



SEATTLE CITY COUNCIL
CENTRAL STAFF

Resolution 32202: Next Steps After King County Regional Homelessness Authority Forensic Evaluation

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HUMAN SERVICES, LABOR & ECONOMIC DEVELOPMENT COMMITTEE

5/15/26

Interlocal Agreement

- In December 2019, Seattle and King County entered into an Interlocal Agreement (ILA) to establish the King County Regional Homelessness Authority (KCRHA) to provide a coordinated, regional approach to improve the delivery of homeless services and enhance outcomes for those receiving services.
- In November 2024, Seattle and King County entered the Amended and Restated ILA (Amended ILA) to streamline the governance structure at KCRHA to improve transparency, coordination, and oversight.
- Under the Amended ILA, the ILA can be terminated via a Seattle City Council resolution or King County motion; the effective date of the termination shall be at least 12 months later, unless the Mayor of Seattle and King County Executive jointly agree that termination can and should occur more quickly.

Forensic Evaluation

- In 2025, Clark Nuber P.S. was engaged by Seattle and King County to conduct a forensic evaluation of KCRHA covering the period from mid-2021 through July 31, 2025.
- The evaluation focused on financial condition, governance, and risk management practices, with particular attention to factors contributing to negative cash balances and opportunities to strengthen processes and oversight.
- The forensic evaluation report was released in April 2026, and it identified many issues at KCRHA related to internal controls, unreconcilable receivables, financial reporting and accounting practices.

RES 32202 Summary, as Amended by Amendment 1 (1/2)

Resolution recognizes that the following commitments that were made:

- In April, the KCRHA Governing Board created a Finance Committee; the Finance Committee must approve any new agreements that increase costs or liabilities, approve any recruitment and hiring for positions, and approve any discretionary spending.
- By May 8, KCRHA submits a response to Seattle's Human Services Department (HSD) and King County's Department of Community and Human Services describing how KCRHA will address five high-risk findings in the evaluation.
- By mid-May, Mayor and King County Executive commit that the City and County will coordinate to ensure sufficient accounting and oversight controls are in place within KCRHA.

RES 32202 Summary, as Amended by Amendment 1 (2/2)

Resolution requests that:

- No later than June 15, 2026, the Mayor or designee provides to the Chair of the Human Services, Labor and Economic Development (HSLED) Committee an initial assessment of the corrective action plan submitted by the KCRHA.
- No later than August 1, 2026, the Mayor or designee makes a recommendation to the Chair of the HSLED Committee on whether the City should terminate its participation in the Amended ILA and dissolve KCRHA, restructure KCRHA, or continue it as is.

RES 32202 Summary, as Amended by Amendment 1 – Proposal for dissolution or restructure of KCRHA (1/2)

If dissolution or restructure is recommended, the Mayor or designee should provide a plan no later than August 1, 2026, that addresses the following components:

- Guiding principles for shared adoption, including Seattle's shared values, such as minimal disruption to services and maintenance of regional approach to addressing homelessness
- Commitment to engage with stakeholders
- Options for how the City can strategically utilize this opportunity, such as around re-bid of homeless services contracts
- Update on potential approaches for Continuum of Care (CoC), as KCRHA is the CoC Lead Entity and performs many functions necessary to receive federal CoC funding
- Ensure HSD has sufficient capacity and staff to directly administer homeless service contracts again

RES 32202 Summary, as Amended by Amendment 1 – Proposal for dissolution or restructure of KCRHA (2/2)

- Options for how Seattle and King County will continue to maintain a regional approach to addressing homelessness, including severe weather response
- Options for what organization or entity will take on KCRHA's existing Right of Way contracts for master leased apartments with services
- Opportunities to continue and strengthen the work of the Ombuds Office, which is currently housed in KCRHA, to provide critical programmatic oversight
- An estimated timeframe budget for increased City costs related to dissolving or restructuring KCRHA and the fund source for those costs

RES 32202 Summary, as Amended by Amendment 1 – Ongoing Reporting

Resolution requests that:

- Mayor or designee should continue to report monthly to the Chair of the HSLED Committee on the potential dissolution or restructure of KCRHA

Questions?