



State Historic Preservation Office

South Carolina Department of Archives and History
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Tax Incentives: Tips on How to Apply for Mixed Use Projects

When the rehabilitation of a historic property includes an income-producing use as well as an owner-occupied residence, the project is considered to be "mixed use." Special provisions are required for mixed use projects when an applicant is seeking tax credits for both the income-producing use and the owner-occupied residence. Generally, the credits for these uses are mutually exclusive and cannot be combined. The credits may be applied, however, to distinct portions of the historic property that relate to the particular use, including distinct portions of one building. This information relates to application procedures; please do not consider it to be tax advice.

State law requires owner-occupied residential projects to be approved prior to construction. Since all work on the property is within the scope of this review, all work on any mixed use project must be reviewed prior to construction. This prior review also includes the portion of the work that is income-producing.

How to Apply for Preliminary Approval

We developed the following format to simplify the paperwork and coordinate the reviews:

1. Complete the [Historic Preservation Certification Application \(HPCA\) Part 1](#) and [Part 2](#) for your historic property. The descriptions on these forms are the basis for the preliminary approval. On the reverse of this sheet you will find a more detailed description of the parts of the application and how they might apply to your project.
2. Provide original signatures on the **HPCA** as well as two sets of any supporting documentation (maps, photographs, plans, specifications, etc.).
3. Complete the front sheets of the [Certified Rehabilitation Application \(CRA\) - S1](#) and [S2](#) state application forms. These forms must also have original signatures.
4. The review for income-producing projects includes a fee. The National Park Services (NPS) will bill you for the fee upon receipt of the **HPCA Part 2**.

When to Start Work

While you may begin work on the owner-occupied portion of the project after you receive written approval from the State Historic Preservation Office, we strongly recommend that you wait until you receive approval from the National Park Service. Applicants who begin work prior to approval from NPS run the risk of not receiving the income-producing credits.

How to Apply for Final Approval

When the work is complete on your project you will complete the **HPCA – Part 3** and the **CRA – S3** and include photographs of the completed work. These forms are the basis of the final approvals for your project.

Record-keeping for Mixed Use Projects

The income-producing and owner-occupied residential programs use different costs as the basis for the credits. Previous applicants have told us that *identifying* these costs at the beginning and *tracking* them throughout the project is the simplest way to calculate them at the end of the project.

For more information about eligible categories of work for each program, consult the application instructions or the State Historic Preservation Office.

HPCA PART 1 / CRA S1 – EVALUATION OF SIGNIFICANCE

National Register listing one building on property – If your property is individually-listed in the National Register of Historic Places and includes only one building, then you *do not need* to provide **HPCA Part 1** or **CRA S1** of the forms.

National Register listing more than one building or NR historic district - If your property includes more than one building and is individually-listed in the National Register or if it is listed in a National Register district, then please complete the **HPCA Part 1** for all buildings within the ownership parcel **and** include the front sheet of the **CRA S1**. If there are **multiple historic buildings within an ownership parcel that are *not* historically functionally related, separate Part 1s are required** (for example, two adjacent commercial buildings in a historic district that historically operated separately and were combined into a single ownership parcel after the period of significance).

Not yet listed in the National Register– If your property is not yet listed in the National Register, then please complete the **HPCA Part 1** for all buildings within the ownership parcel **and** include the front sheet of the **CRA S1**. Note that the **HPCA Part 1** requires documentation substantial similar to a **draft National Register nomination** when a property is not listed.

If you have questions about the Part 1 process, please contact Virginia Harness, 803-896-6179.

HPCA PART 2 / CRA S2 – DESCRIPTION OF REHABILITATION

Describe all work on HPCA Part 2 - Both income-producing and owner-occupied residential programs require review of the entire project. Include a full description of the work on the **HPCA Part 2** form *and* include the front sheet of the **CRA S2** form.

Phased project - If you will build your project in phases, then you will need to include either a *description of all the work* in the initial application *or* provide a *Phasing Plan* that provides a list of work proposed for the later phases. Note that approval of the Phasing Plan does not provide the Prior Approval that is required for the owner-occupied residential program.

Changes to project work – A change to project work that you send before the application has been approved is a Continuation of the application. A change to project work after the approval is an Amendment. Please describe changes to project work on *both* the **HPCA Amendment/Advisory Determination** form *and* the **CRA S2 Amendment** form. Please describe the change on the form, not on a separate sheet. “See Attached” is not a description of the changes that you propose for project work. For lengthy descriptions, provide a short description of the work on the form and note that you are providing additional information on separate sheets.

HPCA PART 3 – REQUEST FOR CERTIFICATION OF COMPLETED WORK CRA S3 – DOCUMENTATION OF COMPLETED WORK

Project completion – Provide a complete **HPCA Request for Certification of Completed Work (Part 3)** *and* a complete **CRA S3** after all work has been completed. Please note that the information in the **CRA S3 Section 4 – Rehabilitation Expenses List** is required for all owner-occupied residential projects.