East Palo Alto Incorporation Bid Loses by 41 Votes

Plans for incorporating predominantly black East Palo Alto went down to defeat yesterday by a narrow 41-yote margin, apparently because some residents were fearful that cityhood would prove too costly.

Voters actually approved three of four ballot proposals vital to incorporation, but balked at the fourth, which called for dismantling the community's sanitation district and turning it over to the government of the proposed self-governing city.

In the key vote, on Proposition C, voters rejected the dissolution of the sanitation district by 1215 votes to 1174.

The defeat of incorporation was a personal victory for Joseph T. Sanders, the sanitation district's

board president, who, along with influential municipal council members Gertrude Wilks and Henry Anthony, conducted a last-minute leafletting campaign against incorporation.

The two-square-mile area, which is located near Menlo Park and Palo Alto, has a municipal council that is merely an advisory panel for the county Board of Supervisors.

The loss of the incorporation issue negated the results of a parallel race by 15 candidates for seats on the five-member city council that would have been established by the election.

Barbara Mouton, a pro-incorporation leader who was the top votegetter in the council race, said residents appeared to understand, "the need for incorporation, but were fearful they would lose their homes" because of the tight economy and the burdens of joblessness in low-income East Palo Alto.

Foes of the incorporation move also included a group of white property owners who live in the unincorporated area's West-of-Bayshore district, and who had filed a lawsuit to block the election.

This group and some black community leaders are now expected to revive efforts to call on neighboring Menlo Park to annex East Palo Alto and take over its municipal services.

The Menlo Park City Council last year turned down such an annexation proposal by a 3-to-2 vote.