

Summary and Fiscal Note

1. Legislation Summary

This Resolution would provide next steps after the forensic evaluation of the King County Regional Homelessness Authority (KCRHA). The resolution would request that the Seattle Mayor and King County Executive: 1) take steps to immediately safeguard public funds; 2) Make a determination by June 1, 2026 if it is feasible for KCRHA to adequately address all of the findings in the forensic evaluation; 3) if found necessary, submit a plan by August 1, 2026, on how the City will approach the dissolution or restructure of KCRHA and; 4) submit monthly reports to the Chair of the Human Services, Labor and Economic Development Committee.

Department: Legislative

Title: A resolution regarding next steps after the forensic evaluation of the King County Regional Homelessness Authority (KCRHA); requesting that the Seattle Mayor and King County Executive take steps to immediately safeguard public funds, determine if it is feasible for KCRHA to adequately address all of the findings in the forensic evaluation, submit a set of next steps on how the City will approach the dissolution or restructure of KCRHA if determined to be necessary, and submit monthly reports to Council.

Background: In 2019, Seattle and King County executed an Interlocal Agreement establishing the King County Regional Homelessness Authority (KCRHA). That Interlocal Agreement was amended in November 2024. Either Seattle or King County may terminate the Amended Interlocal Agreement by an authorizing resolution or motion of its legislative body that is delivered to the other party, with a copy to KCRHA. Under the Interlocal Agreement, the effective date of the termination shall not be less than 12 months from the date that the County's motion or Seattle's resolution has been delivered to the other Party, with a copy to the KCRHA, unless the Mayor of Seattle and King County Executive jointly agree that termination can and should occur more quickly. In April 2026, Clark Nuber P.S. published a forensic evaluation of KCRHA that was committed by Seattle and King County. The evaluation identified many issues at KCRHA related to internal controls, unreconcilable receivables, financial reporting and accounting practices.

2. Capital Improvement Program (CIP)

Does this legislation create, fund, or amend a CIP Project?

Yes

No

a. CIP Project Name:

b. Master Project ID:

c. Project Location:

d. Start Date:

e. End Date:

f. Total Project Cost Through 2030:

3. Summary of Financial Implications

Does this legislation have financial impacts to the City?

Yes

No

Currently KCRHA administers most City-funded homeless service contracts for programs such as shelters, safe parking and day centers. If KCRHA were to dissolve, the City would need to administer those contracts directly. HSD would need to significantly increase staff in order to directly administer homeless service contracts. Since Seattle is currently paying for staff at KCRHA to administer these contracts, it is unclear if this would be a net neutral change, save money or increase costs. It is likely in the short term to increase costs, as there may be duplicative functions at both HSD and KCRHA as contracts transfer over or HSD may temporarily need to increase capacity to take on the complex task of shifting contracts. It is not clear at this time how any additional costs would be paid for. Council should anticipate that it will need to take budget action in the future, either through the 2027-2028 adopted budget, future mid-year supplemental budgets and/or stand-alone budget legislation to address costs.

4. Other Impacts

a. Does this legislation require a public hearing?

Yes

No

b. Does this legislation require a notice to be published in The Daily Journal of Commerce and/or The Seattle Times?

Yes

No

c. Does this legislation affect a piece of property?

No

d. Race and Social Justice Initiative impacts:

Black and indigenous households

1. How does this legislation affect vulnerable or historically disadvantaged communities? How did you come to this conclusion? Please consider both impacts within City government (like employees and internal programs) and in the broader community.

There are significant racial disparities in those experiencing homelessness. Based on the 2024 Point in Time analysis, 15% of people experiencing homelessness in King County identify as Black/African American, but according to 2023 U.S. Census data only 7% of King County's population identifies as Black/African American. Similarly, 6% of people experiencing homelessness identify as American Indian, Alaskan Native, or Indigenous, but that group makes up less than 1% of King County's population. Because of that, any potential disruption to homeless services due to the dissolution of KCRHA would have a disproportionate impact on black, indigenous and people of color, and especially on black and indigenous people experiencing homelessness.

3. What is the Language Access Plan for communicating with the public about this legislation? None

e. Climate change impacts:

1. Emissions: Will this legislation significantly increase or decrease carbon emissions? Attach any studies or materials that inform your answer. No

2. Resiliency: Will this legislation make Seattle more or less able to adapt to climate change? If it reduces resiliency, explain what can be done to lessen the impact. No

f. If this legislation creates a new program or expands an existing one, what are the long-term, measurable goals? How will this legislation help achieve those goals? What methods will be used to track progress? N/A

g. Does this legislation create a non-utility CIP that involves shared funding with a non-City partner or organization? No