



# Information Item

**Date: October 22, 2013**

To: Mayor and City Council  
From: Andy Agle, Director of Housing and Economic Development  
Subject: Housing Authority Funding During Federal Government Shutdown

## **Introduction**

This report provides an update regarding the potential impact of the federal government shutdown on the City's Housing Authority. The Housing Authority operates several programs which are federally funded and serve Santa Monica residents through direct rental-housing subsidies.

## **Background**

At its [October 8, 2013](#) meeting, Council directed staff to make a loan from the City's General Fund to the Housing Authority, if necessary, to ensure rental subsidy payments continue during the federal government shutdown. Council also directed staff to provide additional information as it becomes available.

## **Discussion**

The City's Housing Authority operates rental-housing subsidy programs that serve approximately 1,400 very low-income residents, many of whom are seniors, persons with disabilities, and formerly homeless. These programs enable very low-income households to live in decent, safe, and sanitary housing throughout Santa Monica, creating affordability by subsidizing a portion of the rent paid to the landlord. The shutdown of the federal government that began in October raised questions about the continued flow of funds from the federal government to the Housing Authority during the shutdown. The federal funding amounts to approximately \$1.2 million per month.

In late September, the federal Housing and Urban Development Department (HUD) communicated with Housing Authorities nationwide indicating that monthly funding for October would be issued regardless of a government shutdown, but provided no information about the flow of funds beyond October. On October 11, 2013, HUD issued a revised shutdown contingency plan which indicates funding for the rental housing subsidy programs through calendar year 2013 has already been appropriated and there should be no disruption in the flow of funds to Housing Authorities for November and December, regardless of a continued shutdown.

On October 17<sup>th</sup>, Congress and the President approved legislation to end the federal government shutdown and fund the government for at least the next few months. Staff will continue to monitor the federal budget negotiations. If another shutdown appears likely, staff will endeavor to gather information regarding impacts on the Housing Authority, including whether a General Fund loan to the Housing Authority which ensures that rental subsidy programs continue without interruption, is necessary and could be repaid.

**Prepared By:** Jim Kemper, Acting Housing Authority Administrator