomination, entered into the register on March 19, 1982

¹⁴² Newry is so small that it has no municipal government of its own. Because of its unique situation, there would have to be an agreement between Newry and Seneca that would help regulate when the “certificate of no effect” was appropriate. It would be important to educate city and county employees of the historical importance of Newry so that the stewardship of the site could extend beyond the town’s borders.

¹⁴³ Demolition would have to be done in accordance to the latest architectural assessment and conditions survey. Only properties listed on that survey as “dilapidated” could be legally demolished. Exceptions would have to be made for fires and natural disasters.

Historic Property

Any place (including an archaeological site or the location of a significant historical event), building, structure, work of art, fixture or similar object that has been individually designated as a contributing property within a historic district.

Landmark

A structure or site which contains an outstanding or unique example of an architectural style, which contains or is associated with a major historic event or activity, which contains important, intact archaeological resources, which is a site or structure of unique visual quality and identification, or which is a site of general historic or cultural recognition by the community.

Public Space within a building

Spaces designed for use by the public, such as auditoriums, court rooms, lobbies, entrance halls, etc. These spaces are usually gathering places as opposed to corridors for public use.

Substantial Hardship

Hardship, caused by unusual and compelling circumstances, based on one or more of the following:

- a. the property cannot reasonably be maintained in the manner dictated by the ordinance,
- b. there are no other reasonable means of saving the property from deterioration, or collapse, or
- c. the property is owned by a nonprofit organization and it is not feasible financially or physically to achieve the charitable purposes of the organization while maintaining the property appropriately.

SECTION 4. ARCHITECTURAL REVIEW BOARD ESTABLISHED

4.1 Creation

To implement the provisions of this ordinance, there is hereby established a Board of Architectural Review, hereinafter referred to as the Board, for Newry consisting of (7) members. Members shall be appointed by the Oconee County council upon the recommendation of the Board.

4.2 Composition and Qualifications.

All members of the board shall have a demonstrated interest in historic preservation. If available in the community, the board should have at least one member who is qualified as:

1. a historian, knowledgeable in local history,
2. an architect or if an architect is not available to serve, someone knowledgeable in building design and construction.
3. a lawyer, familiar with preservation law and zoning ordinances

* At no time shall there be fewer than two (2) members of the board who are residents of Newry.

No members shall hold any other Oconee County office. S.C. Code 6-29-870(C).

Members shall assume their duties at the first regular meeting after their appointment. Members shall serve without compensation except for reimbursement for authorized expenses attendant to the performance of their duties.

4.3 Terms of Office.

The term of office for each member shall be two years. Any person who has served as a member of the Board for three consecutive terms shall not be eligible for reappointment for at least one year. A term of less than one year shall not be counted in determining eligibility for reappointment.

Membership shall be identified by place numbers 1 through 7. Terms of office for members in the odd-numbered places shall expire in odd numbered years; terms for even-numbered members expire in even numbered years, provided, however, that each member shall serve until his successor is appointed and installed.

4.4 Removal.

Any member of the Board may be removed by the chairman of the Oconee county council, upon confirmation of the council, for repeated failure to attend meetings of the Board or for any other cause deemed sufficient by the Chairman.

4.5 Appointment to Fill a Vacancy.

If any place on the Board becomes vacant due to resignation, removal, or for any reason, the chairman of the Oconee county council shall appoint a replacement within 60 days for the remainder of the unexpired term, subject to confirmation by the county council.

4.6 Conflicts of Interest.

Any member of the board who has a personal or financial interest, either directly or indirectly, in any property which is the subject of, or affected by, a decision of the Board shall be disqualified from participating in the decision of the Board concerning the property.

4.7 Liability of Members.

Any member of the Board acting within powers granted by the ordinance shall be relieved from personal liability for any damage and held harmless by Oconee county. Any suit brought against any member of the Board shall be defended by a legal representative furnished by Oconee county until the termination of the proceedings.

SECTION 5. POWERS AND DUTIES

The responsibility of the Board is to promote the purposes and objectives of this ordinance, to review and recommend to Oconee county council the designation of individual historic properties and historic districts, and to review plans and applications, as hereinafter provided, for all construction within historic districts and construction or demolition pertaining to or affecting duly designated historic properties. The Board shall have the power to approve, approve with modifications or deny approval for such applications in accordance with the prescribed procedures and guidelines.

SECTION 6. HISTORIC PROPERTY INVENTORY

The Board shall maintain a local inventory of buildings, structures, objects, and sites more than fifty years old. These records shall be available to the public.¹⁴⁴

¹⁴⁴ An architectural inventory and conditions assessment will be completed 2006-2007 and will include both documentation of existing conditions, and a graded summary of individual properties. This inventory will be updated at least every five years and the updated version will be made available to the public upon completion.

SECTION 7. DESIGNATION OF HISTORIC PROPERTIES.

7.1 Criteria for Historic Designation.

The Board shall review the local inventory and make recommendations for historic designation(s) to county council based on the following criteria.

A property may be designated historic if it:

1. has significant inherent character, interest, or value as part of the development or heritage of the community, state, or nation; or
2. is the site of an event significant in history; or
3. is associated with a person or persons who contributed significantly to the culture and development of the community, state, or nation; or
4. exemplifies the cultural, political, economic, social, ethnic, or historic heritage of the community, state, or nation; or
5. individually, or as a collection of resources, embodies distinguishing characteristics of a type, style, period, or specimen in architecture or engineering; or
6. is the work of a designer whose work has influenced significantly the development of the community, state or nation; or
7. contains elements of design, detail, materials, or craftsmanship which represent a significant innovation; or
8. is part of or related to a square or other distinctive element of community planning; or
9. represents an established and familiar visual feature of the neighborhood or community; or
10. has yielded, or may be likely to yield, information important in pre-history or history.

7.2 Owner Notification.

Owners of properties proposed to be designated historic shall be notified in writing thirty days prior to consideration by city/county council. Owners may appear before the Oconee county council to voice approval or opposition to such designation.

(Additionally, the planning commission shall provide its formal comment to the council on ordinance adoption, amendment, and designation and may also serve as the entity conducting the required public hearing if so authorized by council.)

7.3 Identification on Town Zoning Map.

All locally designated historic properties and historic districts shall be clearly shown on the zoning map.¹⁴⁵

7.4 Opposition to Designation

Any property owner may object to the decision by the Oconee county council to designate his property as historic by filing suit against Oconee county before the Courts of the State of South Carolina.

(Note: This suit must be based on procedural nonconformities in the designation process or on the misapplication of the criteria for designation as specified in the (city's/county's) ordinance or under SCCL 6-29-870.0 not simply on the desire not to be included in the locally designated district. In the case of individual landmarks, the basis for challenging designation is the same.)

SECTION 8. JURISDICTION OF THE BOARD OF ARCHITECTURAL REVIEW

The jurisdiction of the Board, in general, is the Newry Historic District. The jurisdiction of the Board for the recommendation of properties to be designated historic is the Oconee County limits. The jurisdiction of the Board for the review of proposed alteration to exteriors of buildings, new construction, and demolition is the individual properties and areas that have been designated by the Oconee County council as historic.

¹⁴⁵ Currently, no such map exists. The creation of such a document will be vitally important, not only to Newry, but also to the rest of the area. As of now, Oconee county seems to approach zoning as a response to proposed interventions in the community (i.e. an adult bookstore) rather than from a proactive planning point of view. Currently, Oconee county has five ordinances on the books, but no map to make sense of them.

The ordinances currently on the books are listed in a document entitled Oconee County Unified Performance Standards Ordinance: Regulations Governing Sexually Oriented Businesses, Airport Height Standards, Communications Towers, Group Homes and Group Developments

These five issues are the most pressing “problems” as the county sees them. The creation of a unified zoning map will go a long way towards making the growth patterns of Oconee county much more coherent in the coming years.

SECTION 9. CERTIFICATE OF APPROPRIATENESS

General.

A Certificate of Appropriateness is required before a building permit can be issued for the demolition¹⁴⁶, new construction, exterior alteration, modification or addition to a designated historic property. Any building permit not issued in conformity with this ordinance shall be considered void.

Application for a Certificate of Appropriateness must be signed by the owner or his authorized representative and the form must be signed by the chairman or vice-chairman of the Board stating its approval, denial, or approval with conditions and the reasons for the decision.

9.1 Required Procedure.

An application for a Certificate of Appropriateness shall be obtained from the Oconee County planning office, and when completed, filed with the appropriate administrative official as designated by the Board.

9.2 Time limits.

Applications for a Certificate of Appropriateness shall be considered by the Board at its next regular meeting, provided they have been filed at least seven (7) calendar days before the regularly scheduled meeting of Board. If the Board fails to take action upon any application within 45 days after the complete application is received, the application shall be considered approved, except in cases where the Board has postponed an application to demolish a structure under the provisions contained in this ordinance.

9.3 Board Action on Application.

The Board shall review the application, using the design guidelines appearing in Section 10 of this ordinance to make findings of fact to decide whether or not the applicant's plans are appropriate. The decision of the Board, along with the reasons for each decision, will be recorded in the minutes and will be available upon request as a public reference for preservation procedures.

9.4 Contents of Application.

The Board shall, in its *Rules of Procedure*, require data as are reasonable and necessary to determine the nature of the application. An application shall not be considered complete until all the required data have been submitted.

¹⁴⁶ Demolition will be considered only as a last resort and will only be considered an option if the property is graded as qualifying for demolition on the most recently completed architectural inventory and conditions assessment.

9.5 Notification of Affected Property Owners.

Prior to the issuance of an approval or denial of a Certificate of Appropriateness, the Board shall inform the owners of any property likely to be materially affected by the application, and shall give the applicant and such owners an opportunity to be heard.

9.6 Submission of a new Application.

If the Board determines that a Certificate of Appropriateness should be denied, a new application affecting the same property may be submitted only if substantial change is made in the plans for the proposed work.

9.7 Maintenance, Repair, and Interior Projects.

Nothing in this document shall be construed to prevent the ordinary maintenance or repair of any exterior architectural feature of structures designated as historic when that repair does not involve a change in design, material, color, or outer appearance of the structure. The Board shall not consider the interior arrangements or alterations to the interior of a building unless the interior of a public building or the public space of a private building is specifically described and designated as historic. The Board may authorize a staff member to approve minor projects involving repairs and ordinary maintenance that do not alter design, materials, color or the outer appearance of a structure or interior projects not subject to design review.¹⁴⁷

9.8 Fines and Penalties.

The system of fines applied by Oconee county for violation of the building code will apply to violations of this ordinance.

9.9 Substantial Hardship.¹⁴⁸

¹⁴⁷ Currently, a large number of the homes in Newry have been covered with vinyl siding. While vinyl siding is not ideal (for both health and architectural reasons) the general principle of its use is a debate that will need to be held further. An argument can be made that, although not architecturally accurate, the siding serves to encapsulate the original building fabric. Because Newry has traditionally been a lower income area, this usage may be the best short term solution available.

¹⁴⁸ This ordinance will be part of a larger plan to protect all aspects of life in Newry. This includes the built environment, but it also includes the landscape, archaeological aspects, and perhaps most importantly, the demographic makeup. Keeping in mind *Southern Burlington County NAACP v. Township of Mount Laurel*, it is understood that an ordinance that effectively prices current residents out of their homes is not only immoral, it is also illegal. The goal is that this ordinance will work in concert with other implemented strategies to retain as much of the historic fabric as possible.

Although the overall goal of Newry will be to have it be an affordable community, this will have to be done through a local organization (i.e. a Community Land Trust). The idea that the buildings of Newry will outlast this organization is a real possibility. The ideas of “market value” and “return on investment” take on different meanings under a Community Land Trust (CLT) than they do under normal market conditions.

In the event a Certificate of Appropriateness is denied, the property owner may apply for an exemption based on the substantial hardship of maintaining the property according to the design guidelines for historic properties. Substantial hardship is to be considered by the Commission where one or more of the following unusual and compelling circumstances exists:

- a. the property cannot reasonably be maintained in the manner dictated by the ordinance,
- b. there are no other reasonable means of saving the property from deterioration, or collapse, or
- c. the property is owned by a nonprofit organization and it is not feasible financially or physically to achieve the charitable purposes of the organization while maintaining the property appropriately.*

The owner may be required to submit documents to show that he cannot comply with the design guidelines and earn a reasonable rate of return on his investment in the property. Information required may include:

1. costs of the proposed development with and without modification needed to comply with the design guidelines as determined by the Board,
2. structural report and/or a feasibility report,
3. market value of the property in its present condition and after completion of the proposed project,
4. cost of the property, date purchased, relationship, if any, between seller and buyer, terms of financing,
5. for the past two years, annual gross income from the property with operating and maintenance expenses, depreciation, and annual cash flow before and after debt service during that time, and
6. other information considered necessary by the Board to determine whether or not the property may yield a reasonable return.

9.10 Demolition.

If the Board denies, or postpones for 180 days, a request to demolish a historic building, the Board shall work closely with the owner to find an appropriate use for the property, to

Thus it is important to establish a way of dealing with economic hardship in the event that the CLT model doesn't last.

help find a buyer or to obtain funding for rehabilitation, including low interest loans or grants. The Board shall inform the community concerning the threat to the building, its value as part of the fabric of the community and, through publicity and contacts with civic groups, seek to provide assistance in preserving the property.¹⁴⁹

SECTION 10. DESIGN GUIDELINES

10.1 Intent.

It is the intent of this ordinance to ensure, insofar as possible, that properties designated as historic shall be in harmony with the architectural and historical character of Newry. In granting a Certificate of Appropriateness, the Board shall take into account the architectural and historical significance of the structure under consideration and the exterior form and appearance of any proposed additions or modifications to that structure as well as the effect of such change or additions upon other structures in the vicinity.*

10.2 Standards for Rehabilitation Projects:

1. The review of effects will focus on exterior features only
2. Consultation should consider the overall preservation goals of the community.
3. Plans and specifications should adhere to the Secretary's Standards *when possible and practical.*¹⁵⁰

¹⁴⁹ Under the Community Land Trust model, the CLT will have the right of first refusal. If the CLT chooses not to purchase the building, the owner will still be bound by the terms of sale he/she agreed to upon the original purchase of the home. A formula will be established by the CLT to deal specifically with resale and return on investment.

¹⁵⁰ The Secretary of the Interior's Standards for Rehabilitation of Historic Properties are:

1. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.
2. The historic character of a property shall be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other buildings, will not be undertaken.
4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.

SECTION 11. APPEALS

Any person may appeal a decision of the Board to the Courts of South Carolina pursuant to the South Carolina Code of Laws, Section 6-29-900 et sequitur.

5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.

6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.

7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.

8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.

9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale, and proportion, and massing to protect the integrity of the property and its environment.

10. New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

APPENDIX C

Community Land Trust

Resale Formulas

Resale Formulas¹⁵¹

Indexed

In this resale method, the selling price is arrived at by taking the original purchase price and applying to it a single factor, which is specified in the formula. This factor can be a measure of income in the particular CLTs service area, such as the change in median income or a measure of rising costs in the service area. This resale method is not as common in CLTs as other methods, but it is quite common among other public programs that subsidize low-income housing (both rental and home-ownership models). Indexed formulas will vary from program to program, because the factor used to determine the sale price is not always the same.

Itemized

Itemized resale formulas adjust the original purchase price by adding or subtracting factors that affect the value of the owner's investment in a home, and in the home itself. Itemized formulas differ greatly from one CLT to the next, because there is a great variety in what factors are used to arrive at the final price. Factors that are commonly included in the formula are: an inflation adjustment, a credit for the value of later improvements, a deduction for depreciation if the home is not maintained, and a penalty for unusual damages.

¹⁵¹ Community Land Trust Resource Center, Burlington Associates, "Comparing the Four Major Approaches to Resale Formulas." August 22, 2005; available from http://www.burlingtonassociates.com/resources/archives/resale_formulas/000306.html; accessed 27 July 2006.

Appraisal-based:

These formulas adjust the original purchase price of a CLT home by adding a certain percentage of any increase in the home's market value, as measured by market appraisals, both at the time of purchase and at the time of resale. The homeowner is entitled to a certain percentage of this appreciated value, which is predetermined through the original lease. Twenty-five percent is common, although not a set number. Appraisals are always done on the building only, excluding the land on which it sits. One interesting variation on this particular resale method has been seen in certain CLTs where the percentage available to the homeowner upon resale increases over time, meaning that the longer they stay, the more money they are entitled to upon the sale of the building.

Mortgage-based:

In this formula, resale price is based on the amount of mortgage financing a purchaser of a given income will be able to afford at the then-current interest rate. Factors that must be specified in designing a mortgage based formula have to include the following:

- the income level for which the home must be affordable,
- the items to be included in monthly housing costs,
- the front end ratio allocation for monthly housing costs,
- the percentage of the resale price that is to be covered by mortgage financing,
- the type of mortgage (term, fixed-rate, etc.) for which monthly payments are to be calculated at the current interest rate, and
- the index or benchmark that will be used to determine the exact "current interest rate" for the type of mortgage in question for the time in question.

Although the resale value is capped, these systems allow homeowners to get back every penny they put into a house (as opposed to renting) plus some limited equity.

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