



**KCRHA**

King County Regional Homelessness Authority

# **FY26 NOFO: Reallocation and New Project Strategies**

April 1, 2026

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# FY26 NOFO

Context and Reallocation Strategies



# Purpose & Strategy for FY26 Decisions

## Ground decisions in data and constraints

- Align FY26 rankings with HUD funding limits while targeting recurring system gaps to improve outcomes over time.

## Use reallocations intentionally

- Reassess renewals that within parameters set by HUD, performance, or system goals and shift funds toward missing or underfunded interventions.

## Provide clear leadership choices

- Translate rules and gap analysis into a manageable decision list focused on tradeoffs, risk tolerance, and long-term system goals.



# FY26 Likely Funding Constraints

- Secure funding is capped at 60% of Annual Renewal Demand: \$39,280,754 (most protected funding).
- PH renewals capped at 30%
  - The FY26 portfolio exceeds the renewal cap by about \$40.6M, so adjustments are unavoidable.
  - Rankings must balance compliance and strategy through targeted reductions, project type transitions, or reallocation to minimize harm and maximize system benefit.



# Reallocation Target & Strategic Use

- **Reallocation Target**

- With FY26 renewals totaling \$65,467,923, the system may need to reallocate about \$19M to meet funding caps and bring the portfolio into compliance.

- **Strategy: targeted renewals, not flat cuts**

- Reduce or transition select renewal projects to correct structural overinvestment in models deprioritized by HUD while minimizing provider disruption.

- **Redirect to persistent gaps**

- Use freed funds for transitional housing and supportive service models to meet known system gaps.



# KCRHA New Project Strategy

- Phased approach to balance 3 things:
  - Giving providers time to prepare.
  - Quick adaptation once information from HUD is out.
  - Operating within procurement rules we don't control.



# Supportive Services Only

Project Models to Consider Prioritize to Meet System Gap Needs



# What is Supportive Services Only?

- SSO-standalone projects provide *supportive services only*.
  - Do **not** operate or fund housing for assisted participants
- Designed for individuals and families experiencing homelessness
- Focus is on outreach, engagement, and referrals to housing and other services

## Key Rule:

- The project **may not** provide housing or housing assistance to the same participants.



<b>Model Type</b>	<b>Target Population(s)</b>	<b>Key Services</b>	<b>Distinguishing Rule</b>
<b>Day Services/Navigation Center</b>	Sheltered & unsheltered adults Youth & young adults	Case management, benefits advocacy, employment assistance, showers/storage coordination, referrals, transportation support	Provides services only; no overnight shelter or housing
<b>Behavioral Health Support Services</b>	Individuals with mental health or substance use needs	Outpatient substance use treatment, mental health counseling, case management, coordination with housing providers	Outpatient only; no inpatient or residential treatment
<b>Family Support Services</b>	Homeless families with children	Case management, childcare for appointments/job training, adult education services, transportation, food assistance	Provides supportive services only; no housing or rental assistance
<b>Youth Drop-In Services</b>	Homeless or unstably housed youth	Case management, education & employment assistance, life-skills training, transportation, food services	Services only; no shelter or housing assistance
<b>Medical Respite Support Services (Non-Residential)</b>	Individuals discharged from hospitals	Case management, transportation, coordination with healthcare providers, benefits enrollment	Health-related supports only; no residential medical care or inpatient services

# Core System Gaps Identified



# How Gaps Identified

## Review of System Analysis & Planning Reports:

- KCRHA 5-Year Plan & Addendum
- 2024 & 2025 System Performance Measures
- 2022 Sub-Regional Analysis of Homelessness Services in King County
- 2020 King County Framework for Regional Action on Homelessness
- 2019 National Innovation Service Report
- 2017 Youth Homelessness Demonstration Program Coordinated Community Plan
- 2016 Homeless Investment Policy: The Path Forward for the City of Seattle
- 2016 Seattle/King County: Homeless System Performance Assessment and Recommendations with Particular Emphasis on Single Adults
- 2015 Homelessness Investment Analysis
- 2014 Family Homelessness Coordinated Entry System Analysis and Refinement Project

## Community Engagements:

- 2026 Point in Time Count
- 2024 Point in Time Count
- 2022 5-Year Plan Community Engagement Sessions
- Input from KCRHA Provider Engagements from 2022-2025



# System Gaps Overview



ACCESS & NAVIGATION  
BARRIERS



BEHAVIORAL HEALTH &  
SPECIALIZED SERVICES GAPS



POPULATION & GEOGRAPHIC  
GAPS

# Access & Navigation Barriers



Complex eligibility rules and limited age- or development-appropriate options create churn and prolong homelessness, pushing many people into unsafe or unsuitable settings.



Geographic gaps and transportation barriers outside Seattle deepen unsheltered periods and overburden urban hubs, with navigation often dependent on having skilled support.

# Behavioral Health & Specialized Services Gaps



High behavioral health needs, co-occurring conditions, and limited integrated models (ACT, onsite psychiatry, MAT, peer support) outpace existing capacity, especially in shelters and transitional programs.



Specialized housing—including medical respite, recovery housing, safe parking, and youth- or age-specific models—remains scarce, affecting stabilization, safe discharge options, and long-term housing success.

# Population & Geographic Distribution



Older adults, people exiting incarceration, youth/young adults, and families experience mismatches between needs and available interventions, driving longer stays, higher system involvement, and worse outcomes.



Service distribution is uneven across the county, with minimal capacity in Southeast and North King County and the Snoqualmie Valley—straining Seattle-based programs and requiring targeted, community-scaled investment to reduce disparities.

# Addressing the Gaps



Expanding specialized temporary housing is a high-leverage investment to improve system flow, reduce unsheltered homelessness, and strengthen permanent housing outcomes.



Gaps drive instability, crisis use, and system involvement; expansion requires integrated care investment, workforce development, and healthcare partnerships embedded in housing/shelters.



Gaps funnel demand into overburdened urban hubs and compound behavioral health and navigation challenges; equity requires targeted, community-scaled capacity building.



These impacts point directly to where FY26 investments and reallocations can move the system

# Next Steps for FY26 Preparation



# CoC Survey to Narrow Priorities

- KCRHA will send out a survey to the CoC Membership and providers to support narrowing the focus for FY26 funding.
  - Of the identified gaps, what should be the first, second, third priority.
  - Are there other system impacts to be considering
    - i.e. How are cuts to Medicaid or SNAP impacting the homelessness system?



# Current CoC Funding Review

- Identify projects to:
  - Transition the project type to HUD priority
  - Reduce budget to right size based on historical spending
  - Reallocate to higher-performing or new projects



# What to Remember

- **Funding Tradeoffs**
  - Constraints require hard choices that can preserve the status quo or drive meaningful improvement.
- **What Matters Most**
  - Prioritize behavioral health integration, navigation, and specialized housing as system anchors.
- **Geographic Coverage & Fragmentation**
  - Address geographic gaps and reduce cross-system fragmentation to improve access and outcomes.
- **FY26 Next Steps**
  - Confirm reallocations, align rankings to actions, strengthen accountability, and finalize CoC/NOFO materials.



# Questions?





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