GRAHAM COUNTY

HOUSING ASSESSMENT & HOUSING STRATEGY

2025

COMMISSIONED BY
THE SOUTHEAST ARIZONA
COUNCIL OF GOVERNMENTS (SEAGO)

SEAGO

VIA A GENEROUS GRANT FROM
THE UNITED WAY OF
GRAHAM & GREENLEE COUNTIES

United Way

United Way of Graham & Greenlee Counties

PREPARED BY
GROW AMERICA
WITH ASSISTANCE FROM NORRIS DESIGN

Grow America

Formerly NDC | Partners in Community Development

NORRIS DESIGN
PEOPLE + PLACEMAKING

Executive Summary

In March of 2024, the SouthEastern Arizona Council of Governments (SEAGO) was awarded an Economic Stability Grant from the United Way of Graham and Greenlee Counties and used the grant funding to commission this *Housing Assessment and Housing Strategy*. After a competitive procurement process, SEAGO selected Grow America to complete the *Housing Assessment and Housing Strategy.*

In order to ensure that the *Housing Assessment and Housing Strategy* was guided by local expertise, Grow America engaged in the following community outreach efforts in late 2024 through the Spring of 2025:

- **Steering Committee** – Grow America worked with SEAGO to recruit a committee of local employers, real estate agents, builders, social services providers, and local government staff members who met several times to review pertinent economic and housing data for Graham County. Committee members shared insights related to local employment trends, housing demand trends, and the obstacles that may be limiting the construction of new housing in Graham County.
- **Community Questionnaire** - Grow America and its subcontractor, Norris Design, developed a community questionnaire that was deployed via the SurveyMonkey platform. The questionnaire was open from early March until mid-April 2025 and received 439 responses. The questionnaire asked local stakeholders to provide information on their own housing experiences (e.g. cost, condition, and availability of housing) and to provide input on the types of housing they wanted to see developed in Graham County.
- **Town Hall Meetings** - In the Spring of 2025, Grow America and its subcontractor, Norris Design, facilitated several community meetings that were open to the general public. At these meetings, local stakeholders learned about local housing data and were asked to discuss potential strategies for addressing various housing needs.
- **One-on-One Interviews** – Grow America and Norris Design conducted interviews with local community members, including real estate agents, builders, social services providers, local government staff members, bankers, and landlords. These interviews were designed to provide an opportunity for in-depth discussions about the local economy and opportunities to address local housing needs.

In addition to reviewing community input, Grow America's housing assessment also included an analysis of numerous datasets from the U.S. Census Bureau and the Bureau of Labor Statistics.

Summary of Graham County Housing Assessment and Housing Strategy

Graham County has a strong economy that is supported by a diversified employment base. Numerous large employers are growing their workforces, including Freeport-McMoRan Safford Inc. (FMSI), Freeport-McMoRan Morenci Inc. (FMMI), Eastern Arizona College (EAC), and the Mt. Graham Regional Medical Center. These employers generally pay good wages, which is reflected in U.S. Census Bureau data that indicates that the median household income in Graham County has been rising steadily over the past five years from $62,511 to $67,326.[1]

Graham County also benefits from a strong higher education system that is preparing students to be the workforce of the future. Eastern Arizona College (EAC) offers numerous associate's degrees and has recently started offering bachelor's degrees in health sciences and music education. In recent surveys, 90% of EAC's graduates reported employment and job satisfaction within 6 months of graduation. On a cautionary note, however, the K-12 public school systems located in Graham County have achieved mixed results. In the most recent data published by the Arizona Department of Education, the Thatcher Unified School District, which has an enrollment of 1,820 students, spent $9,245 per student and its students outperformed the state average in all three statewide assessments (English/Language Arts, Math, and Science). However, the Safford Unified School District, which has an enrollment of 2,888 students, spent $5,607 per student and its students underperformed on all three statewide assessments.

Due to its strong economy, the County's population has been growing. The number of residents has grown from 37,879 to 38,860, a 3% increase in the past 5 years. These new residents are primarily migrating from within the state; only 3% of new residents moved from out of state and international migration was non-existent.

While Graham County's population has risen incrementally (3%), it has experienced a much more significant increase in the number of households. The U.S. Census Bureau defines a *household* to include all people living in a *housing unit*. Members of a household can be related or unrelated. When assessing housing needs, data related to *households*, rather than *population*, is important because increases or decreases in the number of households affect the demand for homes (i.e. *housing units*).

In the past 5 years, Graham County has gained 1,678 households (approximately 16% growth). Households increased from an estimated 10,782 in 2018 to 12,460 in 2023. When the number of

[1] The United States Census Bureau's American Community Survey ("ACS") was the primary data source used for the housing assessment. According to the U.S. Census, the ACS "is the premier source of detailed information about the nation's people and housing. As an ongoing survey conducted by the U.S. Census Bureau since 2005, the ACS collects detailed social, economic, housing, and demographic information from a sample of households across the 50 states, the District of Columbia, and Puerto Rico." ACS data is collected via surveys conducted throughout the year and is pooled into 1-year and 5-year estimates. Grow America used the most recent 5-Year ACS dataset (2023) in its analysis.

households rises faster than the population, it is due to one (or more) of the following factors: (1) the composition of the County's existing households has changed, which could result from circumstances such as young adults moving out of their family home or roommates deciding to live alone, thereby "forming" new households, or (2) the new residents who moved into the County are living alone or have formed households that have less people than the households that moved out of Graham County during the same time period. The average household size in Graham County has decreased over the past five years, from 3.12 to 2.87 persons per household.

Despite the strong demand for housing, Graham County, as well as the individual municipalities located within the County,[2] have struggled to *build* and *maintain* a sufficient number of housing units to accommodate the demand for housing in the County. Since 2018, the number of housing units in Graham County has increased by 525. Virtually all of the net increase in housing units (i.e. units constructed minus units demolished) has occurred in unincorporated areas of Graham County.

Local residents who provided input via the Community Questionnaire or at community meetings expressed their concern that the majority of new housing units that are constructed within (or near) the towns of Thatcher, Safford, and Pima are "luxury" housing. They stated that the limited number of new housing units are either custom-built for second-homeowners or are offered for sale or rent at prices that are far beyond the budget of the typical long-time Graham County resident.

Another consistent opinion voiced by local residents was that much of the existing housing stock is poorly maintained and has few amenities. Renters, in particular, complained that it is very difficult to find moderately priced rental units that are in good condition. U.S. Census data supports the views held by residents. Very few habitable housing units in Graham County are vacant. The homeowner vacancy rate in Graham County is extremely low – at 2.2%. The homeowner vacancy rate has remained relatively steady in the past five years; previously it was 2.9%. The rental vacancy rate is 3.2%, which is a significant decrease from five years ago when it was 12.9%.

Due to the extremely low homeowner and rental vacancy rates, it is likely that there is unmet demand for housing in Graham County. In other words, if more housing units were built in

[2] There are three municipalities that are located in Graham County. The City of Safford and the Towns of Thatcher and Pima. The San Carlos Apache Indian Reservation is also located in Graham County. For purposes of the housing assessment, the authors reviewed U.S. Census data for Graham County as a whole, as well as for the two largest municipalities, the City of Safford and the Town of Thatcher. All County residents were invited to participate in community engagement activities, including the Graham County Housing Plan Community Questionnaire, which was conducted via SurveyMonkey. The Community Questionnaire received 439 responses, with about 8% of respondents indicating that they were Town of Pima residents, and 20% indicating that they lived in unincorporated Graham County.

Graham County – especially in Thatcher, Safford, and Pima – new households would move into the new housing units.

In addition to overall supply-demand imbalance in the total number of habitable housing units, Graham County's current housing stock does not appear to be well-matched to the needs and preferences of smaller households. Census data indicates that households are getting smaller, which means that there is more demand for rental and for-sale housing units with fewer bedrooms. However, the percentage of the housing stock with 2 or less bedrooms has declined from 32% of the total housing stock to 26% of the total housing stock. This decline is likely driven by the removal or demolition of mobile/manufactured ("mobile") homes and RVs in Graham County, which have traditionally served to accommodate the housing needs of smaller households. In 2018, mobile homes constituted 26% of the housing stock in Graham County, whereas they currently comprise only 18% of the housing stock.

The assessment of Graham County's housing data, combined with the insight provided by local residents, indicates that Graham County has several unique housing needs. These housing needs are summarized below, followed by recommended strategies and tactics that can be implemented to address the unique housing needs.

Housing Need #1: More Short-Term Rental Housing is Needed to Accommodate Contractors and Temporary Workers

FMSI and FMMI regularly hire contractors and temporary employees to work several weeks or months at a time at the Morenci and Safford mines. During their onsite work at the mines, these contractors and temporary employees need temporary housing accommodations. Currently, extended-stay hotels, non-extended stay hotels and motels, RV parks, and short-term rentals in Graham County (and, likely, Greenlee County), accommodate the majority of this demand. During these surges of contractors and temporary employees into Graham County, the County's housing supply is impacted in three ways: (1) hospitality properties raise their rates significantly in response to the increased demand, which reduces the ability of tourists and other visitors to find reasonably-priced hotel and motel accommodations, (2) hospitality properties become fully booked, which impacts the amount of tourists who can even visit and spend money in Graham County, and (3) some landlords choose to operate their rental housing unit(s) as *short-term* rental units (e.g. AirBnB) rather than long-term rental units, which reduces the supply of long-term rental units and allows landlords of long-term rental properties to raise their rents.

Recommendations to address this housing need: Several strategies could be used to add more short-term rental units to Graham County's housing supply. For example, FMSI and FMMI could build more short-term housing on land that they own or acquire. These housing units could be permanent structures (stick-built or manufactured housing units) that are made available on a temporary basis to employees and contractors. Or FMSI/FMMI could develop RV parks exclusively for the use of temporary employees and contractors. However, it is important to note that only 20% of Graham County residents who responded to the Community Questionnaire voiced support for the development of new RV parks in Graham County.

Alternatively, or in addition to the first strategy, Graham County could identify a site(s) located within Graham County's existing Opportunity Zone that is suitable for the development of a new extended stay hotel and recruit a developer to build the new hotel by highlighting the benefits of investing in rural Opportunity Zones. FMSI/FMMI could strengthen the attractiveness of such a deal by indicating its willingness to enter into an annual or multi-year agreement to rent a block of rooms for its temporary employees and contractors.

Housing Need #2: More Well-Maintained Rental Housing Units are Needed that are Affordable for Lower Wage Workers

Graham County's economy includes a mix of higher-wage and lower-wage employment sectors, resulting in a wide range of household incomes across the community.. Lower-paid workers struggle to find rental housing units that are in good condition and are offered for lease at affordable prices. Currently, manufactured homes/mobile homes; smaller, older apartment units; and poorly maintained single-family homes partially serve the housing needs of these lower-wage residents. Other local workers choose to live outside of Graham County and commute into Graham County for work.

Currently, there is very little incentive for landlords who charge rents at the low-end of the market to invest in maintaining their existing rental properties. The competition for lower-rent properties is fierce, and therefore, renters are willing to accept housing that is not well-maintained.

However, due to the undersupply of rental housing units at all price points, some landlords of older rental housing units have recognized that investing in upgrades to their properties allows them to significantly increase rents and to capture the market of renters earning higher salaries who expect a more modernized housing unit. When these rental properties are "flipped," it further decreases the supply of lower-rent housing units.

Recommendations to address this housing need: Graham County can address the lack of well-maintained affordable rental housing units in several ways. First, Graham County should seek to add more affordable multifamily rental housing units to its housing inventory by leveraging the Low Income Housing Tax Credit (LIHTC). The Arizona Department of Housing (ADOH) is the statewide entity that is responsible for awarding tax credits to eligible housing projects. However, tax credits have not been awarded to a housing project in Graham County in over a decade. Attracting a successful project will require local leaders to: (1) build support for such a project, since many local residents are not supportive of adding new apartment units in Graham County, (2) adopt one or more Community Revitalization Plans that make Graham County sites competitive for tax credits, and (3) create local gap-financing programs for affordable housing project. As an initial step, Graham County leaders should consult with housing developers that have successfully developed affordable housing projects in Arizona to understand the role that Graham County can play in facilitating the usage of LIHTC to support affordable housing development in Graham County.

Additionally, Graham County could incentivize landlords of *existing* rental properties to invest in modest repairs while maintaining affordable rents. Graham County could accomplish this objective via a rental property repair program. The program could offer low-cost loans or grants to landlords who agree to: (1) repair all health- and safety-related violations at their rental properties, and (2) lease the rental housing unit(s) to a low- or moderate-income (LMI) renter. Currently, in Graham County, a two-person household earning less than $52,000 per year is considered an LMI household.

Graham County should consider applying to the State of Arizona for federal Community Development Block Grant (CDBG) funding that can be used to operate a rental property home repair program. Additionally, if Graham County formed an Industrial Development Authority (IDA), it could allocate a portion of the revenues generated by the IDA to fund such a repair program.

Housing Need #3: More Newly Constructed Housing Offered for Sale at All Price Points is Needed to Accommodate Graham County' Growing Population

Population and employment growth trends indicate that Graham County is a desirable place to live and that more individuals and families would move to Graham County if suitable housing was available. However, housing construction moves very slowly in Graham County due to a combination of factors including: lack of developable and reasonably-priced land, lack of reasonably-priced mortgage financing and investment capital, a slow development review process, limited experience and capacity of local builders, and lack of a sufficient pool of skilled tradespeople. Additionally, while local residents voiced their desire to see more moderately-priced, smaller for-sale homes constructed in Graham County, the new housing that is being constructed is offered for sale at price points above $300,000 per home.

Local stakeholders noted that large "production" builders such as David Weekley Homes or D.R. Horton have not shown interest in building subdivisions in Graham County due to the added expense and complexities of building in a rural area. So long as developable land is available within the Phoenix and Tucson metro areas, these builders are unlikely to work in Graham County.

Therefore, smaller, local builders are the primary developers of for-sale housing in Graham County. These local builders are typically limited to building only one or two homes at a time because they are primarily self-financing construction. Likewise, their capacity is further limited by the factors discussed earlier – such as lack of skilled tradespeople, lack of reasonably-priced construction financing, and a slow development review process. This slow development process is inefficient and leads builders to focus on building “luxury” homes that have higher profit margins.

Recommendations to address this housing need: In order to foster increased investment in constructing housing that meets the needs of current and prospective Graham County residents, Graham County and local municipalities should seek to reduce the barriers to housing development.

For example, SEAGO has a long history of serving as a convenor and technical assistance provider to municipalities and other organizations operating in the Gila Valley. SEAGO should build upon the momentum that was generated during the community outreach phase of this Graham County Housing Assessment and Strategy and facilitate the following three activities: (1) provide training for developers who want to transition from building one home at a time to developing multi-unit projects, (2) provide technical assistance to Graham County local governments that desire to analyze their zoning regulations and development review processes and identify opportunities to streamline process, encourage situationally-responsive housing development and maintain consistency and (3) provide technical assistance to Graham County local governments that want to explore the feasibility of providing economic development incentives to encourage the development or redevelopment of key sites that are suitable for new housing construction.

These housing needs and recommended strategies are discussed in further detail in the *Housing Strategy* section.

Housing Assessment

Population and Demographic Trends

Population Overall

According to the most recent U.S. Census American Community Survey ("ACS") data, in the past five years, Graham County's population has increased by 981 residents. The population increased from an estimated 37,879 residents in 2018 to a population of 38,860 in 2023.

Nearly half of the County's population increase can be attributed to growth in the population of the Town of Thatcher ("Thatcher"), which gained 482 residents over the past five years. The City of Safford ("Safford") also gained 324 residents over the same time period.

Data provided by FMSI shows employment at the Safford Mine almost doubled to 1,800 employees between April 2017 and April 2025. Given the strong employment growth at the FMI Safford Mine, it is likely that much of the population growth in the County over the past five years was driven by new FMSI employees who chose to move into Graham County.

Race and Ethnicity

Graham County has a sizable population of Non-Hispanic White, American Indian, and Hispanic residents and significantly smaller populations of Black, Asian, and multiracial persons. Specifically, 53% of Graham County residents are Non-Hispanic White, 30% are Hispanic, and nearly 11% are American Indian. Compared to Graham County, Thatcher has a higher percentage of Hispanic residents and a significantly smaller percentage of people who identify as American Indian. Safford has a higher percentage of Non-Hispanic White residents and a much smaller percentage of people who identify as Hispanic or American Indian.

Population Trends by Race and Ethnicity						
Ethnicity	Graham County		Thatcher		Safford	
	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates
Total population	38,860	37,879	10,217	9,735	5,354	5,030
Hispanic or Latino (of any race)	30.3%	32.9%	46.7%	46.6%	20.2%	24.9%
Mexican	27.3%	31.2%	43.1%	43.4%	19.0%	23.7%
Puerto Rican	0.4%	0.4%	1.1%	0.7%	0.0%	0.0%
Cuban	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Hispanic or Latino	2.5%	1.2%	2.4%	2.4%	1.2%	1.1%
Not Hispanic or Latino	69.7%	67.1%	53.3%	53.4%	79.8%	75.1%
White alone	53.1%	50.9%	50.0%	49.3%	77.2%	69.4%
Black or African American alone	1.3%	1.8%	0.2%	2.6%	0.2%	0.9%
American Indian and Alaska Native alone	10.8%	12.5%	0.0%	0.5%	0.4%	1.6%
Asian alone	0.6%	0.6%	0.7%	0.3%	0.8%	1.0%
Native Hawaiian and Other Pacific Islander alone	0.1%	0.1%	0.0%	0.0%	0.1%	0.1%
Some other race alone	0.3%	0.0%	0.2%	0.0%	0.6%	0.0%
Two or more races	3.6%	1.1%	2.2%	0.7%	0.5%	2.1%

Figure 1: Population trends by race and ethnicity (2018 & 2023 5-Year ACS)

Age

Graham County has a relatively young population. The median age of all residents is 34.4 years old. Both Thatcher and Safford have an even younger population; Thatcher's median age is 31.3 years old, and Safford's median age is 29.6 years old.

Population Trends by Age						
Age	Graham County		Thatcher		Safford	
	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates
Total population	38,860	37,879	10,217	9,735	5,354	5,030
Under 5 years	6.5%	7.4%	7.1%	6.6%	5.6%	5.5%
5 to 9 years	7.0%	7.3%	7.9%	7.3%	4.5%	9.4%
10 to 14 years	8.3%	7.8%	8.7%	8.5%	9.6%	7.9%
15 to 19 years	7.2%	7.8%	5.6%	9.0%	12.1%	14.3%
20 to 24 years	7.2%	7.5%	10.6%	7.1%	7.9%	10.7%
25 to 34 years	14.8%	15.1%	15.3%	13.8%	15.7%	8.4%
35 to 44 years	13.6%	12.5%	12.1%	10.0%	11.3%	13.4%
45 to 54 years	11.0%	11.0%	8.5%	12.2%	10.0%	9.9%
55 to 59 years	4.8%	4.8%	4.5%	4.0%	2.6%	3.2%
60 to 64 years	5.3%	5.5%	4.9%	5.9%	5.5%	4.8%
65 to 74 years	8.6%	7.6%	7.9%	6.8%	10.0%	7.8%
75 to 84 years	4.3%	4.1%	5.5%	6.0%	4.1%	3.4%
85 years and over	1.4%	1.5%	1.5%	2.7%	1.1%	1.2%

Figure 2: Population trends by age (2018 & 2023 5-Year ACS)

***Family** includes related individuals living in the same household.*

***Household** includes all people living in a housing unit. Members of a household can be related (see family) or unrelated.*

Households and Families

While Graham County's overall population has grown by less than 1000 residents in the past five years, it has experienced a much more significant increase in the number of households. In the past five years, Graham County has gained 1,678 households (approximately 16% growth). Households increased from an estimated 10,782 in 2018 to 12,460 in 2023. Thatcher gained 361 households and Safford gained 178 households. Accordingly, 1,140 new households formed outside of Safford and Thatcher over the last five years.

The average household size (2.87) and average family size (3.31) in Graham County have declined over the past five years. The average household size of owner-occupied homes is 2.9 and is 2.8 for renter-occupied homes.

Trends in Household Composition & Size						
	Graham County		Thatcher		Safford	
	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates
Total households	12,460	10,782	3,669	3,308	1,814	1,636
Household Composition						
Married-couple household	46.8%	51.5%	41.6%	45.5%	58.9%	61.6%
Cohabiting couple household	8.0%	5.8%	9.7%	4.7%	6.4%	4.8%
Male householder, no spouse/partner present	17.9%	15.7%	19.5%	15.2%	10.7%	9.6%
Female householder, no spouse/partner present	27.3%	27.0%	29.1%	34.6%	23.9%	24.0%
Household Size						
Average household size	2.87	3.12	2.74	2.85	2.86	2.9
Average family size	3.31	3.75	3.2	3.56	3.21	3.51

Figure 3: Household composition & size trends (2018 & 2023 5-Year ACS)

Education, Labor Force Participation, and Employment Trends

School Enrollment and Educational Attainment

When comparing the school enrollment of residents of Thatcher and Safford to Graham County residents as a whole, Safford has a much higher percentage of residents who are enrolled in college (34% of Safford residents compared to 25% of Thatcher residents and 20.5% of Graham County residents).

However, a higher percentage of Thatcher residents successfully obtained a 4-year college degree or higher (13.7%) as compared to Safford residents (11.4%) and Graham County residents overall (9.7%). Over the past five years, the educational attainment of Safford's population has declined; currently 87% of residents reported having a high school diploma or higher, whereas nearly 94% reported the same level of educational attainment five years ago.

Trends in School Enrollment & Educational Attainment						
	Graham County		Thatcher		Safford	
	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates
Total households	12,460	10,782	3,669	3,308	1,814	1,636
School Enrollment						
Population 3 years and over enrolled in school	10,436	10,184	2,858	2,749	1,698	1,953
Nursery school, preschool	5.2%	4.7%	3.3%	3.5%	2.2%	1.7%
Kindergarten	3.9%	5.1%	4.6%	5.6%	2.7%	4.8%
Elementary school (grades 1-8)	47.9%	46.0%	52.8%	43.0%	39.0%	37.0%
High school (grades 9-12)	22.6%	22.2%	14.0%	29.1%	21.9%	18.4%
College or graduate school	20.5%	22.0%	25.3%	18.7%	34.2%	38.1%
Educational Attainment						
Population 25 years and over	24,775	23,531	6,140	5,972	3,229	2,622
Less than 9th grade	5.1%	4.5%	5.0%	3.8%	1.6%	1.8%
9th to 12th grade, no diploma	10.6%	9.9%	7.3%	8.9%	11.1%	4.4%
High school graduate (includes equivalency)	30.3%	29.9%	28.9%	24.4%	24.3%	24.6%
Some college, no degree	29.0%	30.2%	28.5%	37.3%	29.3%	26.7%
Associate's degree	10.4%	10.3%	11.1%	10.6%	12.5%	15.9%
Bachelor's degree	9.7%	9.7%	13.7%	10.2%	11.4%	11.4%
Graduate or professional degree	4.9%	5.6%	5.6%	4.7%	9.7%	15.4%
High school graduate or higher	84.2%	85.6%	87.7%	87.3%	87.3%	93.8%

Figure 4: School enrollment & educational attainment trends (2018 & 2023 5-Year ACS)

Labor Force Participation and Employment

Approximately 51% of Graham County's population 16 years of age and over is in the labor force, which has risen slightly over the past five years. The unemployment rate in Graham County has declined over the past five years, dropping from 9.4% to 6.3%, which is a statistically significant decline.

Compared to Graham County, both Thatcher and Safford have a higher percentage of their population that is in the labor force and lower unemployment rates.

Trends in Labor Force Participation						
	Graham County		Thatcher		Safford	
	2019-2023 Estimates	**2014-2018 Estimates**	**2019-2023 Estimates**	**2014-2018 Estimates**	**2019-2023 Estimates**	**2014-2018 Estimates**
Population 16 years and over	29,716	28,750	7,688	7,332	4,205	3,796
Labor Force Participation						
In labor force	50.8%	49.3%	61.6%	61.1%	59.3%	55.6%
Civilian labor force	50.8%	49.3%	61.6%	61.1%	59.3%	55.6%
Armed Forces	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not in labor force	49.2%	50.7%	38.4%	38.9%	40.7%	44.4%
Civilian labor force	15,106	14,166	4,732	4,478	2,492	2,109
Unemployment Rate	6.3%	9.4%	5.7%	6.5%	5.3%	3.1%
Labor Force Participation of Families with Children						
Own children of the householder under 6 years	2,718	3,066	690	697	333	333
All parents in family in labor force	57.9%	54.1%	59.1%	66.1%	65.8%	45.6%
Own children of the householder 6 to 17 years	6,679	6,295	1,726	1,851	1,003	1,031
All parents in family in labor force	57.9%	64.5%	78.6%	82.7%	43.9%	48.8%

Figure 5: Labor force trends (2018 & 2023 5-Year ACS)

The industries that currently employ the greatest share of Graham County residents include: *Agriculture, forestry, fishing and hunting, and mining* (14.8%); *Construction* (10.1%); *Retail trade* (11.4%); *Educational services, and health care and social assistance* (22.1%); and *Arts, entertainment, and recreation, and accommodation and food services* (9.9%).

Over the past five years, there was an increase in the percentage of Graham County residents employed in the following four industries: (1) *Agriculture, forestry, fishing and hunting, and mining,* (2) *Construction,* (3) *Transportation and warehousing, and utilities,* and (4) *Professional, scientific, and management, and administrative and waste management services*. The percentage of residents employed in other major industries either declined or remained constant.

The increase in the percentage of the Graham County population that is employed in *Agriculture, forestry, fishing and hunting, and mining,* is likely due to the expansion of operations at the Safford and Morenci mines. Data provided by FMSI shows that employment at its Freeport Operations in Graham County have doubled from 900 to 1,800 employees between April 2017 and April 2025.

Compared to Graham County, Thatcher has an even higher percentage of residents who are employed in the *Agriculture, forestry, fishing and hunting, and mining* industry and the *Construction* industry. For Thatcher residents, employment in both of these industries (as a percentage of the overall employed population) has increased dramatically over the past five years. FMSI reported in April 2025 that 20% of its Safford Mine employees reside in Thatcher.

Safford has seen the opposite trend – employment in the aforementioned industries has declined significantly in the past five years. Regardless, as of April 2025, 53% of employees employed in Freeport Operations in Graham County and 19% of Freeport Morenci Operations employees reside in Safford. Overall, 73% (1,327) of FMSI employees and 24% (1,020) of FMMI employees resided in either Safford or Thatcher as of April 2025.

Trends in Emploment (by Industry)						
Employment by Industry	Graham County		Thatcher		Safford	
	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates
Civilian employed population 16 years and over	14,151	12,837	4,460	4,185	2,361	2,044
Agriculture, forestry, fishing and hunting, and mining	14.8%	11.3%	16.7%	9.7%	9.8%	13.0%
Construction	10.1%	6.6%	11.8%	5.3%	2.8%	6.2%
Manufacturing	1.9%	4.6%	1.3%	6.5%	2.2%	1.4%
Wholesale trade	1.7%	1.6%	1.7%	2.1%	0.8%	0.7%
Retail trade	11.4%	14.6%	9.6%	13.0%	14.7%	11.3%
Transportation and warehousing, and utilities	4.4%	3.0%	5.0%	1.9%	5.2%	2.3%
Information	0.7%	1.4%	1.5%	1.4%	0.8%	1.6%
Finance and insurance, and real estate and rental and leasing	3.3%	3.5%	5.2%	4.0%	1.2%	2.1%
Professional, scientific, and management, and administrative and waste management services	7.4%	5.0%	9.4%	5.0%	5.7%	6.6%
Educational services, and health care and social assistance	22.1%	24.5%	19.5%	22.0%	25.8%	30.9%
Arts, entertainment, and recreation, and accommodation and food services	9.9%	10.8%	8.5%	11.6%	18.7%	13.3%
Other services, except public administration	4.2%	5.0%	4.3%	6.9%	4.4%	2.1%
Public administration	7.9%	8.4%	5.7%	10.7%	8.0%	8.7%

Figure 6: Employment trends by industry (2018 & 2023 5-Year ACS)

Commuting Trends

An analysis of worker residency and employment location indicates that nearly half of employed Graham County residents work within the County (47%) while 53% of employed residents work outside of the County. Additionally, approximately 1,877 workers commute into Graham County to work. FMSI/FMMI reported in April 2025 that 10% (189) employees commuted to work from outside Graham County.

As depicted in **Figure 8**, about 32% of employed Graham County residents work in Safford, while 13% work in the Morenci Townsite and nearly 8% work in Phoenix.

Commute times for local residents have risen over the past five years. Whereas residents of Graham County reported an average commute time of 20.5 minutes in 2018, the commute time rose to 24 minutes in 2023. Residents of Thatcher and Safford, specifically, saw their commute time rise, with Thatcher residents experiencing nearly a 10-minute jump in the average commute time from 15.1 minutes in 2018 to 24.7 minutes in 2023.

While the majority of workers in Graham County commuted alone to work in a personal vehicle, nearly 14% reported carpooling in a car, truck or van. Workers employed by FMSI and FMMI likely constitute the entire population of residents who report carpooling to work, since FMSI and FMMI provide vanpooling benefits for employees. Safford saw a statistically significant increase in the percentage of residents who reported carpooling (rising from 10.5% in 2018 to 18% in 2023). According to information provided by FMSI/FMMI, 1,764 employees live in Safford. An additional 583 employees reside in Thatcher.

Trends in Commuting to Work						
Means of Transportation	Graham County		Thatcher		Safford	
	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates
Workers 16 years and over	13,975	12,365	4,387	4,041	2,295	2,013
Car, truck, or van -- drove alone	78.8%	79.6%	81.3%	80.2%	73.6%	82.6%
Car, truck, or van -- carpooled	13.7%	13.6%	12.5%	16.4%	18.0%	10.5%
Public transportation (excluding taxicab)	0.2%	0.3%	0.3%	0.0%	0.4%	0.2%
Walked	1.1%	2.1%	0.0%	0.9%	3.9%	3.1%
Other means	1.6%	1.1%	2.1%	0.4%	0.3%	0.2%
Worked from home	4.6%	3.3%	3.8%	2.2%	3.8%	3.4%
Mean travel time to work (minutes)	24	20.5	24.7	15.1	22.5	19.7

Figure 7: Commuting trends by method of commute (2018 & 2023 5-Year ACS)

The opportunity of a well-paying job appears to be the primary reason why Graham County residents commute outside of the County for work. Over half of these workers (55%) earn more than $3,333 per month (more than $40,000 per year). Similarly, about half (50%) of residents who both live and work in the county earn more than $3,333 per month.

However, less than half (40%) of non-county residents are commuting into the county for well-paying jobs. This may indicate that lower-wage workers cannot locate housing that is within their price range within Graham County.

Destination Analysis

Workers: *Living in Graham County, AZ*
Showing: *Employment locations grouped by Places (Cities, CDPs, etc.)*

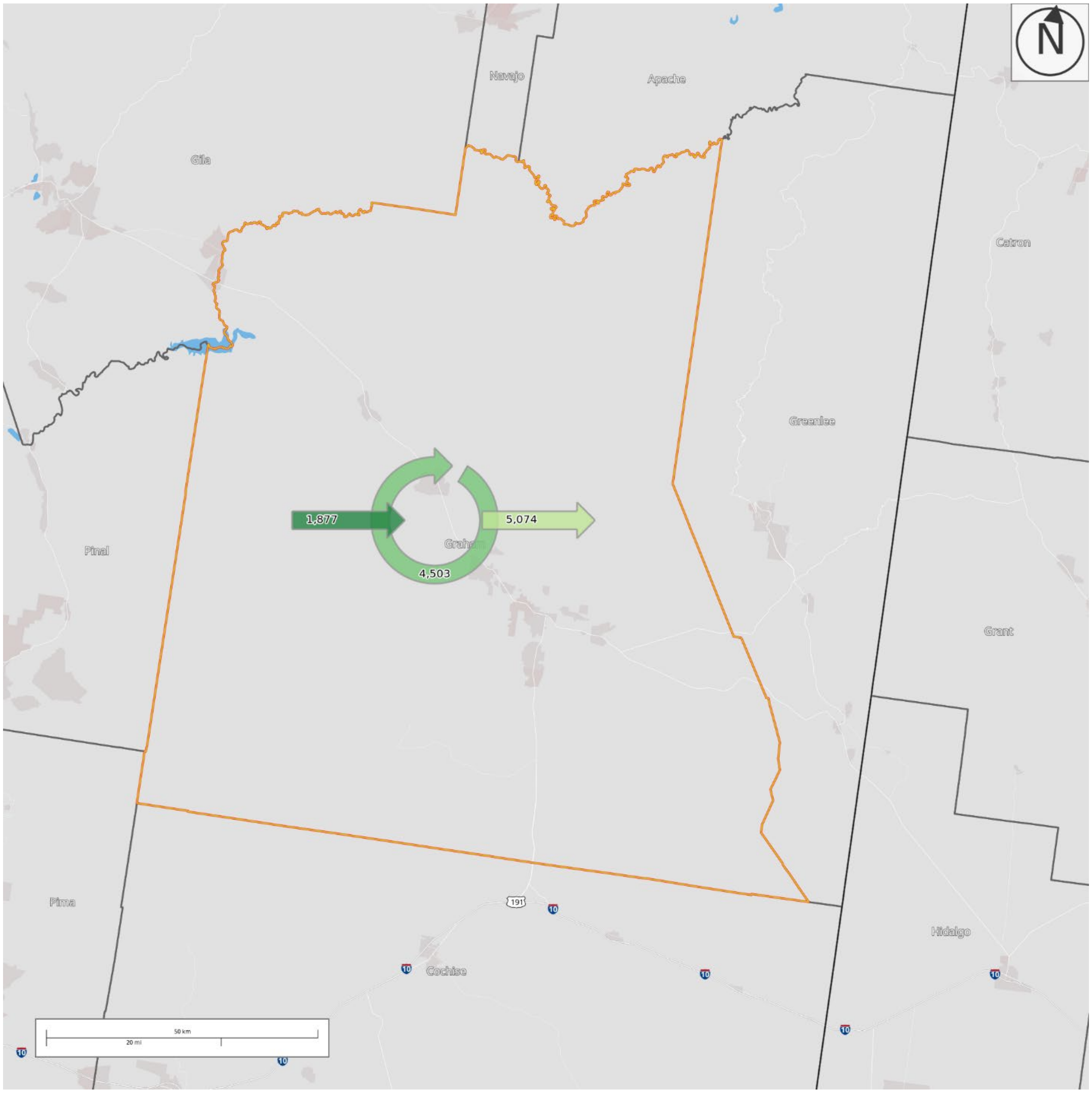
Total Private Primary Jobs

	2022	
	Count	**Share**
Total Private Primary Jobs	9,577	100.0%

Job Counts by Places (Cities, CDPs, etc.) Where Workers are Employed - Private Primary Jobs

	2022	
	Count	**Share**
Safford city, AZ	3,089	32.3%
Morenci CDP, AZ	1,280	13.4%
Phoenix city, AZ	755	7.9%
Thatcher town, AZ	606	6.3%
Tucson city, AZ	545	5.7%
Pima town, AZ	210	2.2%
Tempe city, AZ	183	1.9%
Scottsdale city, AZ	146	1.5%
Mesa city, AZ	129	1.3%
Sierra Vista city, AZ	118	1.2%
All Other Locations	2,516	26.3%

Figure 8: Destination analysis (U.S. Census, Longitudinal Employer-Household Dynamics (LEHD) 2022, private primary jobs, all workers)



Map Legend

Selection Areas
Selection Area

Inflow/Outflow
Employed and Live in Selection Area
Employed in Selection Area, Live Outside
Live in Selection Area, Employed Outside
Note: Overlay arrows do not indicate directionality of worker flow between home and employment locations.

Figure 9: Inflow/outflow of workers (U.S. Census, Longitudinal Employer-Household Dynamics (LEHD) 2022, private primary jobs, all workers)

Household Income Trends

The median household income in Graham County is $67,326, while the mean household income is $80,094. These household income figures have risen 8% and 11% respectively from five years ago. The significantly higher mean household income indicates that Graham County has a wide range of incomes, with many of such incomes being well-above and well-below $67,326. ACS 2023 data indicates approximately 30% of Graham County households have a household income of $100,000 or more while 27% of Graham County households have a household income less than $35,000.

The median household income in Safford ($77,455) is $10,000 higher than Graham County's median household income. Similarly, Safford's median household income has risen faster over the past five years. Specifically, Safford's median household income has risen 14% over the past five years. Thatcher's median household income has remained essentially the same over the past five years. Safford is the residence of a high percentage of workers employed by FMSI and FMMI.

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Sources of Income

Households can receive income and benefits from one or more sources. In Graham County, 73% of households receive income from earnings, which includes a wage or salary from employment or self-employment income. The median earnings for all Graham County workers is $34,667. However, the median earnings for male full-time, year-round workers residing in Graham County is $59,926 whereas the mean earnings for female full-time, year-round workers is $41,943. The difference in median earnings between men and women is likely driven by the comparatively higher wages that are paid to workers employed in mining and construction trades, which tend to employ a higher share of men.

In Safford, the difference in earnings between male and female workers is even greater – on average, male full-time, year-round workers earn $45,822 more than female full-time, year-round workers. This is possibly due to the high concentration of mine employees residing in Safford.

An estimated 36% of Graham County households receive Social Security income. The average income from Social Security is $22,185. Additionally, an estimated 26% of households receive retirement income from sources other than Social Security, such as a pension. Approximately 4% of Graham County households receive cash public assistance or welfare income, and 14.5% receive food stamps/SNAP benefits.

Compared to Graham County, higher percentages of households in Thatcher and Safford receive income from wage and salary earnings. The percentage of households living in Safford who receive retirement income, Supplemental Security Income, and welfare benefits has risen over the past five years.

Trends in Income and Benefits (Mean and Median)						
Income and Benefits (in 2021 inflation-adjusted dollars)	**Graham County**		**Thatcher**		**Safford**	
	2019-2023 Estimates	**2014-2018 Estimates**	**2019-2023 Estimates**	**2014-2018 Estimates**	**2019-2023 Estimates**	**2014-2018 Estimates**
Median household income (dollars)	$67,326	$62,511	$65,727	$64,234	$77,455	$67,965
Mean household income (dollars)	$80,094	$72,270	$77,060	$71,088	$91,532	$79,419
With earnings	73.0%	74.0%	75.9%	73.2%	80.4%	76.0%
Mean earnings (dollars)	$83,156	$73,188	$80,984	$71,595	$89,900	$84,382
With Social Security	36.4%	34.8%	35.8%	35.3%	33.5%	27.6%
Mean Social Security income (dollars)	$22,185	$22,434	$19,166	$21,904	$24,056	$20,860
With retirement income	25.9%	22.1%	23.0%	23.2%	27.0%	23.3%
Mean retirement income (dollars)	$26,986	$26,457	$24,052	$25,186	$30,181	$22,265
With Supplemental Security Income	6.3%	5.9%	3.8%	6.5%	5.5%	2.7%
Mean Supplemental Security Income (dollars)	$11,567	$13,326	$8,485	$11,021	$9,293	$15,468
With cash public assistance income	3.9%	2.2%	3.0%	2.6%	5.2%	0.0%
Mean cash public assistance income (dollars)	$4,491	$4,042	$1,141	$5,284	$6,185	-
With Food Stamp/SNAP benefits in the past 12 months	14.5%	17.1%	12.4%	14.5%	13.1%	10.0%
Families						
Median family income (dollars)	$75,087	$74,681	$73,266	$79,096	$88,375	$86,224
Mean family income (dollars)	$89,118	$81,509	$88,255	$81,346	$96,685	$94,043
Nonfamily households						
Median nonfamily income (dollars)	$36,734	$33,554	$29,841	$35,808	$55,294	$26,404
Mean nonfamily income (dollars)	$49,587	$44,185	$43,720	$46,686	$66,986	$42,654
Median earnings for workers (dollars)	$34,667	$32,279	$38,094	$33,146	$34,147	$36,202
Median earnings for male full-time, year-round workers (dollars)	$59,926	$54,446	$54,647	$53,597	$80,088	$63,028
Median earnings for female full-time, year-round workers (dollars)	$41,943	$42,748	$46,750	$43,641	$34,266	$47,308

Figure 10: Income and benefit trends by type of income and household type (2018 & 2023 5-Year ACS)

Definitions

Median and Average Income *- The U.S. Census Bureau collects and publishes data related to median and average income for families and households. This data is published for various geographies including census tracts, census block groups, cities, and zip code tabulation areas. Median/Average Household Income is often less than Median/Average Family Income because households can be as small as one person living alone, whereas the minimum family size is at least two related persons living together. Additionally, families tend to have more people who are earning an income, as compared to households, which may have only one person (who may be elderly and on a fixed income).*

Area Median Income and Income Limits *- The Department of Housing & Urban Development (HUD) uses income data collected by the U.S. Census Bureau to estimate Median Family Income (MFI) for states, non-metropolitan counties and metropolitan statistical areas (a combination of counties). HUD then uses the MFI to calculate income limits for its programs, such as the Community Development Block Grant Program. These income limits are calculated as percentages of MFI and include adjustments for families of different sizes. The adjusted income limits are commonly referred to as Area Median Income (AMI) or HUD Area Median Family Income (HAMFI).*

Cost-burdened households *have monthly housing costs exceeding 30% of monthly income*.

Gross Rent *is the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid for by the renter (or paid for the renter by someone else).*

Selected monthly owner costs *are calculated from the sum of payment for mortgages, real estate taxes, various insurances, utilities, fuels, mobile home costs, and condominium fees.*

Housing Tenure

Homeowners vastly outnumber renters in Graham County. Seventy-three- and one-half percent (73.5%) of housing units are occupied by homeowners, whereas 26.5% of housing units are occupied by renters. Over the past five years, the number of renter households has increased slightly in Graham County overall, but the number of renter households in Thatcher and Safford has declined. The decline in the number of renter households in Thatcher and Safford could be the result of several factors, including: (1) the demolition or removal of mobile homes and RVs that were in substandard condition and/or (2) the construction of new for-sale homes.

Occupancy and Vacancy

Graham County has 13,941 housing units, of which 89% are occupied, while the remaining 11% are vacant. Since 2018, the number of housing units in Graham County has increased by 525. Virtually all of the net increase in housing units (i.e. units constructed minus units demolished) has occurred outside of Thatcher and Safford; Thatcher saw a net increase of only 4 housing units over the past five years, while Safford saw a net increase of 3 housing units over the past five years.

Vacant Homes

The U.S. Census defines a housing unit as "vacant" if "no one is living in it at the time of the interview, unless its occupants are only temporarily absent…New units not yet occupied are classified as vacant housing units if construction has reached a point where all exterior windows and doors are installed, and final usable floors are in place." In comparison, the "vacancy rate" for homeowners and renters is calculated based upon a smaller universe – namely, the units that are actively marketed for sale or for rent but are not occupied.

The homeowner vacancy rate in Graham County is extremely low – at 2.2%. The homeowner vacancy rate has remained relatively steady in the past five years; previously it was 2.9%. The rental vacancy rate is 3.2%, which is a significant decrease from five years ago when it was 12.9%. Both Thatcher and Safford have experienced similar declines in their rental vacancy rate, with Thatcher's rate dropping from 16% to 6% and Safford's rate declining from 6.5% to 0%.

Since both the homeowner and rental vacancy rates are extremely low, yet the percentage of vacant units is much higher (11%), this indicates that many of Graham County's vacant units are not being actively marketed for sale or rent. Instead, these units are likely abandoned and in substandard condition. ***Figure 13*** depicts the areas in Graham County where this type of residential vacancy (deemed "other" by the U.S. Census) is clustered.

Housing Occupancy Trends						
	Graham County		Thatcher		Safford	
	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates
Total housing units	13,941	13,416	4,132	4,128	1,862	1,859
Housing Occupancy						
Occupied housing units	89.4%	80.4%	88.8%	80.1%	97.4%	88.0%
Vacant housing units	10.6%	19.6%	11.2%	19.9%	2.6%	12.0%
Vacancy Rate						
Homeowner vacancy rate	2.2	2.9	4.6	2	2.1	7.9
Rental vacancy rate	3.2	12.9	5.8	15.9	0	6.5

Figure 11: Housing occupancy trends (2018 & 2023 5-Year ACS)

Trends in Housing Tenure & Household Size						
	Graham County		Thatcher		Safford	
	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates
Total housing units	13,941	13,416	4,132	4,128	1,862	1,859
Occupied housing units	12,460	10,782	3,669	3,308	1,814	1,636
Tenure						
Owner-occupied	73.5%	69.3%	73.1%	64.9%	70.9%	59.8%
Renter-occupied	26.5%	30.7%	26.9%	35.1%	29.1%	40.2%
Household Size						
Average household size of owner-occupied unit	2.89	3.11	2.85	3.01	3	3.06
Average household size of renter-occupied unit	2.82	3.15	2.44	2.57	2.53	2.67

Figure 12: Housing tenure and household size trends (2018 & 2023 5-Year ACS)

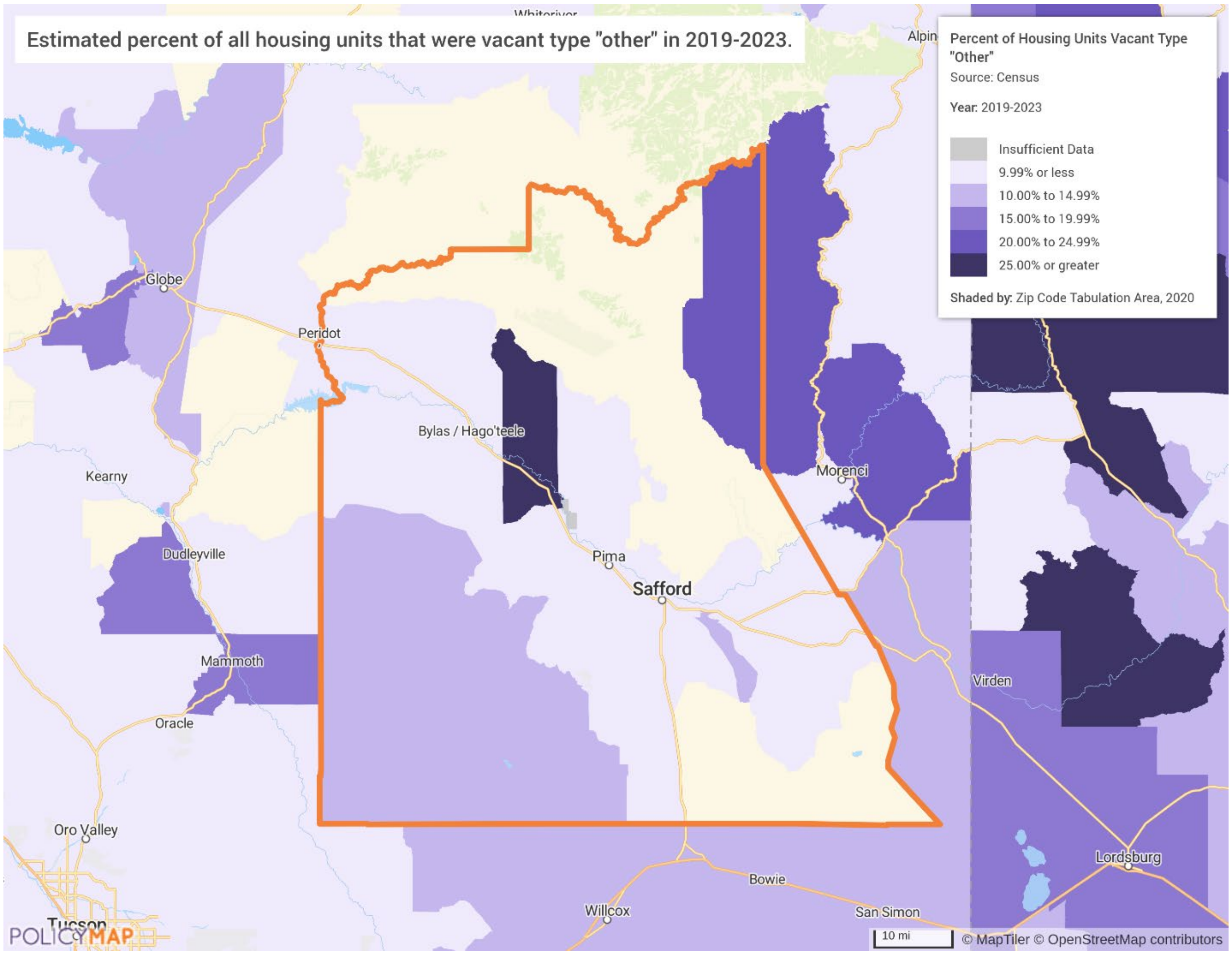

Figure 13: Percent of all housing units that were vacant type "other" (2023 5-Year ACS)

Housing Types – Units in Structure and Number of Bedrooms

In Graham County, homes are primarily one-unit detached structures (i.e. single-family homes) or manufactured/mobile homes. Over the past five years, the percentage of housing units that are manufactured/mobile homes has declined in Graham County, dropping from 26% of all housing units to 18% of all housing units. Thatcher and Safford, specifically, have experienced declines in the percentage of housing units that are manufactured/mobile homes – although the decrease has been less pronounced than for Graham County overall.

Both Thatcher and Safford have also experienced a decline in the percentage of housing stock that consists of triplexes and smaller apartment units. However, Safford has seen a slight increase in the percentage of its housing stock that is composed of duplexes.

Trends in Units in Structure (Residential)						
Housing Type	Graham County		Thatcher		Safford	
	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates
Total housing units	13,941	13,416	4,132	4,128	1,862	1,859
1-unit, detached	74.6%	63.2%	81.1%	71.3%	77.0%	65.9%
1-unit, attached	1.3%	1.6%	1.4%	1.5%	2.5%	2.0%
2 units	1.9%	1.5%	2.2%	3.9%	3.8%	0.0%
3 or 4 units	1.0%	2.6%	1.9%	4.9%	2.5%	5.0%
5 to 9 units	1.2%	1.8%	1.3%	2.5%	3.7%	6.3%
10 to 19 units	0.2%	0.9%	0.2%	0.9%	0.9%	2.6%
20 or more units	1.7%	1.7%	2.4%	3.6%	2.4%	1.6%
Mobile home	17.6%	26.4%	8.6%	11.1%	6.9%	15.5%
Boat, RV, van, etc.	0.4%	0.3%	0.9%	0.2%	0.4%	0.9%

Figure 14: Units in structure trends (2018 & 2023 5-Year ACS)

The majority of Graham County's housing stock has 3 bedrooms (49%), while an additional 17% of the housing stock is composed of 2-bedroom units. Individuals who would like to live in a studio or a 1-bedroom unit have less options in either Graham County or Safford, where smaller units comprise less than 10% of the housing stock.

Trends in Number of Bedrooms in Housing Unit						
Bedrooms	Graham County		Thatcher		Safford	
	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates
Total housing units	13,941	13,416	4,132	4,128	1,862	1,859
No bedroom	2.5%	4.2%	3.5%	7.5%	3.7%	1.6%
1 bedroom	6.3%	7.4%	9.4%	7.9%	2.8%	6.5%
2 bedrooms	17.4%	20.5%	16.7%	18.8%	12.4%	24.8%
3 bedrooms	49.1%	47.1%	51.4%	48.4%	39.8%	46.3%
4 bedrooms	19.8%	17.0%	16.7%	14.6%	32.6%	18.6%

Figure 15: Number of bedrooms in housing unit trends (2018 & 2023 5-Year ACS)

Tenure by Housing Type

The vast majority of Graham County's homeowner households live in one-unit detached or attached structures (80.7%), while the remaining share of homeowners resides in a mobile home or RV. However, 59.1% of renters also live in one-unit detached or attached structures. Another 17.5% of renters live in a mobile home or RV. About 16% of renters live in smaller apartment buildings with less than 20 units. Only 7% of renters live in apartment buildings with 20 or more units.

Types of Housing Units Occupied by Owners		
	Number	Percentage
Total owner-occupied housing units	9,163	
1, detached or attached	7,396	80.7%
2 to 4	10	0.1%
5 to 19	0	0.0%
20 to 49	0	0.0%
50 or more	9	0.1%
Mobile home, boat, RV, van, etc.	1748	19.1%

Figure 16: Types of housing units occupied by owners (2023 5-Year ACS)

Types of Housing Units Occupied by Renters		
	Number	Percentage
Total renter-occupied housing units	3,297	
1, detached or attached	1,948	59.1%
2 to 4	351	10.6%
5 to 19	199	6.0%
20 to 49	88	2.7%
50 or more	135	4.1%
Mobile home, boat, RV, van, etc.	576	17.5%

Figure 17: Types of housing units occupied by renters (2023 5-Year ACS)

Year Units Were Built

About 30% of Graham County's housing stock is comprised of houses built since 2000, while 40% of homes were built before 1980. ***Figure 19*** shows the County's newer housing stock is concentrated in Safford. Thatcher's housing stock is comparatively older than Safford's, with 53% of the housing stock being built before 1980 compared to 29% of the housing stock in Safford.

Trends in Year Structure Built						
Year Structure Built	Graham County		Thatcher		Safford	
	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates
Total housing units	13,941	13,416	4,132	4,128	1,862	1,859
Built 2020 or later	1.6%	(X)	2.7%	(X)	2.6%	(X)
Built 2010 to 2019	10.7%	(X)	10.3%	(X)	22.2%	(X)
Built 2000 to 2009	19.0%	19.2%	10.1%	15.7%	17.8%	26.3%
Built 1990 to 1999	13.3%	18.4%	14.8%	12.5%	8.2%	15.8%
Built 1980 to 1989	16.2%	14.9%	9.3%	13.6%	20.6%	13.1%
Built 1970 to 1979	15.3%	19.2%	13.9%	18.2%	15.3%	25.9%
Built 1960 to 1969	8.4%	8.6%	10.3%	13.0%	3.6%	5.4%
Built 1950 to 1959	6.2%	6.6%	15.2%	10.3%	1.0%	1.5%
Built 1940 to 1949	3.6%	2.7%	6.0%	3.1%	3.9%	1.9%
Built 1939 or earlier	5.7%	5.7%	7.4%	10.7%	4.9%	3.6%

Figure 18: Year structure built trends (2018 & 2023 5-Year ACS)

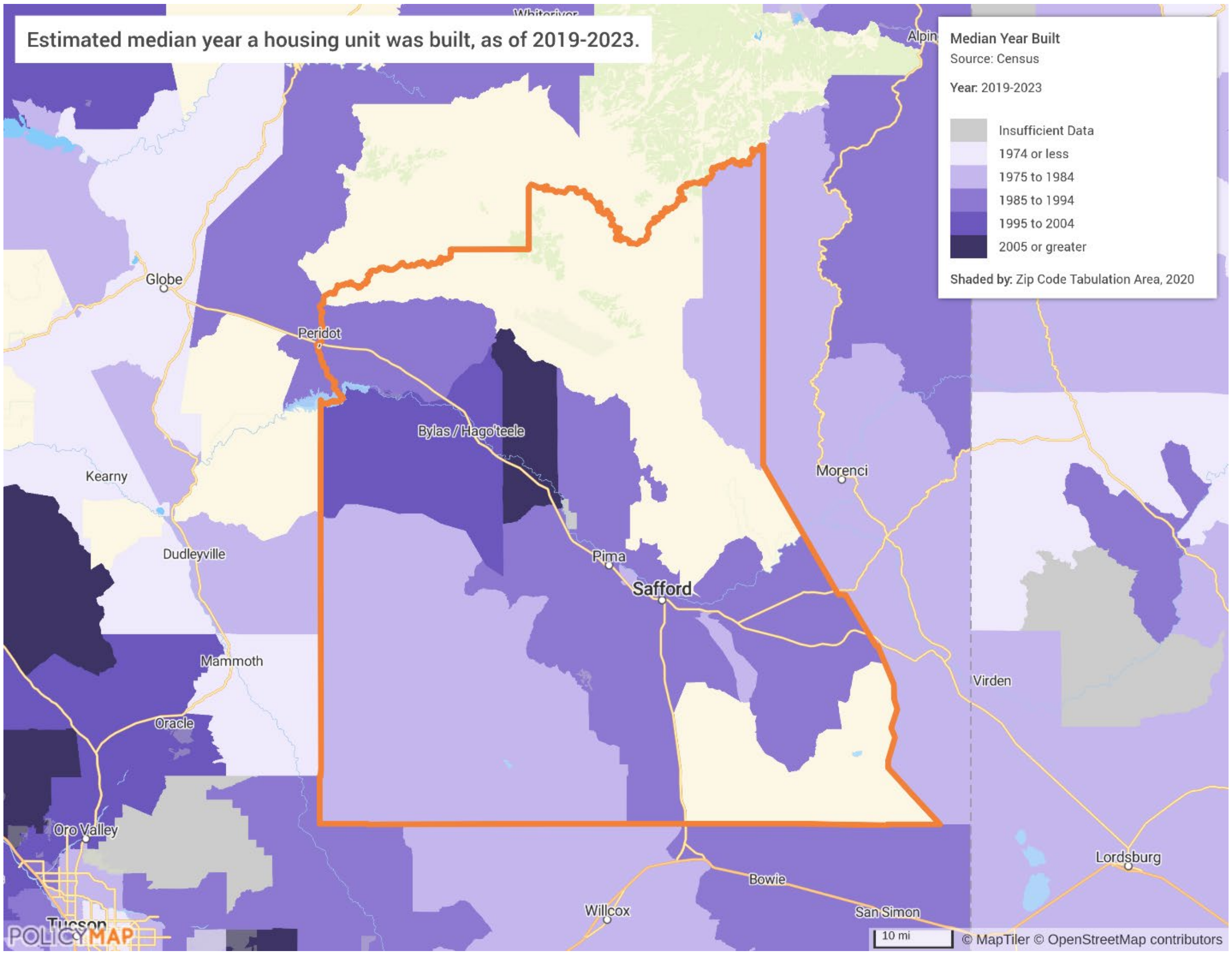

Figure 19: Median year a housing unit was built (2023 5-Year ACS)

Building Permit Trends

Building permit data published by the U.S. Census Bureau provides valuable insight regarding trends in the types of new housing units that have been constructed (or were planned to be constructed) in Graham County as well as the location of those units.

Figures 20* through *24 show the number and value of single-family and multi-family building permits since 2000 in unincorporated and incorporated areas of Graham County. An analysis of this data reveals that there was a spike in building permits during the years leading up to the Great Financial Crisis of 2008. This spike was especially pronounced in unincorporated Graham County, which saw 627 total building permits issued from 2005 through 2008 and Safford, which saw 343 total building permits issued in the same time period.

Building permits leveled off for the next decade from 2009 through 2019. However, since 2020, unincorporated Graham County has seen about 80 building permits pulled each year, almost all of which are for single-family homes. In the same timeframe, Pima, Thatcher, and Safford have seen about 30 building permits pulled each year, almost all of which are for single-family homes.

It is important to note that the building permit data overstates the amount of housing construction that is actually occurring in Graham County. Local municipal development staffers estimate that 70% of lots with building permits remain undeveloped.

Trends in Single Family and Multifamily Building Permits - Unincorporated Graham County								
Survey Date	**Total buildings**	**Total units**	**Total value**	**Single family units**	**Single family value**	**Multifamily buildings**	**Multifamily units**	**Multifamily value**
2000	38	38	$3,179,900	38	$3,179,900	0	0	$0
2001	34	34	$2,748,491	34	$2,748,491	0	0	$0
2002	25	25	$2,264,767	25	$2,264,767	0	0	$0
2003	30	30	$3,488,984	30	$3,488,984	0	0	$0
2004	48	48	$6,739,634	48	$6,739,634	0	0	$0
2005	150	150	$14,611,319	150	$14,611,319	0	0	$0
2006	145	145	$14,124,276	145	$14,124,276	0	0	$0
2007	150	150	$24,043,321	150	$24,043,321	0	0	$0
2008	182	182	$18,986,750	182	$18,986,750	0	0	$0
2009	29	29	$3,791,205	29	$3,791,205	0	0	$0
2010	42	42	$6,056,940	42	$6,056,940	0	0	$0
2011	66	66	$6,337,079	66	$6,337,079	0	0	$0
2012	16	16	$3,052,999	16	$3,052,999	0	0	$0
2013	34	53	$6,448,500	33	$5,648,500	1	20	$800,000
2014	26	26	$3,989,084	26	$3,989,084	0	0	$0
2015	38	38	$8,979,249	38	$8,979,249	0	0	$0
2016	27	27	$7,919,177	27	$7,919,177	0	0	$0
2017	28	39	$8,708,891	27	$7,592,391	1	12	$1,116,500
2018	47	47	$12,228,444	47	$12,228,444	0	0	$0
2019	28	28	$7,810,923	28	$7,810,923	0	0	$0
2020	67	67	$15,930,556	67	$15,930,556	0	0	$0
2021	90	90	$15,427,470	90	$15,427,470	0	0	$0
2022	64	64	$19,168,845	64	$19,168,845	0	0	$0

Figure 20: Building permit trends – Unincorporated Graham County (U.S. Census Bureau Building Permits Survey, 2023)

Trends in Single Family and Multifamily Building Permits - Pima								
Survey Date	Total buildings	Total units	Total value	Single family units	Single family value	Multifamily buildings	Multifamily units	Multifamily value
2000	6	6	$580,000	6	$580,000	0	0	$0
2001	6	6	$590,000	6	$590,000	0	0	$0
2002	6	6	$590,000	6	$590,000	0	0	$0
2003	4	4	$493,000	4	$493,000	0	0	$0
2004	3	3	$419,000	3	$419,000	0	0	$0
2005	3	3	$419,000	3	$419,000	0	0	$0
2006	3	3	$419,000	3	$419,000	0	0	$0
2007	22	22	$4,665,500	22	$4,665,500	0	0	$0
2008	12	12	$2,544,818	12	$2,544,818	0	0	$0
2009	9	10	$1,271,108	8	$1,121,108	1	2	$150,000
2010	9	10	$1,271,108	8	$1,121,108	1	2	$150,000
2011	9	11	$1,280,970	7	$980,970	2	4	$300,000
2012	9	12	$2,644,031	7	$2,130,185	2	5	$513,846
2013	6	11	$1,450,324	2	$620,775	4	9	$829,549
2014	14	16	$2,639,200	12	$2,369,200	2	4	$270,000
2015	16	18	$3,034,067	14	$2,764,067	2	4	$270,000
2016	20	23	$3,761,367	17	$3,356,367	3	6	$405,000
2017	11	11	$2,126,000	11	$2,126,000	0	0	$0
2018	20	21	$4,400,000	19	$4,233,000	1	2	$167,000
2019	28	32	$6,855,000	26	$6,325,000	2	6	$530,000
2020	32	36	$7,828,077	30	$7,298,077	2	6	$530,000
2021	29	32	$9,070,073	27	$8,303,056	2	5	$767,017
2022	26	28	$8,671,090	24	$7,971,803	2	4	$699,287
2023	21	24	$8,044,457	20	$7,505,119	1	4	$539,338

Figure 21: Building permit trends – Pima (U.S. Census Bureau Building Permits Survey, 2023)

Trends in Single Family and Multifamily Building Permits - Thatcher								
Survey Date	Total buildings	Total units	Total value	Single family units	Single family value	Multifamily buildings	Multifamily units	Multifamily value
2000	16	16	$1,276,445	16	$1,276,445	0	0	$0
2001	21	21	$2,437,766	21	$2,437,766	0	0	$0
2002	23	23	$2,669,934	23	$2,669,934	0	0	$0
2003	21	21	$3,387,842	21	$3,387,842	0	0	$0
2004	19	26	$2,791,791	16	$2,531,791	3	10	$260,000
2005	31	37	$5,337,891	29	$4,967,891	2	8	$370,000
2006	47	171	$13,726,804	32	$6,095,004	15	139	$7,631,800
2007	66	96	$11,188,289	64	$9,488,289	2	32	$1,700,000
2008	45	46	$6,839,965	44	$6,719,965	1	2	$120,000
2009	13	13	$5,067,198	13	$5,067,198	0	0	$0
2010	15	15	$2,932,768	15	$2,932,768	0	0	$0
2011	15	15	$2,516,475	15	$2,516,475	0	0	$0
2012	21	21	$3,364,119	21	$3,364,119	0	0	$0
2013	17	31	$3,147,989	16	$2,447,989	1	15	$700,000
2014	19	19	$3,546,246	19	$3,546,246	0	0	$0
2015	15	22	$4,113,013	14	$3,463,013	1	8	$650,000
2016	12	12	$2,525,000	12	$2,525,000	0	0	$0
2017	28	28	$4,560,667	28	$4,560,667	0	0	$0
2018	40	40	$7,305,250	40	$7,305,250	0	0	$0
2019	43	43	$6,320,868	43	$6,320,868	0	0	$0
2020	18	18	$3,543,574	18	$3,543,574	0	0	$0
2021	28	29	$6,909,888	27	$6,429,888	1	2	$480,000
2022	20	20	$4,846,627	20	$4,846,627	0	0	$0
2023	37	37	$9,793,879	37	$9,793,879	0	0	$0

Figure 22: Building permit trends – Thatcher (U.S. Census Bureau Building Permits Survey, 2023)

Trends in Single Family and Multifamily Building Permits - Safford								
Survey Date	Total buildings	Total units	Total value	Single family units	Single family value	Multifamily buildings	Multifamily units	Multifamily value
2000	10	10	$764,000	10	$764,000	0	0	$0
2001	9	9	$798,000	9	$798,000	0	0	$0
2002	3	8	$222,000	2	$112,000	1	6	$110,000
2003	11	11	$787,000	11	$787,000	0	0	$0
2004	4	16	$725,000	1	$75,000	3	15	$650,000
2005	18	18	$2,447,000	18	$2,447,000	0	0	$0
2006	46	95	$9,708,000	39	$5,414,664	7	56	$4,293,336
2007	199	200	$20,690,124	198	$20,550,124	1	2	$140,000
2008	30	30	$4,388,488	30	$4,388,488	0	0	$0
2009	31	31	$4,473,000	31	$4,473,000	0	0	$0
2010	13	13	$1,391,000	13	$1,391,000	0	0	$0
2011	34	43	$2,781,000	31	$2,421,000	3	12	$360,000
2012	33	33	$3,711,190	33	$3,711,190	0	0	$0
2013	26	26	$3,029,000	26	$3,029,000	0	0	$0
2014	17	26	$2,677,000	16	$2,357,000	1	10	$320,000
2015	22	22	$2,713,000	22	$2,713,000	0	0	$0
2016	13	13	$1,898,745	13	$1,898,745	0	0	$0
2017	19	19	$1,940,000	19	$1,940,000	0	0	$0
2018	27	30	$3,288,000	26	$3,178,000	1	4	$110,000
2019	44	44	$5,376,575	44	$5,376,575	0	0	$0
2020	64	66	$7,995,885	62	$7,791,700	2	4	$204,185
2021	30	30	$3,834,000	30	$3,834,000	0	0	$0
2022	21	23	$4,928,119	20	$4,568,119	1	3	$360,000
2023	20	23	$4,755,686	17	$3,960,686	3	6	$795,000

Figure 23: Building permit trends – Safford (U.S. Census Bureau Building Permits Survey, 2023)

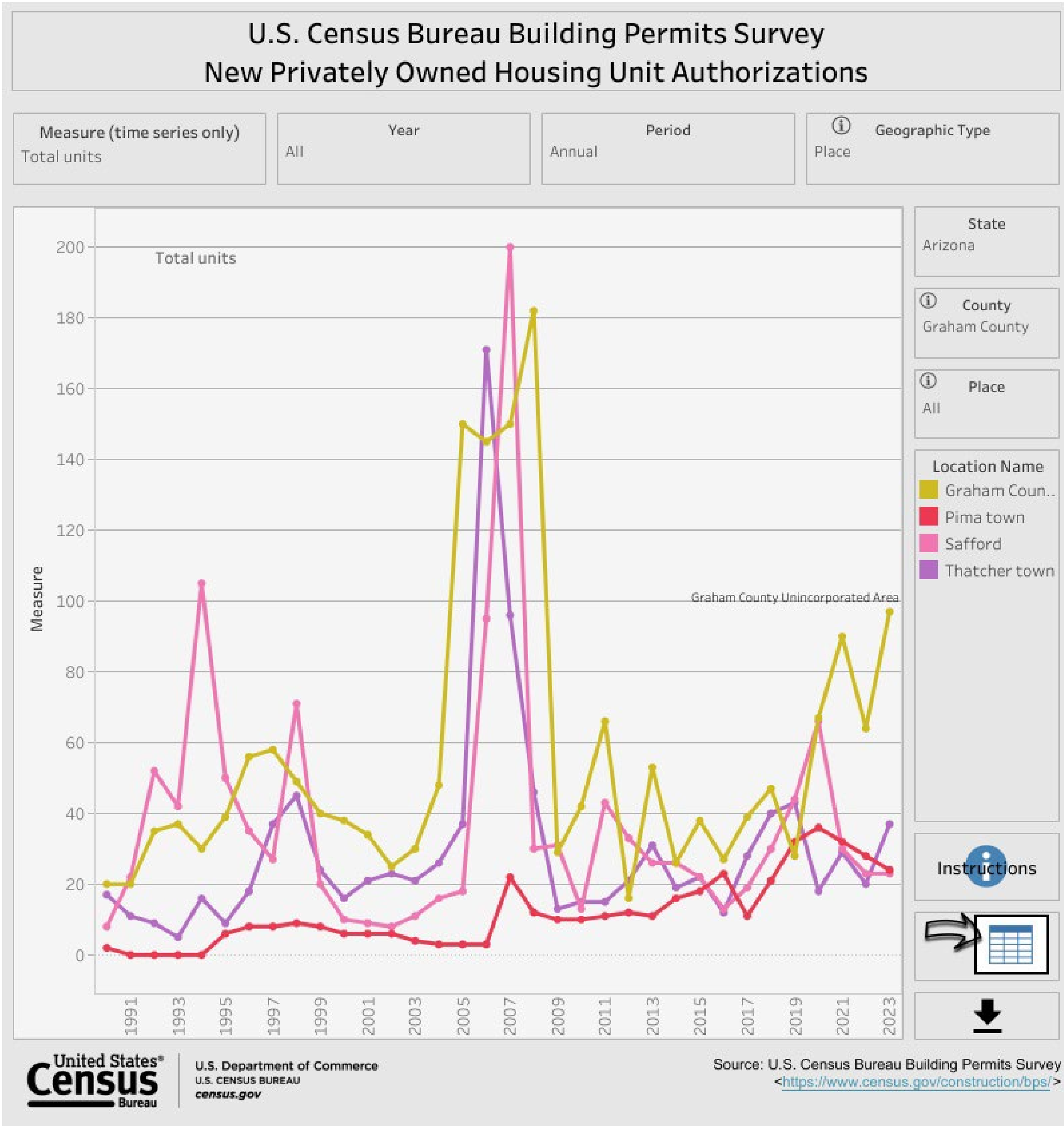

Figure 24: Building permit trends – all units in Unincorporated Graham County, Pima, Safford and Thatcher (U.S. Census Bureau Building Permits Survey, 2023)

Cost of Housing and Housing Affordability

Steady price increases have been observed in both the for-sale and rental real estate markets in Graham County.

Multifamily Rents and Vacancy

There are approximately 2,973 occupied rental units in Graham County and the average rent across all unit types is $890 per month. According to CoStar data for Thatcher and Safford, over the past 10 years, multifamily rents have risen between 21% to 50% depending on unit type. Comparatively, the median household income has risen by only 8% over the same time period.

Thatcher Asking Rents				
Period	**Studio**	**1 Bed**	**2 Bed**	**3 Bed**
2024	$714	$1,145	$1,131	$1,701
2023	$660	$978	$974	$1,460
2022	$619	$937	$938	$1,411
2021	$605	$904	$906	$1,359
2020	$590	$873	$876	$1,308
2019	$576	$849	$849	$1,274
2018	$564	$822	$820	$1,231
2017	$552	$802	$794	$1,195
2016	$518	$802	$774	$1,177
2015	$518	$801	$754	$1,158
% change from 2015 - 2024	**37.8%**	**42.9%**	**50.0%**	**46.9%**

Figure 25: Thatcher asking rents (CoStar, August 2025)

Safford Asking Rents				
Period	**Studio**	**1 Bed**	**2 Bed**	**3 Bed**
2024	$882	$832	$863	$1,034
2023	$846	$800	$833	$1,012
2022	$823	$777	$811	$989
2021	$801	$756	$788	$961
2020	$780	$736	$766	$933
2019	$692	$724	$754	$918
2018	$686	$711	$736	$896
2017	$682	$699	$721	$877
2016	$677	$687	$706	$864
2015	$674	$677	$692	$855
% change from 2015 - 2024	**30.9%**	**22.9%**	**24.7%**	**20.9%**

Figure 26: Safford asking rents (CoStar, August 2025)

Home Sales Prices

According to Realtor.com, in April 2025, the median listing price for 198 homes actively listed in Graham County was $300,000. Most of the homes listed for sale were pre-owned homes. There were 57 newly constructed homes listed for sale and only 4 were listed for sale for under $300,000.

According to the Gila Valley Multiple Listing Service, the median sales price of homes that sold in 2024 was roughly $260,000. The median sales price of homes in Graham County has risen by 51% over the past five years and by 81% over the past 10 years.

Housing Affordability

While it is evident that housing costs have been rising for both homeowners and renters, housing costs are only one element of the housing affordability equation. A household's housing budget (i.e. its ability to pay for housing) is impacted by its *total household income*. Therefore, ***Figure 27*** uses current average wage data for Graham County to calculate the amount of money a person or a family earning the average wage could afford to spend on housing. Since affordability is usually defined as spending no more than 30% of household income on housing, the "Average Monthly Wage" was multiplied by 0.3 (30%) to calculate the "Affordable Rent." Regarding homebuying, a household can usually afford to purchase a home that is approximately three times their annual wage. Therefore, to calculate the "Affordable Purchase Price," the "Average

Annual Wage" was multiplied by 3. These rough calculations provide valuable insight regarding housing affordability.

Wages and Affordable Housing Payments - Graham County			
High-Level Industry	Average Annual Wage	Affordable Monthly Rent	Affordable Purchase Price
10 Total, all industries	$56,732	$1,418	$170,196
102 Service-providing	$47,372	$1,184	$142,116
101 Goods-producing	$76,596	$1,915	$229,788
1011 Natural resources and mining	$83,408	$2,085	$250,224
1012 Construction	$60,424	$1,511	$181,272
1013 Manufacturing	$51,844	$1,296	$155,532
1021 Trade, transportation, and utilities	$45,708	$1,143	$137,124
1022 Information	$33,176	$829	$99,528
1023 Financial activities	$58,240	$1,456	$174,720
1024 Professional and business services	$69,420	$1,736	$208,260
1025 Education and health services	$58,396	$1,460	$175,188
1026 Leisure and hospitality	$21,892	$547	$65,676
1027 Other services	$65,156	$1,629	$195,468
1029 Unclassified	$39,780	$995	$119,340

Figure 27: Wages and affordable housing payments
(Bureau of Labor Statistics, Quarterly Census of Employment and Wages, third quarter 2024, all establishment sizes, average hourly wages for selected industries & Grow America calculations)

Housing Cost-Burden

In general, higher percentages of renter households report being cost-burdened compared to homeowner households.

Cost-Burdened Renter Households – There are 2,873 renter households paying rent in Graham County and nearly 32% of these households are housing cost-burdened, meaning they are paying 30% or more of their income on housing. A higher percentage of Thatcher renters report being housing cost-burdened (42%), whereas the percentage of cost-burdened Safford renters is in line with the County average.

An analysis of housing cost-burden by household income, as shown in ***Figure 29***, reveals that nearly every renter household in Graham County with a household income that is less than $20,000 per year is housing cost-burdened. In fact, over half (51%) of renter households earning slightly higher incomes – between $20,000 to $34,999 per year – are housing-cost burdened. However, the data indicates that once a renter's annual household income rises above $35,000, most renter households are able to secure housing that is affordable based on their income. This means that Graham County needs affordable (income, age, and rent-restricted) housing options.

Interestingly, the census data reveals that an increasing share of renter households earning more than $50,000 but less than $75,000 are becoming housing cost-burdened. Whereas only 8% of this population reported being cost-burdened in 2018, 18% reported being cost-burdened in 2023. One potential explanation for the rising share of higher-income cost-burdened households is that these households are less likely to be willing to rent a substandard home owned by a "mom and pop" landlord. These households may be more likely to rent an apartment or a single-family home from a landlord who maintains the property but also imposes significant annual rent increases.

Trends in Gross Rent as a Percentage of Income (Renters)						
Gross Rent as a Percentage of Income	Graham County		Thatcher		Safford	
	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates
Occupied units paying rent	2,873	2,714	913	1,037	408	555
Less than 15.0 percent	21.1%	24.3%	9.3%	12.2%	8.6%	26.8%
15.0 to 19.9 percent	17.1%	19.3%	19.4%	30.8%	15.7%	21.3%
20.0 to 24.9 percent	19.6%	8.9%	23.9%	5.1%	13.0%	12.1%
25.0 to 29.9 percent	10.5%	9.4%	5.0%	11.7%	33.3%	3.1%
30.0 to 34.9 percent	8.6%	6.1%	16.9%	8.3%	0.0%	1.6%
35.0 percent or more	23.1%	32.0%	25.5%	32.0%	29.4%	35.1%
Not computed	424	601	73	123	119	103

Figure 28: Gross rent as a percentage of income trends (GRAPI) (2018 & 2023 5-Year ACS)

Housing Cost Burdens - Owners and Renters				
Housing Cost Burden	2019-2023 Estimates		2014-2018 Estimates	
	# of Housing Units	% of Housing Units	# of Housing Units	% of Housing Units
Total Housing Units	12,460		10,782	
Owner-occupied housing units:	**9,163**		**7,467**	
Income less than $20,000	929		959	
Less than 20 percent	179	19.3%	245	25.5%
20 to 29 percent	71	7.6%	256	26.7%
30 percent or more	679	73.1%	458	47.8%
Income between $20,000 to $34,999	938		906	
Less than 20 percent	499	53.2%	483	53.3%
20 to 29 percent	52	5.5%	186	20.5%
30 percent or more	387	41.3%	237	26.2%
Income between $35,000 to $49,999	1,018		1,077	
Less than 20 percent	477	46.9%	601	55.8%
20 to 29 percent	274	26.9%	232	21.5%
30 percent or more	267	26.2%	244	22.7%
Income between $50,000 to $74,999	1,471		1,651	
Less than 20 percent	731	49.7%	993	60.1%
20 to 29 percent	442	30.0%	448	27.1%
30 percent or more	298	20.3%	210	12.7%
Income $75,000 or more	4,542		2,745	
Less than 20 percent	3,972	87.5%	2,320	84.5%
20 to 29 percent	491	10.8%	379	13.8%
30 percent or more	79	1.7%	46	1.7%
Zero or negative income	265		129	
Renter-occupied housing units:	**3,297**		**3,315**	
Income less than $20,000	583		728	
Less than 20 percent	21	3.6%	64	8.8%
20 to 29 percent	54	9.3%	118	16.2%
30 percent or more	508	87.1%	546	75.0%
Income between $20,000 to $34,999	407		480	
Less than 20 percent	76	18.7%	60	12.5%
20 to 29 percent	125	30.7%	88	18.3%
30 percent or more	206	50.6%	332	69.2%
Income between $35,000 to $49,999	272		385	
Less than 20 percent	92	33.8%	147	38.2%
20 to 29 percent	139	51.1%	125	32.5%
30 percent or more	41	15.1%	113	29.4%
Income between $50,000 to $74,999	856		527	
Less than 20 percent	397	46.4%	338	64.1%
20 to 29 percent	304	35.5%	145	27.5%
30 percent or more	155	18.1%	44	8.3%
Income $75,000 or more	755		594	
Less than 20 percent	509	67.4%	574	96.6%
20 to 29 percent	245	32.5%	20	3.4%
30 percent or more	1	0.1%	0	0.0%
Zero or negative income	100		144	
No cash rent	324		457	

Figure 29: Housing cost burdens trends for owners and renters (2018 & 2023 5-Year ACS)

Cost-Burdened Homeowner Households - As displayed in ***Figure 30***, there are 4,882 homeowner households in Graham County who have a mortgage and 4,016 homeowner households without a mortgage (i.e. their home is “paid off”). Twenty-six percent (26%) of owner households with a mortgage are housing cost-burdened. However, only 11% of homeowners without a mortgage are housing cost-burdened.

Trends in Monthly Housing Costs as a Percentage of Income (Homeowners)						
Housing Costs as a Percentage of Income	Graham County		Thatcher		Safford	
	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates	2019-2023 Estimates	2014-2018 Estimates
Housing Units with a Mortgage	4,882	4,087	1,836	1,409	833	613
Less than 20.0 percent	52.6%	50.9%	52.5%	54.6%	47.2%	58.6%
20.0 to 24.9 percent	12.5%	18.4%	7.8%	13.7%	20.5%	20.4%
25.0 to 29.9 percent	8.9%	8.1%	6.6%	6.1%	13.8%	6.2%
30.0 to 34.9 percent	6.2%	8.5%	6.0%	14.4%	8.9%	0.0%
35.0 percent or more	19.8%	14.1%	27.0%	11.1%	9.6%	14.8%
Not computed	100	71	11	18	0	19
Housing Units without a Mortgage	4,016	3,251	816	699	454	346
Less than 10.0 percent	54.5%	53.6%	42.0%	47.9%	60.8%	43.6%
10.0 to 14.9 percent	18.7%	16.8%	26.0%	32.0%	15.9%	22.5%
15.0 to 19.9 percent	8.7%	8.4%	16.1%	3.1%	4.8%	18.5%
20.0 to 24.9 percent	4.8%	6.8%	3.7%	3.6%	4.2%	6.9%
25.0 to 29.9 percent	2.3%	6.0%	0.0%	4.6%	9.0%	4.3%
30.0 to 34.9 percent	2.0%	2.6%	5.1%	2.6%	0.0%	0.0%
35.0 percent or more	8.9%	5.8%	7.1%	6.2%	5.3%	4.0%
Not computed	165	58	20	22	0	0

Figure 30: Selected monthly ownership costs as a percentage of income trends (SMOCAPI) (2018 & 2023 5-Year ACS)

Over 73% of owner households with an income of less than $20,000 per year are housing cost-burdened. The percentage of cost-burdened homeowners drops for owner households earning between $20,000 to $34,999 – but nevertheless approximately 41% are housing-cost burdened. Once an owner’s household income rises above $75,000, a small percentage of owner households are housing cost-burdened (2%).

An examination of trends related to housing cost-burdens for homeowners reveals that the percentage of households who are housing cost-burdened has increased for all households with income levels below $75,000, with the greatest increases occurring for households with incomes less than $20,000. Whereas 48% of owner households within this income band were cost-burdened in 2018, 73% were cost-burdened in 2023. Since many homeowners have fixed-rate mortgages where their monthly housing payment does not rise, it is unlikely that rising mortgage expenses are causing more low- and moderate-income homeowners to report that they are housing cost-burdened. Instead, it is more likely that non mortgage-related expenses, such as rising utility and home insurance rates, are straining the budgets of low- and moderate-income homeowners.

Affordable Housing Inventory

In the United States, subsidized affordable housing is primarily provided through three federal programs: (1) public housing, which is administered by local public housing authorities, (2) the Housing Choice Voucher Program, which is also administered by local public housing authorities, and (3) the federal Low Income Housing Tax Credit Program, which is administered by the Arizona Department of Housing.

HUD's Office of Policy Development and Research (PD&R) publishes a Picture of Subsidized Households database that provides information on the households who receive housing assistance through public housing programs, tenant-based housing assistance (i.e. housing vouchers), and privately owned, project-based subsidies (i.e. project-based vouchers). All programs covered in the database provide subsidies that reduce rents for low-income tenants who meet program eligibility requirements.

According to the most recent data, HUD funding supports 74 subsidized housing units in Graham County. "Subsidized units" includes Section 8 (portable) housing vouchers that can be used by an eligible household to rent a market rate housing unit as well as Project-Based (non-portable) vouchers that are provided directly to a landlord to subsidize the rent for specific housing units. The average annual household income for persons living in subsidized housing in Graham County is $14,483 and 81% of assisted households have a person aged 62 or older as the head or co-head of the household. On average, these assisted households pay $364 for housing each month, with HUD funds making up the difference between the household's affordable rental payment and the contract rent. In the majority of households, the primary householder is White non-Hispanic (59%).

Figure 31 lists the rental communities in Graham County that previously received an allocation of Low Income Housing Tax Credits (LIHTC) and are required to provide rent-restricted units to income-qualified households for a 30-year period. Seven (7) housing communities are included on the list (for a total of 310 affordable housing units). Several of these rental housing communities may be released from their obligation to provide affordable housing units within the next five years. If all of the "at-risk" units exit the LIHTC program at Year 30, Graham County will lose 85 units from its affordable housing inventory.

Low Income Housing Tax Credit Units in Graham County								
Project Name	Address	Project City	Zip Code	Total Units	Low Income Units	Year Placed in Service	Construction Type	Year 30
MOUNT GRAHAM APTS	2040 S 20TH AVE	SAFFORD	85546	40	40	1994	New Construction	2023
MOUNTAIN VIEW TERRACE APTS	1901 W PEPPER TREE DR	SAFFORD	85546	45	45	2000	New Construction	2029
GILA RIVER II	232 N CHALMERS LN	THATCHER	85552	40	35	2006	New Construction	2035
GILA RIVER I	232 N CHALMERS LN	THATCHER	85552	40	34	2006	New Construction	2035
CASA DE FLORES SENIOR APTS	1775 S 20TH AVE	SAFFORD	85546	31	31	2007	Acquisition and Rehab	2036
PINALENO FOOTHILLS APTS	2500 S 17TH AVE	SAFFORD	85546	60	55	2007	New Construction	2036
SUNSHINE VALLEY APARTMENTS	1901 S. 20TH AVENUE	SAFFORD	85546-409	72	70	2016	Acquisition and Rehab	2045
		Total Units		328	310			
		At-Risk LI Units			85			

Figure 31: Low Income Housing Tax Credit Units (LIHTC) (HUD 2024, unit data)

Future Housing Supply and Demand

Grow America used the following assumptions to estimate the existing and future housing supply and demand in Graham County.

Number of Households – Demand for housing has intensified over the past five years as the number of households in Graham County rose by 15.6% (1,678 households) while the average household size declined from 3.12 to 2.87. The primary reason Graham County was able to accommodate this increased demand for housing was because it previously had a large supply of vacant housing units (2,634 units).

However, Graham County's supply of vacant housing units has dwindled to 1,481 units, over half of which (800) are categorized by the U.S. Census as "Other vacant" and are likely uninhabitable. Therefore, unless the pace of new housing construction speeds up, very few new households will be able secure housing in Graham County. The *Future Housing Needs (2030 Demand)* analysis assumes that the number of households will increase by only 5.8% (721 households) over the next five years. This household growth projection assumes that some new households will occupy units that are currently vacant and other new households will move into newly constructed units.

Unmet Housing Demand – About 1,877 non-residents currently commute into Graham County to work. It is likely that some of these non-residents would move into Graham County if they could find housing that suited their needs (e.g. price, square footage, location, amenities, etc.). Therefore, the *Current Housing Needs (2025 Demand)* analysis assumes that 25% of non-resident workers prefer to live in Graham County but are unable to locate a suitable housing unit.

The *Future Housing Needs (2030 Demand)* analysis assumes that the unmet demand for housing will triple over the next five years. The assumption is based on the following two factors: (1) FMSI/FMMI will maintain or slightly increase its employee headcount and (2) as EAC's bachelor's degree programs become more popular, student enrollment will increase.

Housing Construction/Demolition – Over the past five years, new homes have been added to Graham County's housing inventory via new construction and other homes have been removed from the County's housing inventory through demolition. The total number of housing units has increased by 3.9% (525 housing units).

The *Future Housing Needs (2030 Demand)* analysis assumes that this trend will continue and that the inventory of housing units in Graham County will increase by 3.9% (544 housing units) in the next five years.

Housing Vacancy – U.S. Census data indicates that there are 12,460 households living in Graham County. If the housing supply was perfectly matched to the needs of each household and if households were able to purchase or rent a housing unit as soon as it was available, then the number of *housing units* would roughly need to equate to the number of *households*. However, this is not the case. In every housing market, a certain number of housing units are vacant at any given time. Sometimes the vacancy is short-lived, such as when one tenant moves out and a landlord needs to market the unit and it ready for the next tenant. Other times, a unit will remain vacant for a longer period of time, such as when a homeowner uses a home only part-time (i.e. a "second-home") or when a housing unit is in such poor condition that no one chooses to live in the housing unit. In Graham County, the housing inventory includes 13,941 housing units, of which 10.6%, or 1,481, are vacant.

Local stakeholders repeatedly emphasized that many of the vacant housing units in Graham County are currently in substandard condition and are not suitable for human habitation. U.S. Census data supports this proposition. In Graham County, 800 out of 1,481 vacant housing units are classified by the U.S. Census as "Other vacancy," which means that they are not actively marketed for sale/rent, and are not second homes/short-term rentals. Therefore, at least 800 of Graham County's housing units are likely uninhabitable.

While the countywide vacancy rate declined dramatically over the past five years from 19.6% to 10.6%, it does not appear that Graham County will experience a similarly dramatic vacancy rate decline in the future for two reasons: (1) over half of Graham County's existing vacant housing units are likely uninhabitable and will remain vacant, and (2) the pipeline of new construction is not sufficiently strong to lead to an oversupply of newly-constructed units. Therefore, the *Future Housing Needs (2030 Demand)* analysis assumes that Graham County's vacancy rate will decrease slightly from 10.6% to 9% as new households move into vacant units.

Current Housing Supply and Demand (2025)	
Total existing households	12,460
+ Households that can't access housing in Graham County	469
= Household Demand	**12,929**
Current Housing Available (Supply)	
Existing # of housing units (2023)	13,941
x Vacancy rate	10.6%
= Total Housing Units Available for Occupancy	**12,460**
Current Demand For Additional Housing Units	
Projected # of housing units needed	12,929
- Projected # of housing units available	12,460
= Projected # of Additional Units Needed to Meet Existing Demand	**469**

Figure 32: Current Housing Supply and Demand (2023)
(2023 5-Year ACS & Grow America Calculations)

Future Housing Supply and Demand (2030)	
Total projected households (5.8% growth)	13,181
+ Households that can't access housing in Graham County	1,408
= Projected Household Demand	**14,589**
Projected Housing Available (Supply)	
Projected # of housing units (3.9% growth)	14,485
x Vacancy rate	9.0%
= Projected Number of Housing Units Available for Occupancy	**13,181**
Projected Demand For Additional Housing Units	
Projected # of housing units needed	14,589
- Projected # of housing units available	13,181
= Projected # of Additional Units Needed to Meet Future Demand	**1,408**

Figure 33: Future Housing Supply and Demand (2030)
(2023 5-Year ACS & Grow America Calculations)

Housing Strategy

Overview of the Housing Development Process

Developing housing is a time-consuming and expensive endeavor that often involves a significant amount of risk. A housing developer has to find and purchase a suitable site at a reasonable purchase price. Rarely is a site immediately ready for development; therefore, the developer may have to spend considerable time and money applying for a zoning change; installing or upgrading water, sewer, gas and electrical infrastructure so that it can support housing; installing or improving streets and sidewalks; and mitigating any environmental concerns, such as flood risk. Once a developer has located a suitable site, the developer must raise enough capital (i.e. bank debt and investor equity) to be able to pay for all of the project's costs, including construction materials, labor, fees for professional services such as architectural and engineering, and permits. As the project moves into the construction phase, the developer must work to ensure the project is completed on time and within budget. And finally, the developer doesn't earn any profit until the newly-constructed housing units are rented or sold to individuals and families who can afford to purchase or rent the housing unit.

Private housing developers often consider and reject multiple potential projects before they decide to begin spending time and money on a project. Ultimately, a seasoned developer will only move forward with a project if they feel sufficiently comfortable that they will be able to successfully complete the project and *earn a reasonable return on their investment* (i.e. a profit). A developer will decline to move forward with a housing development project if there are too many conditions that put the success of the project at risk, including factors that will increase the time or cost it takes to develop the project, such as:

- A county or municipality's reputation as being "difficult to work with" regarding the development review and permitting process,
- Lack of land that is suitable for development,
- Unreasonable sales price expectations from landowners who own suitable land,
- Lack of skilled construction labor and/or reasonably priced construction materials,
- Unwillingness of banks to lend reasonably priced funding to the project and investors to invest their money in the project, and
- Lack of a sufficient pool of homebuyers or renters who desire to purchase or rent the project's proposed housing units and can afford to purchase or rent the housing units.

In Graham County, many of the aforementioned factors are present. For example:

- **Difficult Development Review Process** - Several of the local builders, realtors, and developers who were interviewed indicated that the local development review process could be time-consuming and frustrating because staff will ask for items out of sequence and don't consistently interpret the codes. Stakeholders also mentioned that neighbors sometimes oppose new housing development due to concerns about stormwater runoff and traffic.

- **Lack of Suitable Land** - Much of the undeveloped land in Graham County – including many acres within the municipal boundaries of Thatcher, Safford, and Pima – has been used exclusively for agriculture and therefore lacks the infrastructure necessary to support housing.
- **Lack of Reasonably-Priced, Suitable Land** – Stakeholders noted that some owners of large agriculturally-zoned parcels of land are willing to sell their land but expect an unreasonable price for the land. Since the landowners' holding costs are low (i.e. low taxes and other operating expenses), they are not motivated to negotiate on price.
- **Lack of Skilled Labor** - Several builders and realtors indicated that it can be very difficult to find skilled construction workers in Graham County because many of these workers are already employed full-time by a local service agency (e.g. plumbing company, electrical repair company) or have already been hired to work on an existing construction project or have found employment at FMSI/FMMI.
- **Lack of Reasonably-Priced Capital** – Builders, realtors, and developers consistently stated that it is very difficult to find a bank that will provide reasonably-priced construction financing in Graham County. Some local builders and developers choose to fill the financing gap by borrowing funds from local "hard money" lenders who charge high interest rates.

Due to the factors listed above, Graham County has attracted very few experienced and successful regional or national developers. For these developers, it is easier to develop housing in urban areas where suitable land can be acquired for a reasonable price and low-cost construction capital is plentiful. However, several local residents have stepped into the void and built individual homes as well as larger multi-unit housing development projects.

Despite the willingness of local residents to develop more housing, housing supply is not keeping up with housing demand. Thus, it is reasonable and necessary for agencies such as SEAGO and local governments to take an active role in fostering conditions that will make developing housing an attractive venture in Graham County.

Summary of Housing Needs

Housing Need #1: More Short-Term Rental Housing is Needed to Accommodate Contractors and Temporary Workers

FMSI/FMMI regularly hire contractors and temporary employees to work several weeks or months at a time at the Morenci and Safford mines. During their onsite work at the mines, these contractors and temporary employees need temporary housing accommodations. Currently, extended-stay hotels, non-extended stay hotels and motels, RV parks, and short-term rentals in Graham County (and, likely, Greenlee County), accommodate the majority of this demand. During these surges of contractors and temporary employees into Graham County, the County's housing supply is impacted in three ways: (1) hospitality properties raise their rates significantly in response to the increased demand, which reduces the ability of tourists and other visitors to find reasonably-priced hotels and motels accommodations, (2) hospitality properties become fully booked, which impacts the amount of tourists who can even visit and spend money in Graham County, and (3) some landlords choose to operate their rental housing unit(s) as *short-term* rental units (e.g. AirBnB) rather than long-term rental units, which reduces the supply of long-term rental units and allows landlords of long-term rental properties to raise their rents.

Housing Need #2: More Well-Maintained Rental Housing Units are Needed that are Affordable for Lower Wage Workers

Graham County's economy includes a mix of higher-wage and lower-wage employment sectors, resulting in a wide range of household incomes across the community. Lower-paid workers struggle to find rental housing units that are in good condition and are offered for lease at affordable prices. Currently, manufactured homes/mobile homes; smaller, older apartment units; and poorly maintained single-family homes partially serve the housing needs of these lower-wage residents. Other local workers choose to live outside of Graham County and commute into Graham County for work.

Currently, there is very little incentive for landlords who charge rents at the low-end of the market to invest in maintaining their existing rental properties. The competition for lower-rent properties is fierce, and therefore, renters are willing to accept housing that is not well-maintained.

However, due to the undersupply of rental housing units at all price points, some landlords of older rental housing units have recognized that investing in upgrades to their properties allows them to significantly increase rents and to capture the market of renters earning higher salaries who expect a more modernized housing unit. When these rental properties are "flipped," it further decreases the supply of lower-rent housing units.

Housing Need #3: More Newly Constructed Housing Offered for Sale at All Price Points is Needed to Accommodate Graham County' Growing Population

Population and employment growth trends indicate that Graham County is a desirable place to live and that more individuals and families would move to Graham County if suitable housing was available. However, housing construction moves very slowly in Graham County due to a combination of factors including: lack of developable and reasonably-priced land, lack of reasonably-priced mortgage financing and investment capital, a slow development review process, limited experience and capacity of local builders, and lack of a sufficient pool of skilled tradespeople and labor. Additionally, while local residents voiced their desire to see more moderately-priced, smaller for-sale homes constructed in Graham County, the new housing that is being constructed is offered for sale at price points above $300,000 per home.

Local stakeholders noted that large “production” builders such as David Weekley Homes or D.R. Horton have not shown interest in building subdivisions in Graham County due to the added expense and complexities of building in a rural area. So long as developable land and lost-cost capital is available within the Phoenix and Tucson metro areas, these builders are unlikely to work in Graham County.

Therefore, smaller, local builders are the primary developers of for-sale housing in Graham County. These local builders are typically limited to building only one or two homes at a time because they are primarily self-financing construction. Likewise, their capacity is further limited by the factors discussed earlier – such as lack of skilled tradespeople, lack of reasonably-priced construction financing, and a slow development review process. This slow development process is inefficient and leads builders to focus on building “luxury” homes that have higher profit margins.

Recommendations

Over the course of the past year, the consultant team interviewed local realtors, builders, small business owners, local government officials, and other community leaders in order to assess the conditions that are most likely to be contributing to the low level of housing development occurring in Graham County, despite demonstrated demand for housing. These consultations, coupled with a review of economic data trends and an analysis of state law, have led the consultant team to recommend that Graham County and its partners explore the following opportunities that are most likely to foster more housing development in Graham County. These recommendations take into account the economic development tools that are authorized by state law as well as the capacity of existing elected leaders and local staff to implement the recommendations.

Recommendation #1: Grow the Capacity of Local Builders and Municipal Staff Related to the Development Review Process[3]

Housing Needs Addressed:

- ***Housing Need #1:*** More Short-Term Rental Housing is Needed to Accommodate Contractors and Temporary Workers
- ***Housing Need #2:*** More Well-Maintained Rental Housing Units are Needed that are Affordable for Lower Wage Workers
- ***Housing Need #3:*** More Newly Constructed Housing Offered for Sale at All Price Points is Needed to Accommodate Graham County' Growing Population

During the development of this *Housing Strategy*, local stakeholders were asked to provide input regarding the municipal development review process, which includes zoning changes (i.e. how a property may be used and what may be built on a site), site plan approvals (i.e. where structures and features may be located on a site), and building permits.

Some local builders and real estate investors indicated that the municipal development review process for large real estate development projects can be time-consuming and difficult. These stakeholders noted that municipal staff sometimes asked for items out of sequence and didn't provide consistent interpretations of local building or development codes. However, these stakeholders were quick to note that they did not believe that local towns were deliberately attempting to make the development review process difficult for local builders; instead, they

[3] In late 2025, the Safford City Council passed an ordinance that is designed to streamline the development review process and a resolution that lowered the costs of developing in the City. Ordinance O25-009 removes requirements related to property owner notification and community meetings during the subdivision pre-application stage, allows for electronic submission of the preliminary plat, and transfers responsibility for preliminary/final plat approval and approval of permitted developments (such as planned unit developments) to city staff rather than the Planning & Zoning Commission and City Council. Resolution R25-033 drastically reduced Water and Sanitary Sewer Development Capacity fees.

attributed some of the delays to the fact that staff are not regularly processing and reviewing large development projects, and therefore, they have not had the opportunity to implement a streamlined development review process.

However, municipal staff members and other local real estate investors pointed out that some local builders have limited municipal development experience. These types of builders fall into two categories: (1) builders who have constructed numerous homes in unincorporated areas of the county where there is less regulation of development (i.e. "wildcat" construction), and (2) builders who have not constructed many homes in any location. Both types of inexperienced builders are more likely to submit incomplete plans and permit applications, which forces municipal staff members to conduct more follow-up in order to approve the submitted plans and grant the necessary permits.

Therefore, an opportunity exists for the local development community and municipal leaders to focus on capacity building. Capacity building could take several forms. For example, SEAGO, Graham County, or the local municipalities could:

- provide training for developers who want to transition from building one home at a time to developing multi-unit projects,
- analyze each municipality's development review processes and identify opportunities to streamline the process and maintain consistency, and
- focus on building relationships with banks that provide construction and permanent financing for for-sale and rental housing projects. This could include inviting lenders to meet with local developers to take an "early look" at proposed projects and provide feedback to local developers.

Recommendation #2: Provide Incentives to Redevelop Specific Parcels of Land

Housing Needs Addressed:

- ***Housing Need #1:*** More Short-Term Rental Housing is Needed to Accommodate Contractors and Temporary Workers
- ***Housing Need #2:*** More Well-Maintained Rental Housing Units are Needed that are Affordable for Lower Wage Workers
- ***Housing Need #3:*** More Newly-Constructed Housing Offered for Sale at All Price Points is Needed to Accommodate Graham County' Growing Population

Much of the undeveloped land located within Thatcher, Safford, and Pima is currently zoned for agricultural uses. Stakeholders noted that owners of parcels zoned for agricultural uses often have unrealistic expectations regarding the value of their land and they have few incentives to sell their land below the asking price because their holding costs are low (i.e. the annual tax bill and other expenses are low).

Additionally, local developers noted that, even if they can purchase land at a reasonable price, development of land previously used for agriculture carries added costs. Agricultural land typically lacks infrastructure; therefore developers must install water, sewer, electrical, gas, and street infrastructure. Additionally, the soil often has to be stabilized so that it can support residential development. Also, if harmful fertilizers or pesticides were previously applied during the crop production process, the developer may need to remove contaminated soil prior to developing any homes.

Graham County and the local municipalities should consider providing economic development incentives to encourage the redevelopment of key sites. These incentives could include:

- **Strategically use the Brownfield Assessment Grant** - In 2023, SEAGO was awarded a $500,000 Brownfield Assessment grant from the U.S. Environmental Protection Agency (EPA). According to SEAGO's website, "[t]he goal of the grant is to transform underutilized, vacant, abandoned properties and those that have, or may be perceived to have, environmental impacts or regulated building materials (also known as "brownfields") from liabilities into assets that revitalize the community and bring neighborhoods back to life." The Brownfield Assessment grant can fund important site due diligence including Phase I and Phase II Environmental Site Assessments that provide housing developers with useful information related to potential contamination of sites. The funding from this grant should be targeted to sites that Graham County or the local municipalities have deemed priority locations for housing.
- **Identify Opportunities to Waive or Reduce Development and Connection Fees for Projects that Add Housing Units to the Housing Supply** – Government-imposed fees can often add tens of thousands of dollars to the cost of developing a single housing unit. Local towns should consult with their legal counsel and identify program designs that would comply with the State of Arizona's restrictive "gift clause." The gift clause has been interpreted to require a local government to demonstrate that any expenditure of public funds that benefits a private entity: (1) serves a public purpose and (2) the value received by the public is far exceeded by the "consideration" (i.e. benefit) that will be provided by the private developer. Such a housing incentive program should require developers to enter into a development agreement with the municipality that: (1) sets forth a timeline of project milestones and (2) requires the developer to provide amenities or improvements that exceed those already required by the existing development codes (such as added open space, walking trails, use of resilient building construction methods or materials, provision of below-market housing units, etc.). However, local municipalities

must be careful not to impose eligibility requirements on their incentive program that are too onerous, which could lead to a lack of developer interest in seeking the incentives.

- **Support Alternative Construction Demonstration Projects** – The cost and availability of skilled construction labor was frequently cited by local builders and realtors as a barrier to development of new housing (residential and multifamily). Graham County, as well as local municipalities, employers, and builders, could explore opportunities to test housing innovation such as industrialized housing construction. According to the Enabling Technologies for Housing Innovation Center (ETHIC), industrialized housing "involves the shifting of construction activities from traditional on-site methods to a controlled manufacturing environment, often utilizing automation and standardized processes and components." Off-site construction could allow for more efficient use of Graham County's existing skilled labor force, since *on-site* installation of factory-built housing uses less labor hours than ground-up stick-built construction. Local leaders are encouraged to consult with the Arizona Department of Housing's Office of Manufactured Housing as well as ETHIC (housed at the University of Texas at Austin) to learn more about the capacity of the existing industrialized housing ecosystem in Arizona.

Recommendation #3: Create an Opportunity Zone Prospectus to Encourage a Multifamily or Extended Stay Housing Development

Housing Needs Addressed:

- ***Housing Need #1:*** More Short-Term Rental Housing is Needed to Accommodate Contractors and Temporary Workers
- ***Housing Need #2:*** More Well-Maintained Rental Housing Units are Needed that are Affordable for Lower Wage Workers

One census tract in Graham County - 9612.01 – is a designated Opportunity Zone. This census tract, which is displayed in **Figure 34**, is approximately 8.1 square miles and includes the northern area of Thatcher, as well as unincorporated areas located north and northwest of Thatcher.

Opportunity Zones were established under the Tax Cuts and Jobs Act of 2017 as a temporary tax incentive and were recently made permanent pursuant to the One Big Beautiful Bill Act of 2025. According to the IRS, Opportunity Zones are "an economic development tool that allows people to invest in distressed areas in the United States. Their purpose is to spur economic growth and job creation in low-income communities while providing tax benefits to investors." Specifically, individuals who have recently realized an "eligible capital gain" from selling a capital asset for a profit, such as stocks, bonds, or real estate, can temporarily defer the taxes on their capital gain by reinvesting the profit in a Qualified Opportunity Fund. In turn, the Qualified Opportunity Fund uses its funds to invest in Qualified Opportunity Zone Property, such as a real estate development project or an operating business located in an Opportunity Zone. The One Big Beautiful Bill Act of 2025 included provisions that provide significantly enhanced tax benefits for investments in *rural* Opportunity Zone Property.

Graham County should create a prospectus that highlights the parcels of land within the Opportunity Zone that are suitable for housing development, especially a multifamily housing development or an extended-stay hotel. The prospectus should highlight the growth and earning power of the County's well-paid workforce and should cite data from this study related to the low rental housing vacancy rates and the rising incomes of Graham County residents.

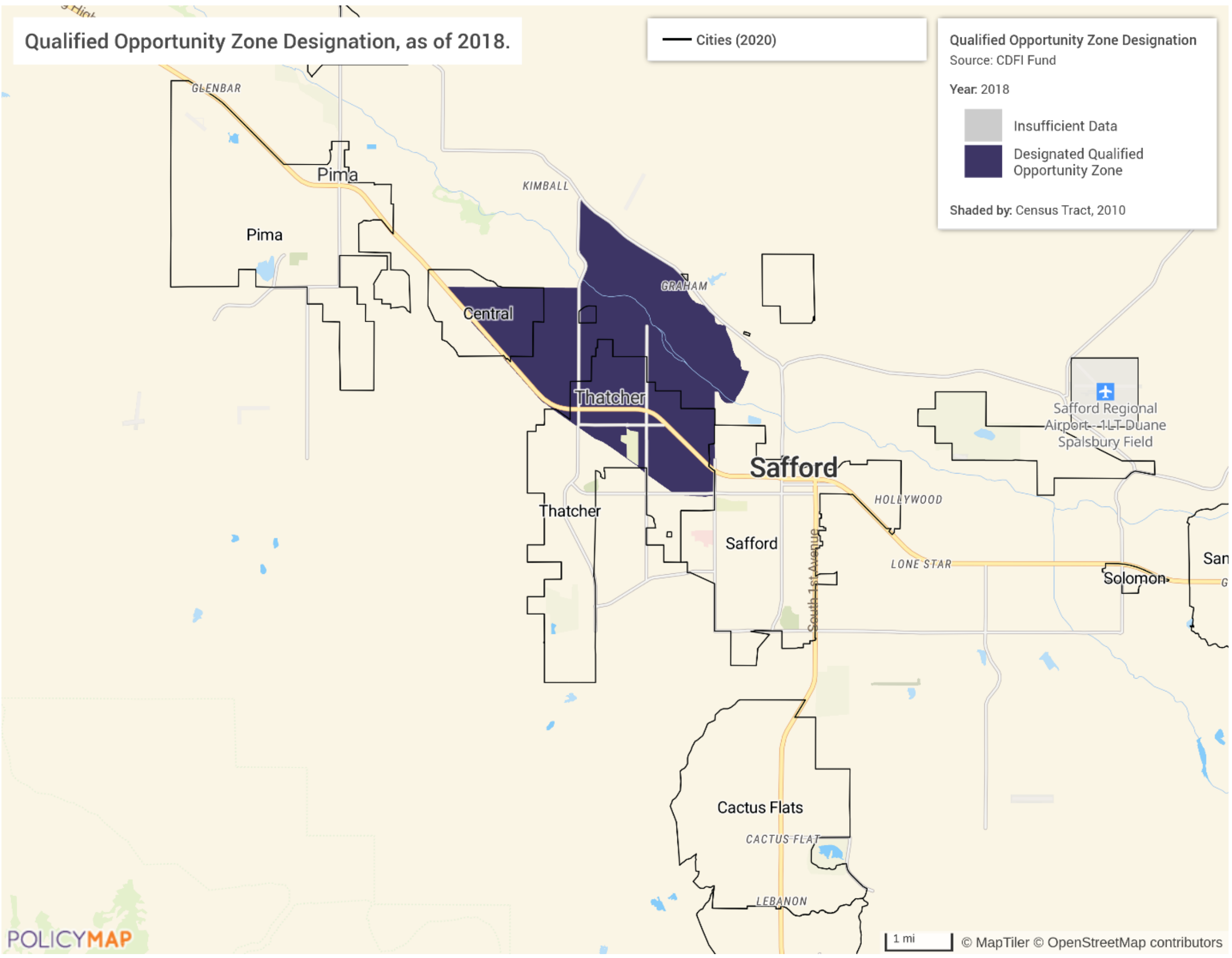

Figure 34: Graham County Opportunity Zone (CDFI Fund 2018)

Recommendation #4: Form a Graham County Industrial Development Authority (IDA) and Issue Bonds to Support the Development of Mixed-Income Rental Housing (4% LIHTC)

Housing Needs Addressed:

- ***Housing Need #2:*** More Well-Maintained Rental Housing Units are Needed that are Affordable for Lower Wage Workers

State and federal laws provide several mechanisms by which counties and towns can support the development of new, affordable residential housing units. Specifically, Arizona state law allows counties to form Industrial Development Authorities (IDAs) that may issue tax-exempt bonds to affordable housing projects that have been awarded federal Low Income Housing Tax Credits (LIHTC).

The LIHTC program was originally authorized by the 1986 Tax Reform Act. The Department of Housing and Urban Development (HUD) describes the LIHTC program as follows:

> The Low-Income Housing Tax Credit (LIHTC) program provides a financial incentive, through tax breaks, for investors to pay for the construction and/or rehabilitation of affordable rental housing for low-income households. State housing agencies award the credits to developers of affordable rental housing…Developers generally sell the credits to private investors. This money provides funding to support construction or rehabilitation of affordable housing. Once the housing is rented, investors can begin to claim the credit on their taxes as long as the property follows the rules of the LIHTC program. Generally, projects that receive LIHTC funding must have rents that are affordable to people earning 60% of the "Area Median Income" or less.

The LIHTC program provides states with the authority to allocate two types of tax credits: (1) **9% tax credits** that must be awarded via a competitive process and that typically generate an equity investment equal to approximately 70% of a project's total development costs, and (2) **4% tax credits** that are usually awarded via a non-competitive process and that typically generate an equity investment equal to approximately 30% of a project's total development costs. Projects utilizing a 4% tax credit award are required to secure tax-exempt bond financing equal to 25% of the project's "basis" (i.e. tax-credit eligible development costs).

An IDA is a non-profit organization that is a political subdivision of the State of Arizona. Pursuant to state law, an IDA may issue tax-exempt bonds to finance certain economic development projects that are developed by third-party entities, including residential real estate development projects that serve a public purpose, such as providing affordable rental housing. Because the 4% LIHTC program mandates that all projects secure tax-exempt bond financing, Arizona IDAs typically issue tax-exempt bonds to affordable housing projects that have received a 4% tax credit award.

Although an IDA is initially formed by a county or municipality, the local government is not required to pledge its general tax revenues as security for repayment of any bonds issued by the

IDA. Instead, repayment of any bonds issued by the IDA is secured by the revenue generated from the IDA's projects.

Additionally, the IDA may charge fees to applicants who apply for bond financing. The IDA may use the revenue it earns from fees to support eligible projects, including the repair of single-family homes.

Graham County should form an IDA that focuses on facilitating new housing development. The tax-exempt bonds issued by the Graham County IDA would provide private affordable housing developers with access to lower cost financing in sufficient volume to allow for the construction of larger rental housing projects. These projects could include multifamily rental projects or build-to-rent projects.

It is important to note that, as an initial step, local leaders would need to consult with local residents related to potential multifamily housing projects, since many local residents are not supportive of adding new apartment units in Graham County. Graham County leaders should also consult with housing developers that have successfully developed affordable housing projects in Arizona to understand the role that Graham County can play in facilitating the usage of LIHTC to support affordable housing development in Graham County.

Recommendation #5: Adopt Local Policies to Support the Development of Mixed-Income Rental Housing (9% LIHTC)

Housing Needs Addressed:

- ***Housing Need #2:*** More Well-Maintained Rental Housing Units are Needed that are Affordable for Lower Wage Workers

Graham County should seek to add more affordable multifamily rental housing units to its housing inventory by leveraging the 9% LIHTC program, which is administered at the state level by the Arizona Department of Housing (ADOH). Unfortunately, 9% tax credits have not been awarded to a housing project in Graham County in over a decade.

In the 9% LIHTC program, affordable housing projects from across the state compete for a limited pool of valuable tax credits. ADOH manages this competitive process through its Qualified Allocation Plan (QAP), which includes a point-based scoring system. Pursuant to the QAP's current scoring system, proposed housing projects that align most closely with ADOH's housing priorities for specific categories are eligible to receive the maximum number of points per category.

If a 9% project was proposed to be constructed in Graham County, it would have the potential to achieve a high score because Graham County is considered a "Difficult Development Area (DDA)." ADOH recognizes that it can be more difficult to construct affordable housing in rural areas due to many of the reasons that have previously been discussed in this *Housing Assessment and Housing Strategy*, including expensive land acquisition and labor costs. In the QAP, ADOH adopts the U.S. Department of Housing and Urban Development's (HUD) definition of a DDA, which is defined by HUD as an area with "high land, construction and utility costs relative to the area median income." In the current QAP, housing projects that are proposed to be constructed in DDAs are eligible to receive a higher score than similar projects that are proposed to be constructed in non-DDAs.

Additionally, there are three steps that Graham County, and/or local municipalities could take that would increase the likelihood that a proposed 9% project would secure and award of tax credits:

- **Adopt a Community Revitalization Plan** – In the QAP, a project can achieve extra points if it is located in an area that where a local government has formally adopted a plan to revitalize a defined geographic area containing the proposed housing development site. As discussed in *Recommendation #2: Provide Incentives to Redevelop Specific Parcels of Land*, Graham County, and/or local municipalities should identify key sites where development of housing is prioritized. For one or more of these sites, Graham County, and/or local municipalities should adopt a Community Revitalization Plan.
- **Provide Local Gap Financing** - In the QAP, a project can achieve extra points if it has been awarded local gap financing in the form of a loan. In rural areas, ADOH sets a minimum loan amount of $100,000. Graham County, and/or local municipalities should identify potential sources of funding that could be used for gap financing, included IDA revenue or philanthropic funding (discussed further in *Recommendation #6: Employers with Workforce Expansion Plans Should Play an Active Role in Building or Financing Housing Development*).
- **Use Public Land for a 9% Project** - In the QAP, a project can achieve extra points if it is proposed to be constructed on land owned by a local government that will be leased to the housing project through a ground lease structure. Graham County, and/or local municipalities should identify whether any government-owned land would be suitable for housing development. If so, the local government should consider offering the land for lease for a suitable 9% project.

Recommendation #6: Develop and Administer a Rental Housing Repair Program

Housing Needs Addressed:

- ***Housing Need #2:*** More Well-Maintained Rental Housing Units are Needed that are Affordable for Lower Wage Workers

Graham County should incentivize landlords of existing rental properties to invest in modest repairs while maintaining affordable rents. Graham County could accomplish this objective via a rental property repair program. The program could offer low-cost loans or grants to landlords who agree to: (1) repair all health- and safety-related violations at their rental properties, and (2) lease the rental housing unit(s) to a low- or moderate-income (LMI) renter. Currently, in Graham County, a two-person household earning less than $52,000 per year is considered an LMI household.

Graham County should consider applying to the State of Arizona for federal Community Development Block Grant (CDBG) funding that can be used to operate a rental property home repair program. Additionally, if Graham County forms an Industrial Development Authority (IDA), the IDA would generate revenue from bond issuance fees that can be used to fund projects with a community benefit, including a home repair program. State law also allows an IDA to use its funds to engage in projects that involve "[r]epairing or rehabilitating single family dwelling units or constructing or repairing residential fences and walls." Thus, if Graham County were to create an IDA that financed one or more successful projects, it could dedicate a portion of its earned revenue to a housing repair program.

Recommendation #7: Employers with Workforce Expansion Plans Could Play an Active Role in Building or Financing Housing Development

Housing Needs Addressed:

- ***Housing Need #1:*** More Short-Term Rental Housing is Needed to Accommodate Contractors and Temporary Workers
- ***Housing Need #2:*** More Well-Maintained Rental Housing Units are Needed that are Affordable for Lower Wage Workers
- ***Housing Need #3:*** More Newly Constructed Housing Offered for Sale at All Price Points is Needed to Accommodate Graham County' Growing Population

Jobs are plentiful in Graham County, and the workforce needs of existing employers is expected to grow over the next decade. For example:

- **Eastern Arizona College (EAC)** – EAC previously did not grant any four-year degrees. However, in the Fall of 2024, it began offering bachelor's degrees in Health Sciences and Music Education. These expanded degree offerings have driven increases in student enrollment as well as a need to hire more faculty. However, EAC's student housing units are at capacity, with a waiting list that exceeds 400 students. Additionally, EAC has plans to expand its educational offerings for high-demand technical and vocational fields such as diesel technology and radiological technology.

- **Freeport-McMoRan Inc. (FMI)** – FMI operates two mines that impact housing demand in Graham County. FMMI operates the Morenci mine located in Greenlee County, which employs approximately 4,250 workers. FMSI operates the Safford mine, which currently employs approximately 1,800 workers. Nearly 90% of FMSI workers and 25% of the FMMI workers live in Graham County either part-time or full-time. FMSI is exploring the opportunity to expand its operations at the Safford Mine in the future .

It is also important to note that FMSI and FMMI also hire numerous contractors and bring in temporary employees to support mine operations. The use of these contractors and temporary workers is cyclical, and contractors often work onsite at the mines for 2-3 weeks at a time. These contractors and temporary employees need short-term housing – such as an extended stay hotel that includes limited kitchen or kitchenette facilities.

FMSI/FMMI have worked to address the housing needs of their workers in several ways. At the Morenci Townsite, FMMI provides a limited number of company-owned rental housing units. Workers must apply for these housing units, and there is currently a large waitlist of workers. Additionally, employees who work at Freeport's Morenci operations but do not reside there (including Morenci employees who live in Graham County) may be able to access a $750/month ($9,000/year) housing stipend.[4]. FMI also operates a transportation service known as Enterprise Commutes that provides daily van service from various locations within Graham and Greenlee counties to the two mines.

Since EAC currently maintains a waitlist for their student housing units and FMMI maintains a waitlist for its company-owned housing units, there is an opportunity for these employers to participate in the development of new housing units that will help meet the housing needs of their current and future workforce/students.

There are several ways that local employers could participate in the development of new housing units:

- **Develop housing on employer-owned land** – The most resource-intensive option worthy of exploration is for local employers to take the lead on developing housing units on land that they currently own or acquire. The employer could self-finance and self-manage the development or engage a developer to obtain financing and manage the construction of units. The major benefit of developing housing on employer-owned land is that the employer can dictate the location, design, and style of the housing units so that the housing that is developed meets the needs of its workforce.
- **Master lease rental units** – As discussed in previous sections, local developers often struggle to raise the debt and equity necessary to finance large-scale housing development in Graham County. One proven way to increase banks' and investors'

[4] https://jobs.fcx.com/content/United-States-Locations/?locale=en_US (last accessed April 23, 2026).

interest in a housing development project is to provide signed pre-leases that demonstrate that the proposed project has strong demand. Lenders perceive such projects to have lower risk of default and, thus, are willing to provide better lending terms (lower interest rates, less onerous guarantees or bonding requirements, etc.). Similarly, equity investors are more likely to invest in such projects and demand a lower rate of return, due to the perception of lower risk of default. Therefore, if local employers were willing to pre-lease rental units at proposed rental housing developments (build-to-rent single family homes or apartment complexes), it could increase the potential for these proposed projects to be developed.

- **Pre-Purchase For-Sale Homes on Behalf of Employees** – Similarly, as a means of spurring the development of for-sale homes, local employers could agree to pre-purchase homes in proposed housing developments. Usually, employer-assisted housing programs involve providing downpayment assistance or closing cost assistance directly to employees to increase their purchasing capacity. While these programs are well-suited to help employees purchase existing homes, they do very little to spur the development of new homes, since the employee can use the housing assistance to purchase any home (new or pre-owned). By signing a pre-purchase agreement, the employer pays an earnest money deposit and signs an agreement to purchase the completed home. With the cooperation of the builder, these pre-purchase agreements could be designed to allow for the transfer of the agreement to an employee. The risk assumed by the employer is that employees decline to purchase a specific employer-purchased home or are unable to qualify for a mortgage to purchase the home. However, due to the limited production of for-sale homes in Graham County and the severe shortage of rental housing, the employer would likely be able to resell or lease any homes that are not purchased by employees.
- **Capitalize a Housing Trust Fund** - Finally, local employers, along with local municipalities and philanthropic organizations, could explore capitalizing a Housing Trust Fund that can fill the gap between development costs and financing available for a housing development project. The Housing Trust Fund could provide grants or low-cost loans to developers who are focused on building the housing that addresses Graham County's three distinct housing needs. Most of the housing development supported by the Housing Trust fund should include income-restricted units that provide low- and moderate-income households an opportunity to reside in quality, safe, healthy, and amenity rich homes.

A strategy of investing directly in the development of housing units (through a Housing Trust Fund) has several distinct advantages over a strategy of providing housing subsidies to employees. First, investing in the development of housing helps to address the overall shortage of rental units in Graham County. Moreover, the Housing Trust Fund, by adopting investment priorities, can influence the type of rental housing that gets developed, since developers will seek to develop projects that align with the Housing Trust Fund's priorities. Additionally, the Housing Trust Fund can use its private funding to leverage public investment by offering to jointly invest in housing development alongside local municipalities. As discussed in *Recommendation #5: Adopt Local Policies to Support the Development of Mixed-Income Rental Housing (9% LIHTC)*, if Graham County or the local municipalities provide gap financing to projects that are seeking 9% tax credits, these projects are more likely to be awarded tax credits.

When a community has a sufficient inventory of available rental and for-sale housing units, employer-provided housing subsidies can serve as a win-win for the community. Under those conditions, housing subsidies can serve as a recruitment tool for employers while also leading to lower vacancy rates as employees moved into unleased or unsold units.

However, when a community has an undersupply of available rental and for-sale housing units, employer-provided housing subsidies can distort the rental housing market by enabling landlords to raise rents, which may lowers housing affordability and housing options for local residents who do not qualify for the housing subsidy. As discussed earlier, Graham County's homeowner and rental vacancy rates are extremely low – at 2.2% for owner-occupied housing and 3.2% for renter-occupied housing. Additionally, in a "tight" housing market, housing subsidies can also disincentivize landlords to maintain their properties because they know they'll likely secure a tenant, regardless of the condition of the property.