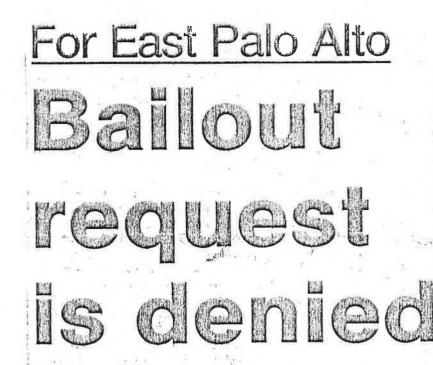
corporation. East Palo Alto incorcities still in their first year of ina crash program of pay cuts and school districts and even the counporated four years ago. self a 10 percent pay cut immediof time," said Hall, who gave himwait the 60 to 90 days it would take situation is so direful, the city can't layoffs that started last week, the new city manager, said that despite mended that as the best course for tax money coming in and recomty to issue notes in anticipation of school and special districts or to hired an accounting firm to dorsement of state legislation to to issue the notes. East Palo Alto. drowning man why he sons but noted that the city had base to support itself. But there was about whether the city had the tax astonished at that approach, given make the loan legal. around it. visors to figure out a way to work shouldn't be read to "tell you what ately after he was hired. know now to swim. throwing a rope, is like asking a the city is in trouble, instead of told the supervisors that to ask why now bad it is. the city got into its fiscal crisis or poration, questions were raised track process, to be frank with [would not call Sacramento a fastcan get a bill through," she said. "... the urgency of the problem. you can't do" and asked the superittle explanation Tuesday for how "We simply do not have that kind But Stanley Hall, East Palo Alto's Nichols said it is common for Hall argued that the law "I don't know how quickly you Supervisor Anna Eshoo seemed One woman, Constance French, Hall said he didn't know the rea-Before East Palo Alto's incor-He asked for their en-Continued from A-I doesn't find eral government bailed out French said and told the supervinotes, if the city decides to do that. are merely creations of "old white to bail out the city, just as the fedsors they should explore every way do it legally." to the implication that the county help issue the tax anticipation Nichols and to meet with Hall to ing that aid was extended to get the тел." the county wants to help and urged like doing," she said. "We have to city through its first year. hadn't helped East Palo Alto, not-Chrysler Corp. Laws, she added, with any new information on ei-"We can't just do what we feel Supervisor Eshoo took exception "We obviously are drowning," Board President Tom Nolan said Nichols is to report back on Sept.



By Janet McGovern Times Tribuno staff

East Palo Alto city officials went home empty-handed Tuesday after an appeal to the San Mateo County Board of Supervisors for an emergency loan of a minimum of \$600,000.

District Attorney Jim Fox in-formed the supervisors that he saw no way legally for the county to loan a city money, although he is receptive to receiving contrary legal opinions.

The best the county can do is to help East Palo Alto issue tax anticipution notes that would be backed by the city, not the county, according to Fox.

But East Palo Alto officials said they need the money now.

After the meeting, Mayor Jumes Blakey said the city had applied to the county for a loan as the quickest way to get money.

The city has other options, including loans from Barclays Bank or First Interstate Bank, Blakey said.

Asked how much money the city has in reserves, Blakey said he didn't know.

The money that the city request-ed from the county — an advance on un estimated \$750,000 in properis ty taxes due in December needed to get the city through what Councilwoman Barbara Mouton has called a "cash-flow" problem. East Palo Alto is to receive about

\$1.3 million in property taxes for the year, but only about \$750,000 is projected to come in by December, when the first installment payments are due. The remainder would be paid in April 1988, according to County Manager Daye Nichols.

Fox suid the luw allows loans to

Please see BAILOUT, A-12

May Tuberry

notes. the status of the tax anticipation

ther a legal way to make a loan or

ment closed, he said. went bankrupt a few years ago and cial problems. Brisbane, which is pointed out that East Palo Alto is take over when the police departthe Sheriff's Department had to now comparatively rich, nearly not the only city that has had finan-Supervisor Bill Schumacher also

value, which is reflected in assess-

Alto's "radical" form of rent con-

Tony Horwath said East Palo

ments that lag behind those of trol is causing apartments to lose

neighboring cities.

and apartment owners who fought East Palo Alto's incorporation, told the supervisors that rent control is Joe and Tony Horwath, brothers

posal.

and can only get worse. at the heart of the city's problems

that but I'll say it for you. The reawath said. "No one wants to say East Palo Alto is broke," Joe Hor-"The situation as I see it is that

proper forum for their ideas is the come and panhandle you for addi-tional funds." Eshoo told the Horwarks that the

3

landlords on their own housing proschedule. Nichols said get started on a regular Hall, Nichols reported that Hall and a chat on the sidewalk with the service and then deducting the three-year, \$300.000 contract said to go thead and approve the payments from next April's propercould help the city out by providing for a week. Nichols said the county agreement. East Palo Alto wants But after a break in the meeting Inves. payment

purse strings," Joe Horwath said, "

The county should "tighten

the

not make it easy for them to just

The supervisors offered to table

sors not to grant a loan unless East

The brothers urged the supervi-

Palo Alto is required to work with

Palo Alto. asked to approve the under which the county would protwist later, however, in a related matter. The supervisors had been The meeting took a surprising

East Palo Alto City Council:

before this body makes a decision

to lend money.

son for that needs to be examined