

# Political Activity of Nonprofit Subrecipients

October 25, 1990

MEMORANDUM FOR: Gertrude W. Jordan, Regional Administrator  
- Regional Housing Commissioner, 5S

ATTENTION: Delbert F. Reynolds, Office of the Manager, 5.8S

FROM: Anna Kondratas, Assistant Secretary for Community  
Planning and Development, C

**SUBJECT: Clarification of Regulations Regarding Political Activity of CDBG Nonprofit  
Subrecipients  
City of Milwaukee, Wisconsin**

This is in response to the Milwaukee Office's August 1, 1990, memorandum asking for further guidance on regulations regarding political activity of Community Development Block Grant (CDBG) nonprofit subrecipients. The issues were raised by the City of Milwaukee's entitlement program staff.

The August 1, 1990, memorandum raised four specific questions that are answered below in order. The first question was: since the City of Milwaukee has a nonpartisan form of government, are local political activities excluded from the restriction at ½570.207(a)(3) on the use of CDBG funds to finance the use of facilities or equipment for political purposes?

By "nonpartisan" the City means that local government officials do not affiliate with any national political party, not that such officials do not compete for elected office. However, the word "partisan" really means "devoted to or biased in support of a single party, person, or cause," whether or not the activity is partisan in the City's sense of supporting one or the other of the national political parties. In no case may CDBG funds "be used ... to engage in ... partisan political activities" such as supporting one candidate for any office over another. Therefore, local political activities are not excluded from the restriction.

The second and third questions are: can equipment and space, the usage costs of which are 100-percent CDBG-funded, be used for non-CDBG or ineligible uses during non-working hours? Rent and operational expenses are eligible for CDBG assistance when, as in the case in question, they are essential to the provision of a public service. If the space or equipment is used for an ineligible public service, such as a political activity, such costs related to that public service are also ineligible. If the only cost in question is rent, the issue is more complex. Presumably, no additional rent would be paid if the rental space were to be used during non-working hours (although possibly additional utility or maintenance charges would be incurred). However, CDBG funds could not be used to pay 100 percent of the rental charge if 100 percent of the use of the space were not eligible. Any additional charges for utilities or maintenance stemming from the "non-working hours" usage could not be paid for with CDBG, either, if the use involved an ineligible public service.

One portion of 1/2570.207(a)(3) implies that CDBG-funded facilities may be used on an "incidental basis" for otherwise ineligible political activities under certain circumstances. However, that provision covers the situation where the only CDBG assistance was for the acquisition, construction, or rehabilitation of property for use by the general public (such as a neighborhood facility or park). In such cases, the actual use to which the property will be put over the years is usually not known in advance.

The fourth question was a request for examples of any other policy determinations in this area. An example of one in Port Arthur, Texas, involving voter education is attached.

The August 1 memorandum also asked for a discussion of empowerment, in the context of community-based organizations (CBOs). CDBG can fund many activities that support empowerment of residents through the community development process and activities associated with such development. For example, economic development activities that create local jobs or provide job training empower low- and moderate-income people economically. The CDBG citizen participation process can be effectively used by low- and moderate-income persons, especially if they are organized and represented at hearings by CBO's, to influence the development activities done in their neighborhoods.

If there are further questions on these issues, please contact the Entitlement Communities Division at FTS 458-1577.

Attachment

cc: Edwin Gardner, DUSFC

cc:  
CGBE KOME 7282 CGBE MIECUNA 7282  
CGBE BROUGHMAN 7282 CGBE CHRON 7282  
CGBE ECD FILES 7282 CGB PATCH 7280  
CAO CU 7233 Edwin Gardner, DUSFC

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