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**Solving The Economic Development and Affordable
Housing Crises in Georgetown County**

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Introduction and Thesis:

While my tenure with the Georgetown Department of Economic Development has been a short one, I have learned countless new things. Even though I have grown up in Georgetown County, I never realized how much I did not know, and how much I had not seen. We have driven through pretty much every single inch of road in the county, and it blew my mind at how foreign it all felt, even though I live a short drive away. Much of the county outside of the Waccamaw neck is severely impoverished. Many homes are abandoned and are in unlivable conditions. There are many abandoned factories, and many empty storefronts in downtown areas. So far during my internship with the Georgetown County Office of Economic Development and Administration, much of the work that we have been doing is focused on affordable housing throughout the county and recruiting businesses to the area. Understanding the needs of our county outside of the Waccamaw Neck has exposed me to some hard truths. My takeaway has been that we desperately need more affordable housing, and sustainable employment opportunities to keep our young talent here at home, and to preserve the quality of life that we all enjoy.

The SDG Goals that I want to focus on in Georgetown County are SDG goals: #8 Decent Work and Economic Growth, #9: Industry Innovation and Infrastructure, and #11: Sustainable Cities and Communities. After doing this research, the problems in the county that should be prioritized are increasing affordable housing for all of Georgetown County, and creating more high-paying jobs for young people in the highly skilled manufacturing sector, which pay more

than double what the local service industry pays. I believe that our county has bountiful potential, and the possibilities are endless and exciting. With that said, most of these problems have been around for decades and have been ignored and exacerbated. By working towards good jobs and economic growth, we can provide opportunities for a large percentage of the county that has been left behind these past decades. By working on having more affordable housing, we can ensure that families no longer must fear for losing their home and can put their resources and energy back into the local community. Below I will go over my analysis and recommendations for the problems that we are facing.

Literature Review:

Concerning affordable housing, it is important to have a goal in mind. SDG target 11.1 recommends that states and localities “ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums”¹. In the U.S., The Department of Housing and Urban Development defines affordable housing as; “Affordable housing is generally defined as housing on which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities.”². This is a broad definition of what affordable housing means and does not apply to any specific area. Affordable housing does not necessarily mean Section 8, or heavily subsidized housing, although these types of units are currently near full capacity in Georgetown SC and more units may be needed ³. The lack of affordable housing in the county has been one of the biggest deterrents of businesses moving to the area. While it may be an ideal place to work from, many of the prospective employees cannot find housing that is affordable

¹ U.N., “The 17 Goals” 2021

² H.U.D. “Terms to Affordable Housing” 2021

³ Grady, “G.C. Housing Needs Assessment” 2021

and fits their needs. Bowen Research's study of housing in Georgetown County made a great discovery:

Based on stakeholder input, it appears local employers have been impacted by the inability of potential new hires relocating from different areas to find suitable/affordable rental housing options in the Georgetown County area. This has become such a problem for some employers that they report multiple new hires have ended up declining the job offer due to not being able to find housing options. As such, the lack of affordable rental housing appears to be negatively impacting employers.⁴

Solutions that could help to solve this problem include some that have proven successful in other similar counties. San Mateo county in California was successful using density bonuses which permit the developers to be able to build a certain number of extra units, if they guarantee to make a certain number of units at an affordable rate⁵. Expedited permitting is also a tool that Georgetown County should consider using to save developers time and money, in order to make affordable housing more attractive to them. Another example of an area that has turned around its housing situation is Detroit, Michigan. While Georgetown is much smaller in population, we share the same struggles of industrial disinvestment and a loss of population. Detroit was aggressive in giving tax credits to real estate developers and this is what spurred their interest in the most undesirable neighborhoods. As tax credits have been doled out to real estate investors, their value has steadily gone up and more people have begun moving to the area at an affordable cost. The article states: "projects have sought not only to improve the properties' physical quality, but also to promote social and economic transformation in public housing complexes and

⁴ Grady, "G.C. Housing Needs ", 2021

⁵ San Mateo County, "Development Incentives" 2021

their surrounding communities. Many of those projects have generated positive impacts on their surrounding neighborhoods such as a reduction in crime rate and a boost in nearby property value”⁶. These are methods that have proven successful in other areas and are worth consideration in Georgetown County. Not only has affordable housing disappeared, but the vibrant communities like the west end of Georgetown and the downtown areas of Andrews have left with them. Homes are abandoned and retail and restaurant spaces as well. If we can revive the affordable housing options in the area, then the community centers may come back as well. Based on the data, the County needs to take more aggressive action when it comes to incentivizing developers away from the Waccamaw Neck, and offering them significant tax credits, and other incentives in other parts of Georgetown County.

Like many other cities around the south that have experienced a loss of crucial industries such as textiles, Georgetown County has suffered from the same problems. While the textile industry in Georgetown County is long gone, the abandoned mills are still here. These may seem like an eyesore, but many former mill towns close to home have proven that they can bring value to the community. Like many other former mill areas, Georgetown County, outside of the Waccamaw Neck is having an identity crisis. People are wondering what benefits the old mills have to offer the area going forward. Studies in former mill towns throughout North and South Carolina have shown that these old buildings can become community assets. The article states:

“Restoring the historic built environment is central to both community and place because it also simultaneously restores the social fabric of a community by not allowing its past to be forgotten. The economic climate of any town or city is most impacted by these two

⁶ Deng, “Building Affordable Housing in Cities After Abandonment” 2013

fundamental concepts of place and community because “economic growth will only take place on a sustainable basis where there is a high quality of life.”⁷

Many places like Spartanburg SC, and Albermarle NC, have shown that these abandoned buildings can bring back a sense of community and increase quality of life in an area, which will lead to more sustainable economic growth long term. Another former mill town that is redeveloped one of its iconic mills is Rock Hill, South Carolina. City and County leaders working in cooperation with local developers, were able to get started on this \$75 Million transformation of a former 400,000 square foot textile mill that will now be repurposed into a multi-use restaurant, retail, and office space⁸. In the area around Andrews, there are several mills that are abandoned, not to mention the Steel Mill on the water in downtown Georgetown. It is important to know that other cities have been successful revitalizing their former eyesores. While these buildings are often not in ideal locations, it is important to remember that most historic attractions and areas repurpose their history to fit the modern times. Like historic Front Street in Georgetown, how can we make our history attractive today? Not all mills are totally viable for repurposing. The ones closest to population centers hold a certain identity in the community, and leaders should be asking how they can use this identity and history going forward to their advantage. These are ideas that could help the city and county spur economic growth. Going forward, a clear vision needs to be idealized first from our local leaders.

Empirical Data:

⁷ Marion, “Community Revitalization: New Beginnings for Carolina Piedmont Textile Towns”, 2010

⁸ WCCB Charlotte, “Mixed-Use Development Weaves in History of Rock Hill Textile Mills”, 2019

In Georgetown County it may not seem like we are making much progress towards sustainable economic growth for all citizens, but from my experience working with the county, we have had more talks with large businesses than I would have ever imagined. It is very possible to soon reach the U.N. indicator Target 8.2 which states; “Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors”⁹. Outside of the Waccamaw Neck, most of our top employers are labor intensive manufacturing. Companies like; Saferack, 3V Chemicals, Envirosep, and AgruAmerica employ thousands of people in the county. It is crucial that we continue to create these types of jobs into the future, as they pay a significantly higher salary than those in the service sector. The local service sector pays on average, \$12.50/per hour, while the average wage for the labor-intensive manufacturing is \$26/per hour¹⁰. Our main goal must be getting more people working into advanced manufacturing. Right now, this makes up around only 4% of the workforce, meanwhile the service sector employs nearly half of Georgetown County, but the service sector pays less than half than what advanced manufacturing does. Increasing manufacturing jobs outside of the Waccamaw neck, means more than a new place to work. It means that people will no longer have to drive all the way to Pawleys Island or Murrells Inlet for work that pay far less than the manufacturing jobs. With that said, it is exciting to know that even in the midst of a pandemic, 2021 has been a record year for manufacturing interest in the area¹¹.

Concerning affordable housing, Georgetown County has been making significant progress within the last several years. Within the city of Georgetown there are different

⁹ U.N., “The 17 Goals”, 2021

¹⁰ Grady, ”G.C. Housing Needs Assessment”, 2021

¹¹ Paquette, ”Conversations with County Administration”, 2021

developments happening now geared towards workforce housing, and affordable living for the elderly. However, there is projected to be a huge housing gap in the coming years, specifically for renters earning less than \$31,250 a year that can afford <\$780 in rent per month, they will make up more than half of the housing gap and will need over 300 units ¹². To serve as a benchmark for where Georgetown County stands; SDG #11.1 states; By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums”¹³. As more affordable housing is constructed in the future, the County should also incentivize developers to include green energy solutions in order to bring some of the utility costs down in order to increase affordability even more. While I believe that we may be far off from ensuring access to everybody at this point, I believe that we will get there in the future, the housing needs assessment was a good first step, because at least the county knows how many units they will need, and what type of units.

Another point is that if Georgetown County wants to have a sustainable economy and workforce, we need to get our Hourly wages increased for all workers. The National Low Income Housing Coalition defines the “Housing Wage”:

The hourly wage a full-time worker must earn to afford a modest rental home while spending no more than 30% of his or her income on rent and utilities. the national two-bedroom Housing Wage is \$22.10 per hour. A household must have an annual income of at least \$45,960 to afford a two-bedroom rental home at HUD’s average fair-market rent

¹² Grady, ”Housing Needs Assessment”, 2021

¹³ U.N.,” The 17 Goals”, 2021

of \$1,149 per month. The average hourly wage of renters in the U.S. is \$16.88, \$5.22 less than the two-bedroom Housing Wage ¹⁴.

In Georgetown County the housing wage is a little more than \$15/Hour for a single adult, once children are added to the equation it is more than 20\$/Hour, while the average wage for renters that are working is \$10/Hour ¹⁵. Our wages for renters need to increase by 50% for us to achieve a sustainable renting wage. This will require the County to take more aggressive action in incentivizing advanced manufacturing businesses to the area, especially outside of the Waccamaw Neck, as well as focusing on decreasing the cost of housing.

While Georgetown County is seemingly far off on some of these goals, we are indeed making progress. One of the recently completed housing complexes that features tax credited affordable housing is Waterleaf at Murrells Inlet. The property opened in 2018 with 240 units and currently has been approved for a second phase. The second phase will have 72 two-bedroom units and 71 three-bedroom units and infrastructure has begun. Rents are expected to be around \$1,300 per month for a two-bedroom unit ¹⁶. In the City of Georgetown, Richmond Place Apartments is currently under construction at 1000 Charlotte Street in Georgetown. The property will have 128 market-rate units consisting of one-, two, and three-bedrooms at a rate comparable or slightly lower than Waterleaf in Murrells Inlet. Another proposal for a tax credited, affordable housing complex is near Wedgefield in Georgetown, which is seeking approval at the moment. As more construction takes place outside of the Waccamaw Neck, it will be important for the County to increase access points to rivers and beaches in order to generate the same quality of

¹⁴ NLIHC, "Out of Reach", 2018

¹⁵ Grady, "G.C. Housing Needs Assessment", 2021

¹⁶ Grady, "Housing Needs Assessment", 2021

life that is experienced on the Waccamaw Neck. It is important to keep pushing forward, these few projects are just the start to solving the entirety of the county's housing needs.

During my time analyzing the Georgetown County Housing Needs Assessment, I learned not only where and how much housing is needed, but what is needed in certain houses. More than 3% of homes are lacking complete kitchen facilities, such as a refrigerator, sink, and a stove. Also, close to 3% are lacking plumbing facilities, such as running water, a toilet, and a bathtub or shower ¹⁷. Another example is the West End of Georgetown, where flooding is a problem, and many homes experience significant damage from this. The County should be sure to implement more flooding indicators in low lying areas and incentivize the construction of resilient housing in order to increase the quality of life for residents in an equitable way. To be in accordance with SDG # 9.1 it is crucial that the county is working to make this type of infrastructure available and affordable to increase the quality of life for these area residents. The county is also in the process of providing broadband to rural areas, in order to enable internet access for those that currently do not have it. Nearly 15% of the county currently does not have access to broadband, but after recent federal funding, that will change soon. Lily Bryant writes, "The company (HTC) also received \$2.6 million in federal Coronavirus Relief Fund money that was earmarked for broadband. That included work in two areas south of Georgetown at a cost of \$948,038" ¹⁸. In 2021, it can be disturbing to see that some of these needs that many take for granted, are not accessible to some of our neighboring residents. However, it is comforting that we are making progress in these areas.

Analysis:

¹⁷ Grady, "G.C. Housing Needs Assessment", 2021

¹⁸ Bryant, The Coastal Observer, "Broadband Access Seen as Equalizer for Rural Areas", 2021

The U.N. Sustainable Development Goals are targets that outline or measure progress within a specific area or municipality to gauge how much they are becoming a more sustainable society. Many residents in Georgetown County may not be familiar with each of the goals specifically, but I think it is something that most people would agree that should be used as a target. I will give some comparisons below to analyze how much progress Georgetown County is making towards achieving these goals.

Georgetown County has had a pattern in its history of relying too heavily on one industry, this had led to very prosperous times and then it has led to prolific depressions that many in the area wish to forget about. Whether it be rice, indigo, shipping, steel, etc., the area has dealt with the same type of boom bust story over and over again. SDG #8 is about having a diverse growing economy that is resilient to these types of cycles. Concerning goal 8.2, Georgetown County is currently in talks with several industries involved with advanced manufacturing that are looking to begin production locally. In accordance with goal 8.2, many of these jobs are high value added and labor-intensive sectors, which will increase the probability of hitting the indicator of increased year over year per capita GDP growth. Many of the existing companies that are previously mentioned, are also considering expansion within the county, this expanded manufacturing base is exactly what the county needs.

On another hand our office is currently coordinating an initiative to empower small minority owned businesses in the community, focused on giving them the resources they need, which will further expand entrepreneurship in the area, and provide value for both those that live here and those that choose to visit our area. Concerning goal 8.3, by increasing the amount of small minority owned businesses, we will be achieving higher non-formal employment in demographics that typically receive the short end of the stick too often. Our office is working on

creating a database of the Minority Owned businesses in the county, to offer them resources on how to grow their business and how to navigate local policies. By increasing employment in these demographics, we will be in accordance with goal #8.3's indicators. While these gains have not been loudly made public, it is important to know that our local government takes these things into consideration and that we are proudly making progress for minority owned businesses.

Most of my work with the Georgetown County Office of Economic Development and Administration has been concerned with affordable housing, and how we can make it accessible to all of Georgetown County. While there is still much progress to be made, gains are being achieved concerning goal 11.1, which aims to decrease the proportion of the population living in unaffordable and inadequate housing. As previously mentioned, Georgetown County has several projects both under construction, and in the planning process. More homes are being built outside of the Waccamaw Neck now than in decades, several of these projects include senior and affordable housing options. Tax Credited developments are also seeking approval for several locations around the City of Georgetown right now.

Conclusion:

On paper, Georgetown County seems to be “a tale of two counties”, one part is reaping the benefits of economic and population growth, while the other part is feeling the drag of economic and population decline. This can be discouraging on the surface, but from deeper analysis, I have concluded that we are making progress to reach these Sustainable Development Goals. By continuous commitment to achieving these goals, overtime the entire county will share the benefits. Georgetown County is making progress in diversifying industry throughout the entire county, especially outside of the Waccamaw Neck. It is important that the county

continues to put energy and resources into recruiting the types of advanced manufacturing companies such as Saferack, and 3V Chemicals to help increase average wages outside of the Waccamaw Neck. A significant reason for our previous instability, that has been going on for centuries, has been the lack of diversification in our industrial sector. We are currently bringing jobs to the area that are in completely unique sectors, such as nanotechnology, chemical engineering, and industrial equipment manufacturing. Georgetown County is adding more affordable and workforce housing units, especially outside of the Waccamaw neck. Several projects are happening in and around the city of Georgetown that will be affordable to most in the area, according to the median housing wage ¹⁹. My research has shown that without affordable housing, there can only be limited economic growth, and there can be no affordable housing without diverse and widespread economic growth. These two issues are more intertwined than most people realize. As the data has shown, things are already improving, and it is important that we build on these successes.

Next Steps:

While Georgetown County is making progress with more housing construction, and a focus on workforce housing, more still needs to be done to address the continuing crisis in the county. Georgetown County needs an expansion, with the help of state funds, into low-income subsidized affordable housing. Georgetown needs to financially incentivize developers with tax credits and more expedited permitting to build affordable housing. Due to the increase in industries coming to the area, there is a shortage of housing that fits the needs of workers that would be coming to the area therefore, Georgetown County also has to financially incentivize

¹⁹ Paquette, "Conversations With County Administration", 2021

developers to build more diverse unit types. Specifically, unit types that include studio, and two-bedroom apartments, so that tenants are not paying for unused space.

Secondly, Georgetown County has done a decent job of attracting new businesses to the area in the advanced manufacturing sector. While we have made good progress already, we shouldn't take this progress for granted. For hundreds of years, Georgetown County has an unfortunate history of seeming to be on the cusp of a breakthrough, and then we fall into a depression. More than a cycle, this is almost the law of Georgetown County. To maintain the growth of new industries coming to the area, it is imperative that we invest significant amounts of money into our struggling schools around the county. Beyond investing into schools in the county, the current plan of the County buying land with state funds and giving it to large industries at a discount seems to be a working strategy, this should be continued.

There are issues that we are taking control of, but it is important to maintain this momentum. Many of these issues have a limited timespan before the consequences become painful for locals. Hopefully we can see some progress on these issues soon so that Georgetown County can continue to be a place that we all love and enjoy.

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