

PRO and CON:

Should East Palo Alto become a city?

Community is fully capable of ruling itself

ON JUNE 7, the residents of East Palo Alto will vote to form a new city. The voting majority will favor incorporation because of a desire for self-government, a better way of life and a more promising future.

Webster's dictionary defines "incorporation" as the "act of blending together to make something whole." In the field of public administration, incorporation means the formation of a city — that is, reorganizing various public services under one municipal structure to bring efficiency and accountability to local government.

In practical terms, incorporation is self-government — having the legal authority to manage the affairs of the community. An incorporated City of East Palo Alto will elect a City

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Council with the authority to establish community goals, coordinate local development, regulate land use, and provide municipal services.

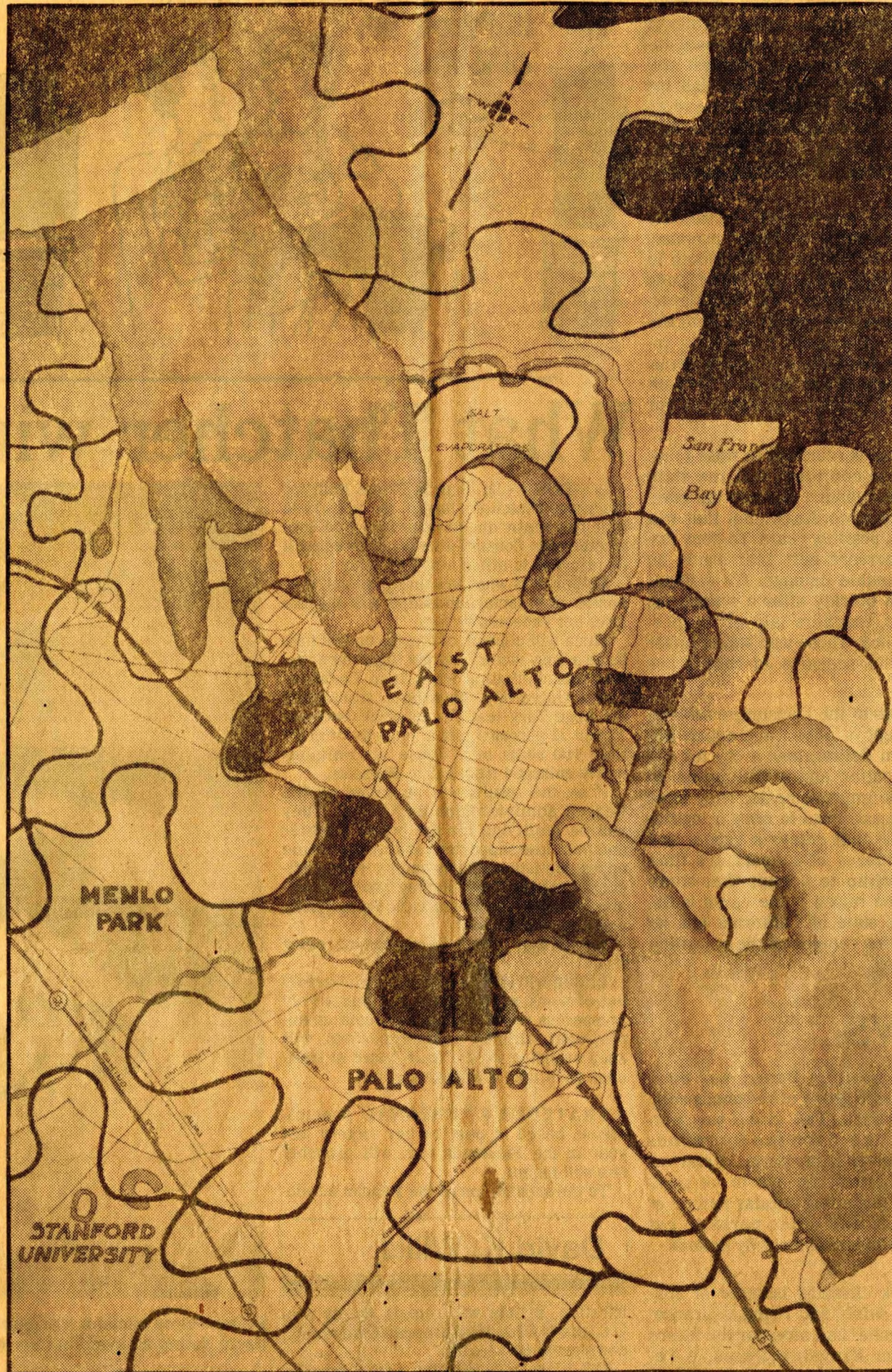
Incorporation is self-determination — having the legal responsibility to define local needs and allocate resources to address those needs. An incorporated City of East Palo Alto can plan and provide basic services to improve the quality of life for the young and old, homeowners and renters, and merchants and consumers.

Incorporation is self-respect — having the integrity, intelligence and courage to lead, govern and provide for ourselves. With incorporation, East Palo Alto can build a new community — all the while turning problems into opportunities and challenges into achievements.

ANGUS McDONALD & Associates of Berkeley is an independent firm that was hired by the county to thoroughly study the fiscal feasibility of an East Palo Alto incorporation. Financial data reported by McDonald presents a compelling case for immediate incorporation of the community.

Did you know that San Mateo County spent less than \$60 per person on municipal services and road maintenance in East Palo Alto last year? According to the McDonald report, the total expenditure was \$945,000 on city services and \$161,000 on road

Please see PRO, C-4



The tax base is inadequate for cityhood

THE BASIC ISSUE in the incorporation of East Palo Alto is not "local autonomy" or "self-determination" nor "whether we govern ourselves." No one disputes the values represented by these slogans. Certainly no one would dare voice opposition to "motherhood" — except the unwillingly pregnant woman, who alone and on her own must face many problems with few resources to feed and house herself and child.

East Palo Alto is somewhat in the dilemma of the pregnant woman who must choose to live her life according to abstract principles or pressing actual personal needs. Many of us who oppose incorporation are homeowners and long-term residents of East Palo Alto. Many have lived here for more than 25 years. Our decisions are based on intimate knowledge of the

Julia Harvey

social, economic and political life of East Palo Alto. We know the part individuals have played in the past and present. We are guided by our practical needs and not abstract slogans, which, when applied to East Palo Alto, may inevitably lead to disaster by further isolating us from surrounding communities and locking us into a poor, segregated enclave.

There are some who want to see a separated enclave where blacks can build and rule a city of their own. Citizens are fearful that if East Palo Alto becomes a city it will be dominated by the black nationalist movement which tolerates no opposition in thought or action.

MOST OF THOSE who live here want an integrated community. Our goal is to develop East Palo Alto as an area where people of all levels of income can live and work and where racial and ethnic groups can retain their own cultural heritages yet work together in harmony and peace.

We as a community are largely poor — blacks, whites, hispanics and Asians. We have 6 percent of the population of San Mateo County but 30 percent of its welfare cases. We have a youth unemployment rate over 60 percent and 25 percent for adults. We have many one-parent households with their special problems. We have increasing numbers of aliens, several families to one house, who must be provided with their health and school needs. We have increasing drug traffic and rampant crime. Changing

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Julia Harvey, a resident of East Palo Alto for the last 25 years, is a member of the Citizens' Coalition Against Incorporation Now.



AND NO BLOODY AFRAID BLUE PLAID SUIT!
 YOU SHOULD SEE ME AT WILLIAMSBURG — URBANE, RELAXED, POISED, OBVIOUSLY WELL-PREPARED, SUAVE, DEBONAIR, WITTY, ELEGANT... WOW!

PRO

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repairs. The average expenditure per person was \$51.95 on services and \$7.75 on roads.

Did you know that San Mateo County collected much more in general revenues and road funds from East Palo Alto than it spent last year? According to the McDonald report, the county received \$1.4 million (\$77.86 per person) and only spent \$1.1 million (\$59.70 per person). In other words, the county collected \$300,000 more than was spent on municipal services and road maintenance. For years, East Palo Altans have been told that the county subsidizes our community. The McDonald report clearly demonstrates that the reverse is true — East Palo Alto is now paying for services that it does not receive from the county. This is a true case of taxation without representation.

Did you know that an incorporated City of East Palo Alto will spend more than 3½ times the amount now spent by the county on city services and road maintenance with no new taxes? According to the McDonald report, when East Palo Alto incorporates, the average expenditure over the next five years will be \$213 per person (excluding 1983-84, when the county is legally required to continue providing services).

Did you know that the Municipal Council has an annual budget of only \$220,000, six employees and no power to make decisions? According to the McDonald report, the incorporated City of East Palo Alto will have an annual budget of almost \$4 million and about 75 employees. More important, the new City Council will have the power to make local decisions for our community.

THE COMPARISONS with Menlo Park and Palo Alto by the opponents of incorporation are deliberately misleading and virtually meaningless — especially when one knows about the existing conditions in East Palo Alto, that is, the county's failure to spend a fair share of our tax dollars in this community, a projected city budget which will more than triple current expenditures without new taxes and the obduracy of the Municipal Council.

Our main reasons the projected budget for the City of East Palo Alto shows a deficit of at least \$1.5 million at the end of the year. The county will provide most of the deficit. The city collects most of the tax reve-

nues during the first year (1983-84). Second, cities receive state revenues that counties are ineligible to receive — this will result in about \$1 million in new income from the state earmarked for the City of East Palo Alto. Third, the actual increase in voter registration to 9,000 persons will bring an additional \$810,000 per year in state revenues (at \$90 per registered voter). Fourth, the City of East Palo Alto is budgeted to spend less money than it collects in tax revenues.

IN THE FINAL analysis, many people want to know whether things will get better after incorporation. With a qualified City Council, a professional staff, and the revenues to improve city services, incorporation should bring a much needed and positive change to our community.

East Palo Alto will have its own Police Department (public safety), its own Community Development Department (planning, zoning and code enforcement), its own Public Works Department (roads and utilities), and its own Community Services Department (parks, recreation, and human services). We will have the authority to decide how our tax dollars are spent and how our resources are used to build a better community. Officials will be professional, responsive and accountable, or they will look for new jobs.

There is no doubt that East Palo Alto is a stepchild of county government with little influence and no authority over the affairs of government. There is no realistic possibility for change as long as East Palo Alto is unincorporated.

East Palo Alto has the human and material resources to build a great city. Ours is a promising future if we dare to seize the time. There is no better time to incorporate a new City of East Palo Alto. Yes, incorporation is an idea whose time has come.

NO LONGER SHOULD East Palo Alto settle for a small voice in choosing a county supervisor to represent us; we can elect our own City Council and still help to choose the supervisor.

No longer should East Palo Alto settle for fragmented and disorganized city services; we can form a city that provides quality services based upon the principles of efficiency, economy and accountability.

No longer should East Palo Alto look to others for solutions to our problems; we are fully capable of solving them ourselves.

Incorporation is the only viable alternative to the status quo — a locally elected City Council, local control of planning, land-use and services, a more responsive and accountable government, and the right to decide how our tax dollars are spent.

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Local government will have little effect on these problems, for they result from factors beyond the control of the leaders of East Palo Alto.

Can these problems be overcome by the simple act of incorporating this area, with little or no industrial, commercial or sales-tax base? Many of our problems are a direct result of the economic, racial and cultural segregation forced on us by the policies of the surrounding communities. Incorporation can only make this aspect worse by legalizing it.

THE PRO-INCORPORATION leaders apparently believe that incorporation, per se, would solve our problems if only they were given power. Power comes not from wishful thinking or slogans. Power comes from money and the ability to manage funds efficiently, plus knowledgeable and capable leadership. We have none of those. And we cannot depend on uncertain federal and state funds.

It is ridiculous to blame East Palo Alto's failure to develop on the fact that the San Mateo Board of Supervisors must make the final decisions. Actually 95 percent of the proposals made by the Municipal Council have been approved by the Board of Supervisors. The fact is that few proposals were submitted. The responsibility for the lack of progress lies primarily with the council itself. Pro-incorporation council members were in control for more than three years. Political maneuvers isolated other members so they could not function. That's a bad omen for the future!

The contention that East Palo Alto cannot get adequate service from county headquarters 15 minutes away is absurd. Many large cities and counties govern effectively and efficiently even though part of their jurisdictions are great distances away from government headquarters. This myth has been promoted by the Board of Supervisors and pro-incorporation leaders in order to further their own selfish interests — the board to save money and be rid of the problems of East Palo Alto, the incorporation leaders to gain political power for themselves.

WE HAVE HAD power to "control our own destiny" for years. The sanitary district, the recreation district and the school district are all independent government bodies whose officials are elected by the people of East Palo Alto. They exercise full control to make and implement their decisions. Plagued by inner squabbles, personality conflicts and scandals for years, the recreation district and the school district have functioned inefficiently. Our tax dollars have been wasted. Who is responsible? Why should we believe things will be different if we incorporate?

The financial viability of a new city has been at the center of our concern. Statistics can be manipulated to prove anything. Some statements from the county staff are more informative.

Jay Gellert, former assistant county manager, reported to the Local Agency Formation Commission (LAFCO) on Oct. 13, 1981: "Over \$2.2 million of countywide revenues are utilized to subsidize services in East Palo Alto and it will be increasingly difficult to maintain this level of subsidy in the face of federal and state budget reductions." Incredibly he urges incorporation of East Palo Alto because as a city, it would be entitled to state and federal funds. Aren't funds to cities also being cut?

If East Palo Alto's tax base is strong enough to finance a city why does the county have to subsidize us with more than \$2.2 million a year?

Consultant Angus McDonald stated to LAFCO on Jan. 12: "The first thing we considered was whether the area was currently supporting the municipal services . . . provided by the county. But in fact the area is not. Costs exceed revenues . . . by over \$1 million in municipal services alone."

TAXPAYERS IN Menlo Park and Atherton subsidize East Palo Alto's fire protection by over \$400,000 a year through the Menlo Park Fire Protection District. If this were to change, incorporation would be infeasible, McDonald states. Will this subsidy continue indefinitely?

McDonald continues: "A positive fund balance is vulnerable to unforeseen events . . . so that the fund balance could be reduced or possibly eliminated."

Menlo Park spends \$689 per person per year for municipal services. A new city of East Palo Alto could only spend \$207 per person per year. Were East Palo Alto to incorporate now, without an adequate tax base, the cost of increasing services toward the level of Menlo Park would fall on the permanent residents. Taxes would be raised. (The history of the capability of our districts' managing budgets and increasing services bodes ill for the future.)

At best, the new city would be walking a financial tight-rope from which it could easily fall and fail — or the residents would be forced to pay increased taxes or accept lower services. Can anyone truly believe that East Palo Alto has enough money when we know that large, wealthy cities are having severe financial troubles?

WE MUST NOT be fooled by propaganda that tells us that taxes cannot be raised. *Property taxes* cannot be raised by more than 1 percent of assessed value, according to Proposition 13. Other taxes and "user fee" taxes can be raised without a vote of the people. The city of Pacifica has just done so. So have Menlo Park and innumerable others.

These taxes may seem small and insignificant to many. But they are large to those who live hand-to-mouth on fixed incomes or the unemployed, or even the working poor. It is they who must decide which bill to pay first — whether to buy food or pay the mortgage. The slogan "Save our Homes" touches them most deeply.

We reject incorporation for our community until an adequate tax base is built and leadership developed and proven.