

Affordable housing, water resources among state issues tackled at summit

Experts address interconnected web of urgent Arizona concerns at Morrison Institute event

By Mary Beth Faller, ASU News
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Story highlights

Home prices are outpacing wage increases in Arizona.

Data centers will not overtax the state's water supply.

Housing, water, air quality and heat are all related, and solutions will require tradeoffs.

Arizonans are facing an increasingly complex web of issues that will require hard decisions about the tradeoffs needed — many of them having to do with water. More housing developments will require more water. Data centers for economic growth require more power, which takes water.

A gathering of top experts in the state detailed the ways that Arizona can — and already is — dealing with the housing crisis, water management, air quality and heat. The Housing and Water Policy Summit on Friday was the third held by the [Morrison Institute for Public Policy](#) at Arizona State University.

The summit focused on two recent reports: the "[State of Housing in Arizona Report](#)," created by the [Arizona Research Center for Housing and Economic Solutions](#), or ARCHES, and "[From Copper, Cattle and Cotton to Chips and Cloud Computing: Large Water Uses in Central Arizona](#)," released in February by the [Kyl Center for Water Policy](#). Both centers are housed in the Morrison Institute.

The summit included a policy retreat for elected officials on Thursday, said [Andrea Whitsett](#), executive director of the Morrison Institute. The goal is to give them access to the rigorous research they need for decision-making.

"There are no easy decisions — there are always tradeoffs and sometimes unintended consequences," she said.

Housing

Three experts elaborated on housing on a panel led by [Alison Cook-Davis](#), co-director of ARCHES and research director of the Morrison Institute.

"We often hear that increasing the housing supply is the long-term solution, but the report shows that affordability remains a challenge even as construction has accelerated in recent years," she said.

Among the top takeaways from the "State of Housing in Arizona Report":

Arizona has a big gap between the number of households and housing units. From 2014 to 2024, the number of households increased by about 23% while the number of housing units grew by about 13%.

Home values increased five times faster than household income since 2014. In 2014, the typical home value was about \$248,000 while the median income was \$81,000. In 2024 those numbers were \$428,000 and \$94,000.

In 2014, 78% of homes cost \$300,000 or less. In 2025, 20% were in that price range.

Arizona's rent prices remain higher than the national average and the fourth-highest in the country behind California, Florida and Nevada.

About 55% of renters were "cost burdened" in 2023 — spending more than 30% of their income on housing. That decreased slightly to 53% in 2024 but twice as many renters are cost burdened compared with homeowners, at 24%.

There is a shortage of more than 100,000 affordable units for the 30% of renters in the very low- or extremely low-income demographic. Meanwhile, more than half of the units that are affordable to those renters are occupied by people in higher income groups.

Much more entry-level housing is needed, according to Patricia Garcia Duarte, executive vice president for homeownership initiatives at Chicanos Por La Causa.

“Entry-level, for-sale product started in the 1940s,” she said.

“There were programs, there were incentives and it was strategic to help the economy and the nation. There was a will and it happened. And then it did not become something our communities and states championed. So entry-level product is nonexistent.”

Ruby Dhillon-Williams, director of the Arizona Department of Housing, said she is seeing a move toward multigenerational housing as a way to split costs.

“We’re seeing the topology shift from the traditional stick-built, garden-style apartment communities to more desire for the townhouse-style, duplex style, single-family-home-style because you’re having more than just a traditional family unit living in the home. You’re having grandparents available to support child care or more than three or four people in a household,” she said.

Building more affordable housing on the fringes of the Valley comes at a cost, according to David Crummey, vice president and community development officer for PNC Bank.

“We can’t be exchanging housing costs for transportation costs,” he said.

“We know that as people commute longer, they’re less able to spend time with their families and they’re less able to be active in their communities. We need to think about the social costs of policy decisions we’re making,” he said.

Water

[Sarah Porter](#), called “the undisputed water guru of Arizona” by Whitsett, elaborated on the water report.

“Will we have water for all those houses?” asked Porter, director of the Kyl Center.

She said she’s “bullish” on water supply in Arizona.

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ASU's Kyl Center for Water Policy has produced a new video series called "The Water Files" that explores Arizona's water, water policy and the future of water management in the Southwest through expert insights and research-based storytelling. The series will debut soon.

“I don’t worry that Phoenix and Tucson will not be able to meet water demand,” she said.

“We don’t have enough water to do all of the things that everyone wants to do in every place in Arizona, but we never have. We’ve gotten to where we are as the largest desert city in North America without water rationing, without disruption and without crisis because we stuck to rigorous water-supply rules.”

Municipal water use in Central Arizona is the same as it was 20 years ago, even though the population increased by 2 million people, thanks to efficiency, a transition away from water-intensive landscaping and increasing tap water costs, she said.

However, the state is facing very significant cuts in the supply of water it gets from the Colorado River. The February report addressed concerns about water use by data centers and semiconductor manufacturing. Greater Phoenix ranks second in the U.S. for planned future data center capacity, she said.

Researchers found that Phoenix, Tucson and Mesa, which have the most data centers, rely primarily on renewable water supplies and not on unreplenished groundwater.

“It’s not just an issue of direct water use, but we know that it takes water to generate power. We know that data centers use a lot of electric power,” she said.

“And this is more nuanced and more complicated, but the TLDR is that right now, water for power generation represents 3% of statewide water demand.”

Plus, water consumption for power generation is decreasing as power companies add renewable energy sources and retire coal, which is high water use.

“We’re moving more and more into an economy that requires computer power and the things electricity gives us. But I can also foresee a world where some current water uses are retired,” she said.

“Maybe people won’t need as many golf courses in the future. Golf represents the same amount of demand as all the water use for power generation in the state, 3%.”

Heat

The summit also included a round-robin of experts asking each other questions, which explored the interconnectedness of water, housing, air quality and heat.

Heat is the most dangerous natural disaster in the world, according to [Clark Miller](#), director of the [Center for Energy and Society](#) at ASU.

“More people die from extreme heat around the world and in Maricopa County than all other forms of natural disasters combined,” he said.

Two long-term factors are increasing heat in central Arizona: climate change and the urban heat island effect.

“The biggest driver of the long-term increase in the urban heat island effect is the size of urban areas. So large, master-planned communities on the edges are the kind of development that is both increasing the scale of the urban area, and therefore heat, and also increasing our carbon dioxide emissions as we expand outward with more streets and roads.”

He added that a comprehensive heat approach is needed.

“Air conditioning is critical infrastructure now in Arizona, and we don't treat it that way. We actually don't know what the fleet of 1.2 million air conditioners across this city in residential housing looks like. We don't know what the age, structure and distribution of those look like. We don't know how many of those break every year and have to be repaired.”

Planting more trees to create shade and lessen heat also requires water, he said, and so more engineered shade structures should be considered.

Environmental factors

Difficult decisions are ahead on water, according to Max Wilson, water resources management adviser for the city of Phoenix. The city is working on water-resource projects totaling \$10 billion, and more work is needed in the Valley, he said.

“Ultimately these things are going to cost immense amounts of money.

“Phoenix and others are going to need help in financing that work. Some of that help may come from the private sector. Some will have to come from the state of Arizona, and some of that help will absolutely have to come from the federal government that is the one causing this mess right now through their decisions.”

Air quality is one factor that's crucial in the web of environmental issues, according to Amanda Reeve, environmental and regulatory policy adviser for Snell & Wilmer law firm.

“Everything is connected. We have a huge problem with air quality and obviously dust and haboobs. But part of our mitigation issues are to keep the ground wet so that we don't pick up a lot of dust,” she said.

In addition, forests need to be kept healthy to lower the risk of wildfires, which contribute to poor air quality and require water to fight, she said.

Every drop of water needs to be maximized, Wilson said.

“If we can get a drop of water, we need to make sure that drop of water is used and reused and reused and reused as many times as possible,” he said.

“We're going to need to capture as much water as we possibly can inside the state. We are going to have to develop the next water supply for Arizona. We don't know that answer right now.”

This story originally appeared on [ASU News](#).

Main image



Patricia Garcia Duarte (far right) executive vice president for homeownership initiatives at Chicanos Por La Causa, speaks at the Morrison Institute Housing and Water Policy Summit on Friday. She was on a panel with Ruby Dhillon-Williams (second from right), director of the Arizona Department of Housing, and David Crummey, vice president and community development officer at PNC Bank. The panel was led by Alison Cook-Davis, research director at the Morrison Institute. Photo by Jenny Carrillo/Morrison Institute

Text image(s)



Sarah Porter, director of the Kyl Center for Water Policy at ASU, elaborated on water use by data centers in central Arizona at the recent Housing and Water Policy Summit. Photo Jenny Carrillo/Morrison Institute