



Executive Director's Report

Among the many important issues discussed at our March meeting, the topic of homelessness received significant attention as both a growing national and regional problem. The most recent count of people living on the street, organized by MAG in January, shows a dramatic increase in homelessness (27 percent) over the past year, and an increase of 149 percent since 2014. The count found 2,618 people not in shelter on the night of the count, with another estimated 3,500 people in shelter. This increase mirrors trends seen in Los Angeles, Seattle, and other peer cities. The numbers are strengthening our resolve to find solutions to get ahead of this crisis.

Many factors play a role in homelessness, ranging from economic to mental health issues to lack of employment and affordable housing. Housing costs are rising rapidly, meaning a decrease in the supply of affordable housing. The same is true in the rental market, and landlords have very little incentive to provide affordable or low-income housing with a high demand for rentals.

Another revealing fact from the count is that this is no longer a "central city" problem. The crisis has extended to nearly every community across the Maricopa region. It will take a regional approach and continued thought and discussion to identify a strategic path forward. To assist in this process, MAG has begun collecting responses from municipalities across the region to see how they are addressing homelessness in their communities. These approaches will be used to pull together a set of best practices that can be adopted either locally or regionally.

The engagement of the Regional Council during our meeting demonstrates a strong commitment to identify the barriers preventing us from ending homelessness and to find solutions for removing those barriers. MAG will continue to serve as a forum for keeping the dialogue flowing on this important issue.

For more information, please contact Eric Anderson, MAG Executive Director, (602) 254-6300.

Meeting Report for Wednesday, April 25, 2018

Information Items



Nominating Committee Announced

Each year, the Chair of the MAG Regional Council appoints a five-member Nominating Committee from the Regional Council. The Nominating Committee develops a

slate of seven candidates, including a Chair, Vice Chair, Treasurer, Past Chair, and three members at-large. If the Past Chair is not a current member of the Council, the Nominating Committee nominates an additional at-large member. If the Past Chair is still a member, that person serves as Chair of the Nominating Committee.

Chair Meck provided a report on his appointments of the members of the Nominating Committee. The appointees are: Mayor W.J. “Jim” Lane, City of Scottsdale, Chair; Supervisor Denny Barney, Maricopa County; Mayor Michael LeVault, Town of Youngtown; Mayor Jay Tibshraeny, City of Chandler; and Mayor Sharon Wolcott, City of Surprise. Chair Meck stated that the Nominating Committee is charged with developing a balanced slate of officers, which will be forwarded to all of the Regional Council members two weeks prior to the annual meeting in June. Selection of officers will take place at the June annual meeting.

For more information, please contact Eric Anderson, MAG Executive Director, (602) 254-6300.

Report on Implementation of the Regional Freeway and Highway Program

MAG staff provided a quarterly update on the implementation of the Regional Freeway and Highway Program. The program amount is \$3.3 billion for 37 projects, with \$2.8 billion in construction that runs through 2028. The Arizona Department of Transportation (ADOT), with MAG assistance, continues to refine delivery options and scoping of these projects.

Several projects throughout the region were highlighted. In the West Valley, construction will begin on the Fairway Drive traffic interchange on I-10 in September 2018; pre-design work continues on I-17 north of Anthem Way in the North Valley, and construction is scheduled to start in 2021 on the I-10/I-17 split to Loop 202 Pecos Stack in the East Valley.

Staff also noted the importance of continuous monitoring of the 37 projects as labor and material costs are rising. MAG is working with ADOT to expand the use of cost risk analysis and re-examining scopes of work to ensure accuracy of program amounts.

For more information, please contact Bob Hazlett, Senior Engineering Project Manager, (602) 254-6300.

Point in Time Street Count of Homeless

As noted in the Executive Director’s report, MAG coordinated the annual regional unsheltered homeless count on January 23, 2018. Cities and towns throughout the region sent volunteers on the morning of January 23 to interview individuals and families experiencing homelessness. The information is reported to the U.S. Department of Housing and Urban Development, which provides funding for homeless programs.

Staff noted that 24 municipalities and more than 700 volunteers participated in the count. This was a significant increase from the approximately 350 volunteers from

past years. The count found 2,618 people not living in shelters. This is up 27 percent from last year's count of 2,059, and up 149 percent from the count of 1,053 in 2014. The count also showed an increase in locations across the region. Staff noted one survey question was added this year: What single thing would be most helpful to you right now? Nearly half (45 percent) of respondents said it would be housing, followed by employment (19 percent).

Next steps will include finalizing the number of people who were in shelter that night, estimated to be about 3,500. The numbers will then be submitted to HUD and a local report prepared with supplemental data.

For more information, please contact Margaret Wong, MAG Human Services Planner, (602) 254-6300.

Development of Work Program and Annual Budget

Each year, the MAG Unified Planning Work Program and Annual Budget is developed incrementally in conjunction with member agency and public input. The Work Program is reviewed each year by federal agencies, with recommended approval sought by the Regional Council in May.

Staff reported that the work program is 75 percent complete. Since the presentation in March, three projects were added to the program. The 2019 MAG On-Board Survey of Transit Users, programmed at \$200,000, will collect data about passenger travel patterns on fixed bus routes and light rail. Other projects added included one with Central Arizona Governments (CAG) for \$44,000, and the FY 2018-2021 MAG Model Recalibration On-Call for \$400,000.

Staff also reported that MAG is requesting staff positions for FY 2019 in two areas: two Transportation Planner II positions to assist in various aspects of transportation planning, including data analysis, and a Research Analyst II position to provide support to the expanding data analysis and visualization demands being experienced by the Information Services team.

For more information, please contact Veronica Martinez, MAG Fiscal Services Manager, (602) 254-6300.

Audit Opinion

The accounting firm of HeinfeldMeech has completed the audit of MAG's Comprehensive Annual Financial Report and Single Audit for the 2017 fiscal year. One material weakness was identified in the Single Audit for internal controls, which found MAG not to be in compliance with a section requiring MAG to evaluate subrecipients' risk of noncompliance with federal statutes for the purpose of determining the appropriate monitoring required. This is a new requirement that should have been in place in FY 2017 and requires MAG to monitor pass-through entities for risk. Staff noted that MAG does have policies and procedures in place to review subrecipients

at the time of contract and as well as at the time a payment is made. However, this requirement required MAG to have in place written documented procedures on monitoring subrecipient awards. MAG has submitted a corrective action plan and will have the procedure in place by September 2018. The Regional Council voted to accept the audit opinion.

For more information, please contact Veronica Martinez, MAG Fiscal Services Manager, (602) 254-6300.

Legislative Update

Staff provided an update regarding legislative issues of interest. Senate Bill 1147 and its counterpart House version, HB 2162, which would allow MAG to go to the Maricopa County Board of Supervisors for approval of a ballot initiative to renew the half-cent sales tax for transportation (extending Proposition 400, which expires in 2025). Current law states that MAG would need the Legislature to approve a ballot initiative. Staff noted that the benefit to the MAG region would be greater regional/local control of the regional transportation plan, and voters would still have a say on the half-cent sales tax extension. One concern has been that the Legislature is seeking spending caps on some transportation modes, such as light rail.

Staff also reported on House Bill, 2166, which would allow the ADOT director to set an additional vehicle registration fee to help fund the Department of Public Safety. The legislation would help eliminate annual sweeps to the Highway User Revenue Fund to fund DPS. The bill also sets a vehicle license tax for alternative fuel vehicles. This would address the issue of nonpayment of fuel tax by such vehicles even though they drive on and use the roads.

Finally, staff reported on HB 2514. This bill would transfer \$18 million in FY 2020 to counties with a population less than 250,000 and towns with a population under 7,500. The impact to the MAG region would be \$5.5 million. Staff noted the bill is attempting to address a lack of funding for statewide transportation, but does not address the real problem—a need for more robust, reliable transportation revenue.

For more information, please contact Nathan Pryor, MAG Government Relations Manager, (602) 254-6300.

Next Meeting

The next meeting of the MAG Regional Council will be held on Wednesday, May 23, 2018, at 11:30 a.m. at the MAG offices, 302 N. 1st Avenue, Phoenix, second floor, Saguaro Room. Agenda items will include the FY 2019 MAG Unified Planning Work Program and Annual Budget. Additional agenda items are pending.

For more information, please contact Eric Anderson, MAG Executive Director, (602) 254-6300.