



CITY OF EAST PALO ALTO

MEMBERS OF THE COUNCIL

BARBARA A. MOUTON

Mayor

JAMES E. BLAKEY, JR.

Vice-Mayor

RUBEN ABRICA

OMOWALE SATTERWHITE

GERTRUDE WILKS

FREDERIC A. HOWELL

City Manager

MUNICIPAL SERVICES BUILDING • 2415 UNIVERSITY AVENUE, EAST PALO ALTO, CA 94303 (415) 324-1308

March 15, 1984

Office of Grants Management
Office of Community Services
1200 - 19th Street, N.W.
Room 548-L
Washington, DC 20506
Attn: OCS-84-3-DP

Dear Gentlepersons:

The City of East Palo Alto is pleased to provide the three (3) enclosed copies of "An Incubator Without Walls" proposal that requests Community Services Block Grant funding in the amount of \$300,000. An award of the requested funds would enable one of California's newest municipalities to significantly alter its economic base through a strategy of targeted assistance to existing businesses and the attraction of new ones.

If amplification or clarification of this proposal is needed, do not hesitate to contact me.

Your favorable consideration will be appreciated.

Sincerely,

Frederic A. Howell
City Manager

FAH:db



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MUNICIPAL SERVICES BUILDING

• 2415 UNIVERSITY AVENUE, EAST PALO ALTO, CA 94303

(415) 324-1308

Application To:

Department of Health and Human Services
Office of Community Services

From:

City of East Palo Alto, California

For:

Community Services Block Grant OCS-84-3-DP

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FEDERAL ASSISTANCE		2. APPLICANT'S APPLICATION	a. NUMBER NA	3. STATE APPLICATION IDENTIFIER	a. NUMBER NA
1. TYPE OF ACTION <input type="checkbox"/> PREAPPLICATION <input checked="" type="checkbox"/> APPLICATION (Mark appropriate box) <input type="checkbox"/> NOTIFICATION OF INTENT (Opt.) <input type="checkbox"/> REPORT OF FEDERAL ACTION		b. DATE 19 84 3 15	b. DATE Year month day 19 84 3 15		b. DATE ASSIGNED 19 NA
4. LEGAL APPLICANT/RECIPIENT		5. FEDERAL EMPLOYER IDENTIFICATION NO. 94-2911826			
a. Applicant Name : City of East Palo Alto b. Organization Unit : City of East Palo Alto c. Street/P.O. Box : 2415 University Avenue d. City : East Palo Alto e. County : San Mateo f. State : California g. ZIP Code: 94303 h. Contact Person (Name & telephone No.) : Fred Howell (415) 324-1308		6. PROGRAM (From Federal Catalog)			a. NUMBER 0 C S • 8 4 3 b. TITLE Community Services Block Grant
7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT AN INCUBATOR WITHOUT WALLS A plan to improve the economics of a depressed city through aid to existing local businesses and limited attraction of new business for the purpose of decreasing unemployment and increasing earnings of residents.		8. TYPE OF APPLICANT/RECIPIENT A-State H-Community Action Agency B-Interstate I-Higher Educational Institution C-Substate J-Indian Tribe District K-Other (Specify): D-County E-City F-School District G-Special Purpose District Enter appropriate letter <input checked="" type="checkbox"/> E			
9. TYPE OF ASSISTANCE A-Basic Grant D-Insurance B-Supplemental Grant E-Other Enter appropriate letter(s) <input type="checkbox"/> A <input type="checkbox"/> C-Loan		10. AREA OF PROJECT IMPACT (Name of cities, counties, States, etc.) City of East Palo Alto		11. ESTIMATED NUMBER OF PERSONS BENEFITING 250	
12. TYPE OF APPLICATION A-New C-Revision E-Augmentation B-Renewal D-Continuation Enter appropriate letter <input checked="" type="checkbox"/> A		13. PROPOSED FUNDING		14. CONGRESSIONAL DISTRICTS OF:	
a. FEDERAL \$ 300,000 .00 b. APPLICANT 40,000 .00 c. STATE .00 d. LOCAL .00 e. OTHER 330,000 .00 f. TOTAL \$ 670,000 .00		a. APPLICANT 11th b. PROJECT 11th		15. TYPE OF CHANGE (For 12c or 12e) A-Increase Dollars F-Other (Specify): B-Decrease Dollars C-Increase Duration D-Decrease Duration E-Cancellation Enter appropriate letter(s) <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
16. PROJECT START DATE Year month day 19 84 7 1		17. PROJECT DURATION 12 Months		18. ESTIMATED DATE TO BE SUBMITTED TO FEDERAL AGENCY 19 84 3 15	
19. EXISTING FEDERAL IDENTIFICATION NUMBER NA		20. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP code) HHS/OCS, Washington, DC 20506		21. REMARKS ADDED <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
22. THE APPLICANT CERTIFIES THAT ▶		a. To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is approved. (1) (2) (3)		b. If required by OMB Circular A-95 this application was submitted, pursuant to instructions therein, to appropriate clearinghouses and all responses are attached: No response <input type="checkbox"/> Response attached <input type="checkbox"/>	
23. CERTIFYING REPRESENTATIVE		a. TYPED NAME AND TITLE Frederic Howell, City Manager		b. SIGNATURE	
				c. DATE SIGNED Year month day 19 84 3 15	
24. AGENCY NAME		25. APPLICATION RECEIVED		Year month day 19	
26. ORGANIZATIONAL UNIT		27. ADMINISTRATIVE OFFICE		28. FEDERAL APPLICATION IDENTIFICATION	
29. ADDRESS		30. FEDERAL GRANT IDENTIFICATION		31. ACTION TAKEN	
<input type="checkbox"/> a. AWARDED <input type="checkbox"/> b. REJECTED <input type="checkbox"/> c. RETURNED FOR AMENDMENT <input type="checkbox"/> d. DEFERRED <input type="checkbox"/> e. WITHDRAWN		32. FUNDING a. FEDERAL \$.00 b. APPLICANT .00 c. STATE .00 d. LOCAL .00 e. OTHER .00 f. TOTAL \$.00		33. ACTION DATE ▶ 19 34. STARTING DATE 19 35. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number) 36. ENDING DATE 19 37. REMARKS ADDED <input type="checkbox"/> Yes <input type="checkbox"/> No	
38. FEDERAL AGENCY A-95 ACTION		a. In taking above action, any comments received from clearinghouses were considered. If agency response is due under provisions of Part 1, OMB Circular A-95, it has been or is being made.		b. FEDERAL AGENCY A-95 OFFICIAL (Name and telephone no.)	

SECTION I—APPLICANT/RECIPIENT DATA

SECTION II—CERTIFICATION

SECTION III—FEDERAL AGENCY ACTION

SECTION IV-REMARKS *(Please reference the proper item number from Sections I, II or III, if applicable)*

13b \$40,000 in kind services by City of East Palo Alto

13c \$100,000 from City's share of CDBG monies
\$230,000 from the private sector in grants and in kind services

PART II

OMB NO. 30-RD 106

PROJECT APPROVAL INFORMATION

Item 1.
 Does this assistance request require State, local, regional, or other priority rating? _____ Yes X No
 Name of Governing Body _____
 Priority Rating _____

Item 2.
 Does this assistance request require State, or local advisory, educational or health clearances? _____ Yes X No
 Name of Agency or Board _____
 (Attach Documentation)

Item 3.
 Does this assistance request require clearinghouse review in accordance with OMB Circular A-95? _____ Yes X No
 (Attach Comments)

Item 4.
 Does this assistance request require State, local, regional or other planning approval? _____ Yes X No
 Name of Approving Agency _____
 Date _____

Item 5.
 Is the proposed project covered by an approved comprehensive plan? _____ Yes X No
 Check one: State
 Local
 Regional
 Location of Plan County of San Mateo

Item 6.
 Will the assistance requested serve a Federal installation? _____ Yes X No
 Name of Federal Installation _____
 Federal Population benefiting from Project _____

Item 7.
 Will the assistance requested be on Federal land or installation? _____ Yes X No
 Name of Federal Installation _____
 Location of Federal Land _____
 Percent of Project _____

Item 8.
 Will the assistance requested have an impact or effect on the environment? _____ Yes X No
 See instructions for additional information to be provided.

Item 9.
 Will the assistance requested cause the displacement of individuals, families, businesses, or farms? _____ Yes X No
 Number of:
 Individuals _____
 Families _____
 Businesses _____
 Farms _____

Item 10.
 Is there other related assistance on this project previous, pending, or anticipated? _____ Yes X No
 See instructions for additional information to be provided.
 SEE BELOW

Item #10--Other Related Assistance anticipated:

- 1. City of East Palo Alto in kind services --\$ 40,000
- 2. From CDBG grant #s B-90-UC-06-006 --\$100,000
- 3. From private sector B-78-UC-06-006 --\$230,000.

Since East Palo Alto is just starting up as a new city, they have not been able to specifically identify the sources and amounts of money needed for this grant project. However, letters of endorsement and interest from the private sector are attached in the Appendix.

**ASSURANCE OF COMPLIANCE WITH THE DEPARTMENT OF
HEALTH AND HUMAN SERVICES REGULATION UNDER
TITLE VI OF THE CIVIL RIGHTS ACT OF 1964**

City of East Palo Alto (hereinafter called the "Applicant")
Name of Applicant (type or print)

HEREBY AGREES THAT it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 80) issued pursuant to that title, to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department; and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant by the Department, this Assurance shall obligate the Applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this Assurance shall obligate the Applicant for the period during which it retains ownership or possession of the property. In all other cases, this Assurance shall obligate the Applicant for the period during which the Federal financial assistance is extended to it by the Department.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Applicant by the Department, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The Applicant recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this Assurance, and that the United States shall have the right to seek judicial enforcement of this Assurance. This Assurance is binding on the Applicant, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this Assurance on behalf of the Applicant.

Date 3/15/84

City of East Palo Alto
Applicant (type or print)

By _____
Signature and Title of Authorized Official
City Manager

2415 University Avenue

East Palo Alto, CA 94303
Applicant's mailing address

NOTE: If this form is not returned with the application for financial assistance, return it to DHHS, Office for Civil Rights, 330 Independence Ave., S.W., Washington, D.C. 20201

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ASSURANCE OF COMPLIANCE WITH SECTION 504 OF THE
REHABILITATION ACT OF 1973, AS AMENDED**

The undersigned (hereinafter called the "recipient") HEREBY AGREES THAT it will comply with section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), all requirements imposed by the applicable HHS regulation (45 C.F.R. Part 84), and all guidelines and interpretations issued pursuant thereto.

Pursuant to § 84.5(a) of the regulation [45 C.F.R. 84.5(a)], the recipient gives this Assurance in consideration of and for the purpose of obtaining any and all federal grants, loans, contracts (except procurement contracts and contracts of insurance or guaranty), property, discounts, or other federal financial assistance extended by the Department of Health and Human Services after the date of this Assurance, including payments or other assistance made after such date on applications for federal financial assistance that were approved before such date. The recipient recognizes and agrees that such federal financial assistance will be extended in reliance on the representations and agreements made in this Assurance and that the United States will have the right to enforce this Assurance through lawful means. This Assurance is binding on the recipient, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this Assurance on behalf of the recipient.

This Assurance obligates the recipient for the period during which federal financial assistance is extended to it by the Department of Health and Human Services or, where the assistance is in the form of real or personal property, for the period provided for in § 84.5(b) of the regulation [45 C.F.R. 84.5(b)].

The recipient: [Check (a) or (b)]

a. employs fewer than fifteen persons;
A73

b. employs fifteen or more persons and, pursuant to § 84.7(a) of the regulation [45 C.F.R. 84.7(a)], has designated the following person(s) to coordinate its efforts to comply with the HHS regulation:
A74

City of East Palo Alto

Name of Designee(s) – Type or Print		C42	C42
City of East Palo Alto		2415 University Avenue	
Name of Recipient – Type or Print	A12	Street Address or P.O. Box	A71
94-2911826	A41	East Palo Alto	
(IRS) Employer Identification Number	A1	City	B41
B1	A11	B12	
C1	B11	California	94303
	C11	State	Zip
		B42	B71

I certify that the above information is complete and correct to the best of my knowledge.

3/15/84
Date
B72 B77

City Manager
Signature and Title of Authorized Official
B78

If there has been a change in name or ownership within the last year, please PRINT the former name below:

NOTE: The 'A', 'B', and 'C' followed by numbers are for computer use. Please disregard.
PLEASE RETURN ORIGINAL TO: Office for Civil Rights, HHS P. O. Box 8222, Washington, D.C. 20024.



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FREDERIC A. HOWELL
City Manager

MUNICIPAL SERVICES BUILDING • 2415 UNIVERSITY AVENUE, EAST PALO ALTO, CA 94303 (415) 324-1308

Executive Summary

I. The Applicant

The City of East Palo Alto, California is a newly incorporated city. It has a population of 18,191, predominantly Black, with substantial unemployment, underemployment, and poverty. It is economically distressed with few retail or industrial outlets. However, it is a City determined to gain control of its destiny and to build a strong economic base for its citizens.

II. Project Objectives

The basic objective of this project is to alleviate the causes of poverty through a significant increase in the level of private investment in all sectors of the local economy.

III. Project Results

Increase the amount of investment capital through a series of interrelated public/private actions which reduce the causes of poverty, unemployment and economic distress.

IV. Project Approach and Work Plan

The following are the principal tasks to be undertaken:

- Task 1. Contract with an Economic Specialist to manage the project.
- Task 2. Identify viable business expansion opportunities.
- Task 3. Identify viable opportunities for new business starts.
- Task 4. Establish a supplemental capital investment fund.
- Task 5. Evaluate the results of the project and formulate an action plan.

I. Description of Applicant Agency

A. The City

The City of East Palo Alto was incorporated on July 1, 1983. It presently has an elected City Council of five members and a full-time paid staff of nine, including a City Manager. Under the provisions of state law, the County of San Mateo and some special districts provide all municipal services. However, the City of East Palo Alto will assume responsibility for most city functions on July 1, 1984.

The City is the southernmost community on the San Francisco Bay side of San Mateo County and is bounded by the cities of Palo Alto and Menlo Park, San Francisco Bay, and the north boundary of Santa Clara County (see Maps 1, 2, and 3). It has an area of 2.5 square miles (hectares) and a population of 18,191 as of the 1980 census.

The City's projected general fund revenue for 1984/85 is \$1,822,000.

A comparison of projected total general fund and sales tax revenues between East Palo Alto and the adjoining City of Menlo Park is provided in Table 1:

TABLE I

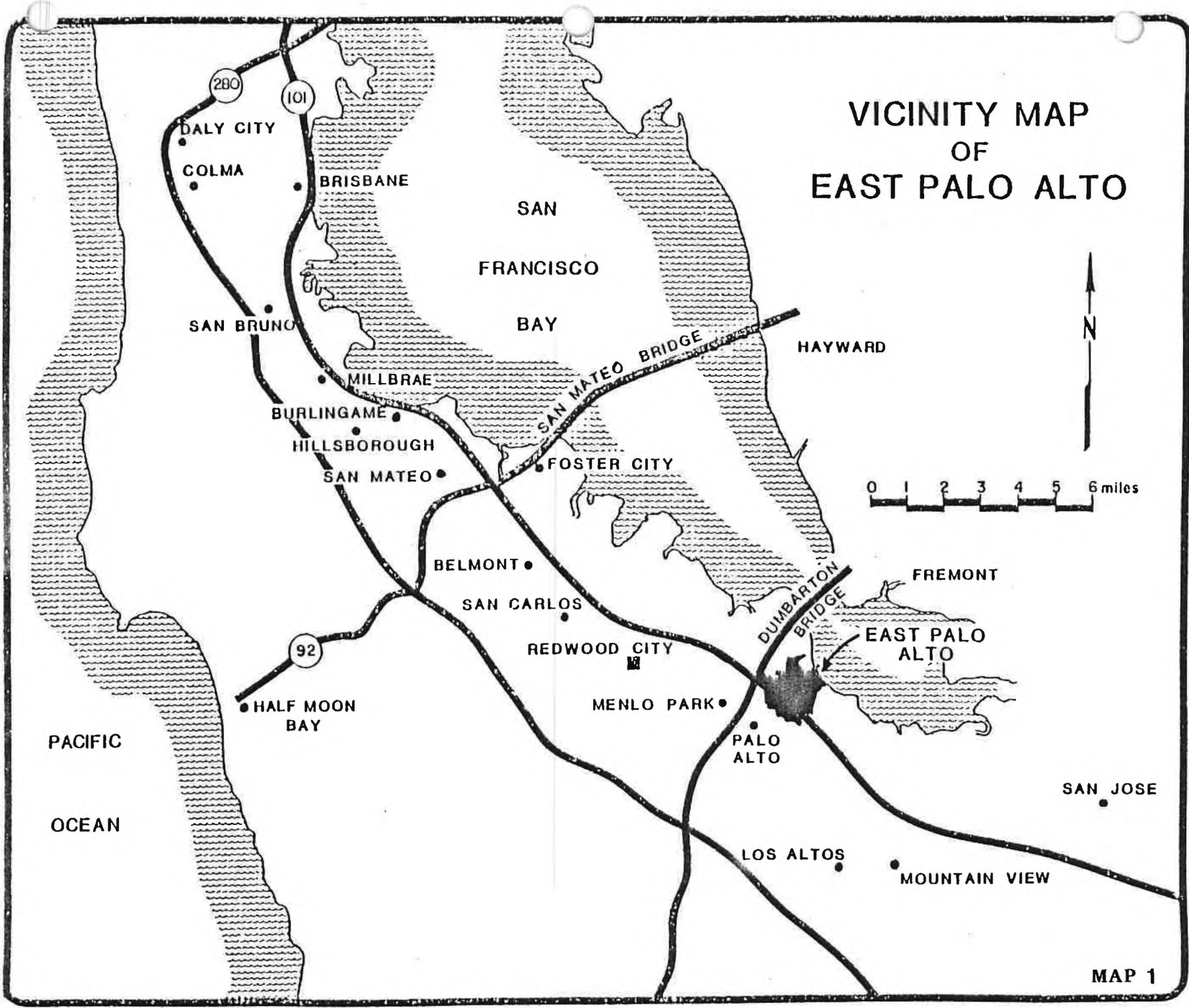
1984/85 PROJECTION OF GENERAL FUND AND SALES TAX REVENUE

	<u>East Palo Alto</u>	<u>Menlo Park</u>
Population	18,191	26,369
General Fund revenue	\$1,822,000	\$6,577,000
per capita	\$100.16	\$249.42
Sales tax revenue	\$160,000	\$2,260,000
per capita	\$8.80	\$85.70

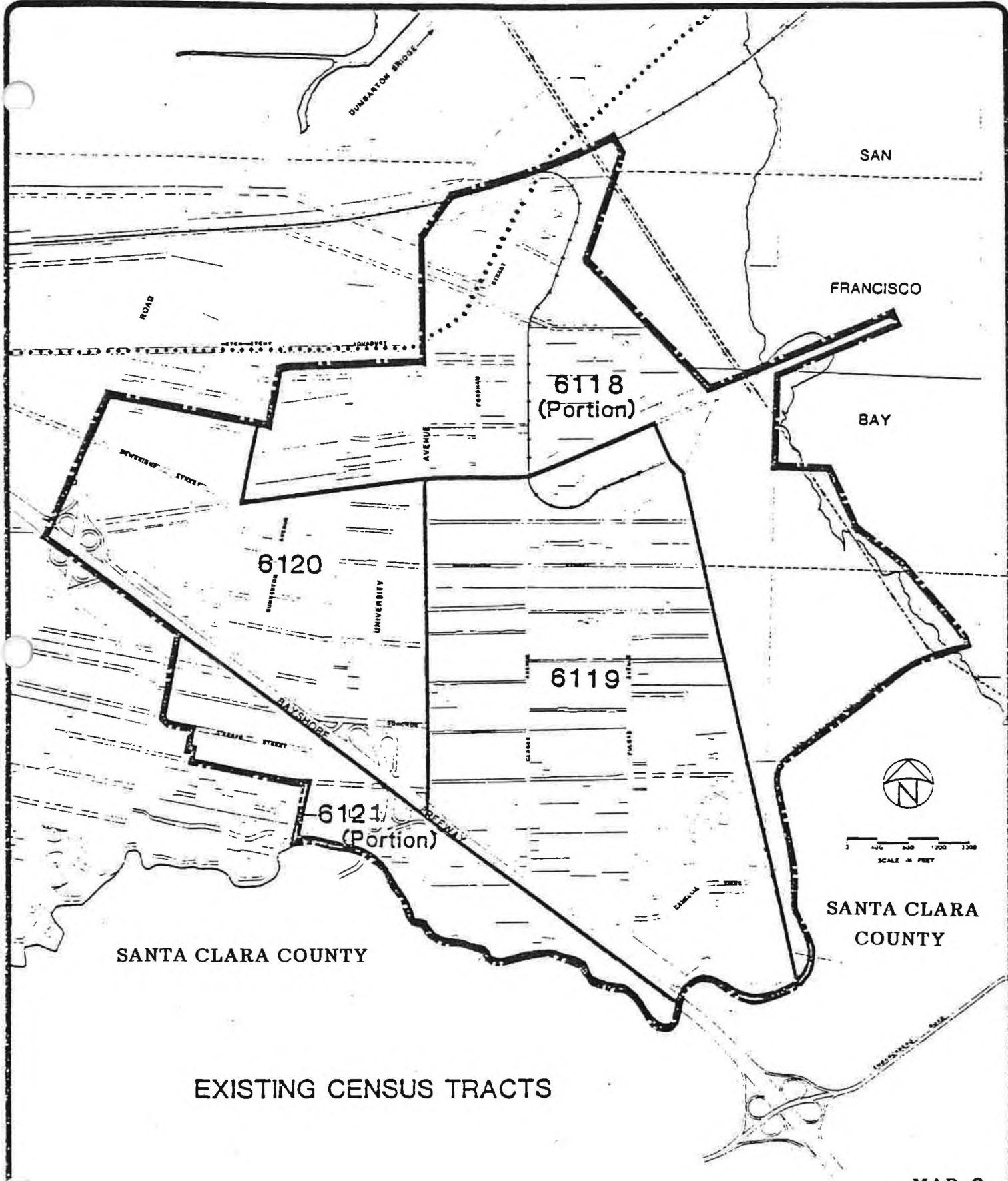
As a brand new municipality in the state of California, East Palo Alto has many opportunities. However, as an existing, partially developed community, it inherits some serious problems which are often found in older municipalities.

B. Physical Development

Originally a rural area devoted to small scale agriculture, especially chicken farming, the area experienced rapid urban development in the 1950's. Slower development has occurred since that time. During the 1960's the unincorporated area of East Palo Alto lost key parcels of potential industrial land through annexation to the adjacent cities of Menlo Park and Palo Alto. The community's



Source: County of San Mateo



EXISTING CENSUS TRACTS

MAP 3

lands were later protected by the creation of a Sphere of Influence line, but by that time much valuable acreage which could have provided substantial industrial development for the area had been lost.

Significant urban decay can be seen in many parts of the city. An abandoned Bank of America building and a physically deteriorated and nearly vacant shopping center in the middle of the community have become symbols of some of the community's economic development problems. There are still many vacant or underutilized sites in the community. These sites are a rare and significant resource in an otherwise heavily builtup part of the San Francisco Bay Area.

The community includes 1,357 acres of which approximately 300 acres are vacant or have been estimated to be potentially available for rebuilding. Existing land uses are summarized in Table II and shown on Map 4.

C. Economy

The business sector in the City is outlined by major industry categories in Table III. In summary, the community's economy is based on:

- o Small businesses employing fewer than 25 workers each.
- o Primarily scattered retail firms, with the principal concentration of business firms being physically isolated from a major portion of the city.
- o A few light industries.
- o No major corporations, no major high technology firms, no hotels, and no major office complexes.

The weakness of the local retail economy is highlighted by a 1978 study that estimated that only 37.5% of the total disposable income of residents was actually spent on goods and services within the East Palo Alto boundaries¹. A further study underway to update that figure now estimates that only 22% of the community's disposable income is spent in the area².

¹ Payne-Maxie Consultants, Berkeley.

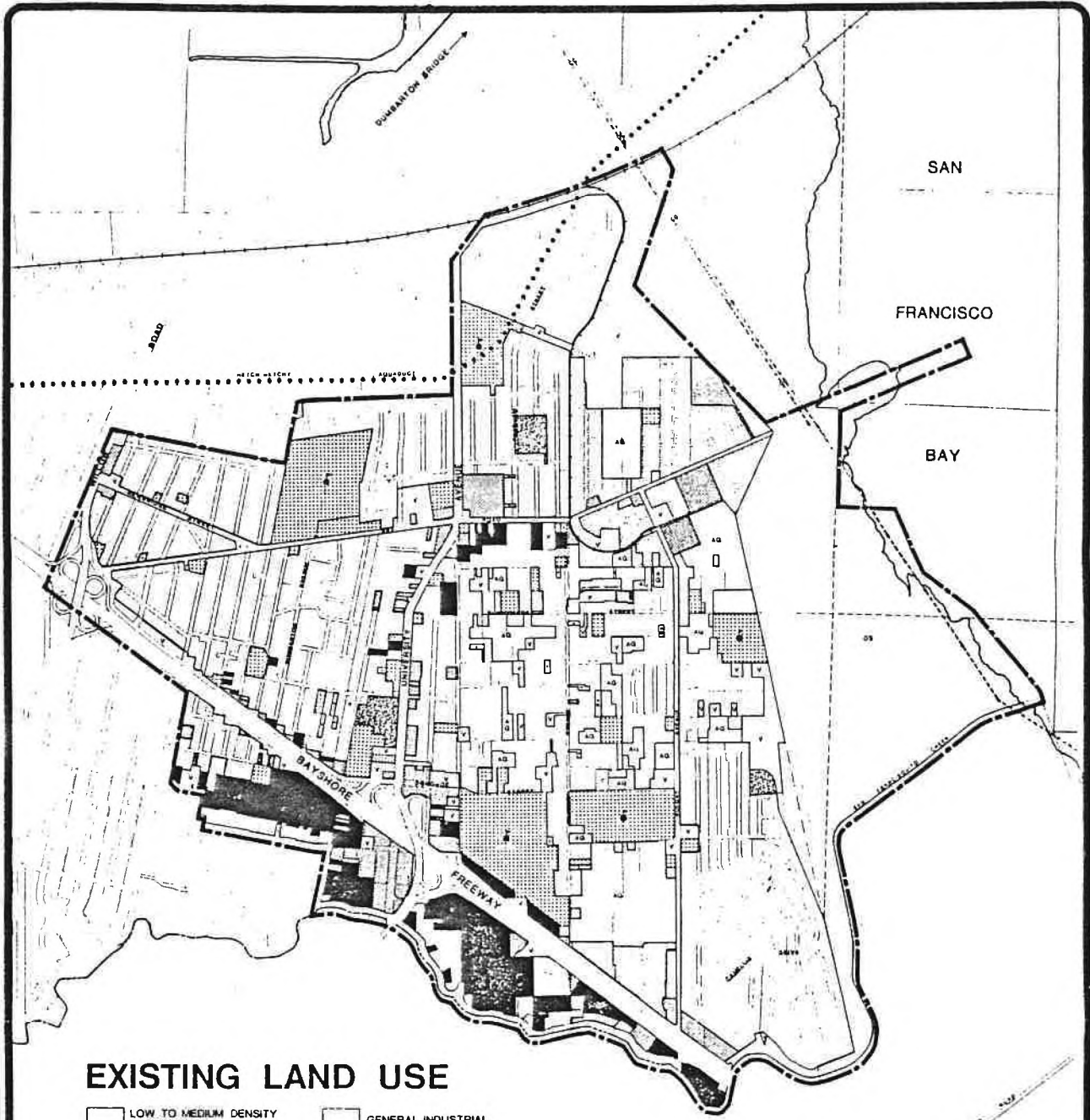
² Community Development Institute, East Palo Alto.

Table II













SUMMARY OF EXISTING LAND USEEAST PALO ALTO--1980

<u>Land Uses</u>	<u>Acres</u>	<u>Percent</u>
Low to Medium Density Residential (2.0-8.7 units per acre)	557	41.0
Medium High Density Residential (8.8-17.4 units per acre)	16	1.2
High Density Residential (17.5-34.9 units per acre)	93	6.9
Institutional	121	8.9
Commercial	39	2.9
General Industrial	43	3.2
Heavy Industrial	36	2.6
Public Recreation	11	0.8
General Open Space	270	19.9
Agriculture/Floriculture	78	5.7
Vacant	93	6.9
TOTALS	1,357	100.0

Source: San Mateo County Planning and Development Division.



EXISTING LAND USE

 LOW TO MEDIUM DENSITY RESIDENTIAL 20-57 DU/AC	 GENERAL INDUSTRIAL
 MEDIUM HIGH DENSITY RESIDENTIAL 60-174 DU/AC	 HEAVY INDUSTRIAL
 HIGH DENSITY RESIDENTIAL 170-340 DU/AC	 PUBLIC RECREATION
 VERY HIGH DENSITY RESIDENTIAL 350+ DU/AC	 GENERAL OPEN SPACE
 INSTITUTIONAL SCHOOL	 AGRICULTURE/FLORICULTURE
 COMMERCIAL	 VACANT

MAP 4

THE BUSINESS SECTOR

RETAIL	SERVICE	MANUFACTURING	FINANCIAL	OTHER
Markets (10)	Restaurants/Carry Out (14)	Electronic (1)	Banks (2)	Wholesale (8)
Liquor Stores (4)	Bars/Social Clubs (13)	Plastics (1)	Other (2)	Research (4)
Record Stores (4)	Realtors (7)	Steel/Metals (7)		Warehouse (2)
Drug Stores (2)	Salons/Barber Shops (11)	Recycling (2)	TOTAL = 4(2%)	
Auto Parts (2)	Cleaners/Laundry (8)	Wood Products (2)		TOTAL = 14(8%)
Service Stations (5)	Auto Repair/Wreckers (23)	Other (1)		
Clothing/Apparel (2)	Moving and Storage (1)			
Hardware/Paint (1)	Rental Supply (1)	TOTAL = 14(8%)		
Carpet Store (1)	Car Wash (1)			
Nursery/Florist (2)	Sewing Alterations (1)			
Beauty Supply (1)	Transportation (3)			
Candy/Ice Cream (2)	Mortuary (1)			
	Printing/Photo/Art (4)			
	Construction/Plumbing (3)			
TOTAL = 36(22%)	Storage (2)			
	Medical/Safety Supplies (3)			
	Other (2)			
	TOTAL = 98(59%)			

TOTAL BUSINESS ESTABLISHMENTS = 166

SOURCE: Independent Survey, CDI, November, 1982

D. Population

Some of the key population and demographic data for East Palo Alto are outlined in Tables IV and V, with the former also containing a comparison of income data between East Palo Alto and San Mateo County. In summary the City's population has:

- o Far less income than it's neighboring communities.
- o The highest proportion of families below the poverty level in San Mateo County.
- o A high proportion of minority residents, predominantly Blacks.
- o Job skills concentrated in unskilled and clerical workers, but also some residents with professional and technical skills.

The data suggest a community with serious problems. However, the City's spirit is very much alive. Despite previous defeats and several serious obstacles, the residents of the East Palo Alto area voted in June 1983 to incorporate. The City came into being July 1, 1983.

The first City Manager began working on March 1, 1984. Recognizing that the new City of East Palo Alto needed the economic boost such a grant could provide, the City Council directed staff to prepare this grant application.

Among the acts of the recently elected (first) City Council was the creation of an Economic Development Task Force and an Economic Development Technical Advisory Committee.

In summary, East Palo Alto is a predominantly minority, lower income, residential community seeking to gain control of its destiny and to build a strong economic base for its citizens.

TABLE IV

POPULATION CHARACTERISTICS¹

East Palo Alto	San Mateo County
1. Race	
White 25%	
Black 61%	
Hispanic 6%	
Other 8	
2. Income--East Palo Alto	
Household income median	2. Income--San Mateo County
\$14,147	Household income median
per capita	\$23,172
\$5,934	per capita
Population below poverty level (%)	Population below poverty level (%)
3064 (17%)	35,321 (6%)

Note: An additional 28% of East Palo Alto residents are between 100-200% of poverty level

3. <u>Unemployment for 1979</u>	<u>%</u>
Work force	9,270 100
Employed	8,599 92.8
Unemployed	671 7.2
Number who worked in 1979 but experienced unemployment	2,231 24.0
Number unemployed for entire year of 1979	460 5.0

¹ Source: Bureau of the Census, 1980 Census Summary Tape File 3A

Table V

OCCUPATION OF EMPLOYED RESIDENTSEAST PALO ALTO--1980

<u>OCCUPATION</u>	<u>PERCENT</u>
Professional, Technical and Kindred Workers	14.5
Managers and Administrators	7.1
Sales Workers	4.6
Clerical and Kindred Workers	17.4
Craftsmen, Foremen and Kindred Workers	10.1
Operatives	16.7
Laborers	8.0
Service Workers (including private household)	21.6
<hr/> TOTAL	<hr/> 100.0%

Source: U.S. Census, 1980

II. Project Objectives

The basic objective of this project is to alleviate the causes of poverty in the City of East Palo Alto through a significant increase in the level of private investment in all sectors of the local economy.

As is the case in most "poverty pockets" in California, as well as throughout the nation, potential investors and lending institutions have not viewed these areas favorably for profitable business ventures. Therefore, capital for expansion of existing enterprises and the attraction of new firms has not been readily available.

As a newly incorporated city, East Palo Alto is in a much stronger position than ever before to address this complex issue and begin the process which ultimately will lead to greater self-sufficiency through a strong and diversified economic base. This newest California city at last has the ability to determine directly its economic destiny.

The City Council has appointed a City Manager with extensive experience in economic development and authorized the establishment of an Economic Development Task Force. Additionally, a Technical Advisory Committee composed of persons with experience in business, finance, development, marketing, accounting, and corporate law has been created to provide private sector expertise to the City*. Local businessmen have resuscitated the East Palo Alto Chamber of Commerce and have recommitted their organization to working cooperatively with the City to achieve overall economic improvement.

The most significant development related to this project is the planned involvement of the Stanford Mid-Peninsula Urban Coalition. This organization provides crucial linkage with executives of the major corporations in nearby Silicon Valley and personnel from Stanford University.

Despite these important steps, much more will need to be done to bring the City of East Palo Alto into a competitive position for investment capital. Therefore, the specific objectives of this project will be as follows:

1. Identify a range of sound business opportunities in the city for targeted existing and new establishments;

* Note copy of Council actions in appendix.

2. Secure the necessary matching capital for funding those ventures;
3. Aggressively promote these successes to enhance the reputation of East Palo Alto as a favorable place to do business; and
4. Establish a supplemental capital investment fund for making matching grants as an incentive to business firms seeking to expand or locate in East Palo Alto.

Both City government and representatives of the local business community are deeply committed to these objectives. Moreover, both firmly believe that this particular time is crucial and right for the attraction of investment capital to this specific area. Most important, a highly visible demonstration of success will provide the basis for continued improvement of the City's economic base in the future.

The following section discusses the specific results expected from this project.

III. Project Results

As stated in Section II, above, the paucity of investment capital in East Palo Alto has been the key barrier to economic development. A reversal of this situation will produce a series of interrelated results which address the causes of poverty in the City as well as the immediate needs of City residents. It will also provide the basis for continued economic improvement in the future.

Specific results from this project will be:

1. Five to ten specific business expansions and new starts resulting in 250 to 300 new jobs for low-income, East Palo Alto residents.
2. Expansion and improvement in the quality and range of retail services available to East Palo Alto residents.
3. Increased revenues to the City for necessary infrastructure and public service improvements, and other economic-development related activities as appropriate.
4. Expanded and improved interaction between the public and private sectors, and the building of confidence as a basis for future economic development efforts in the City of East Palo Alto.
5. Improved technical expertise regarding the sources of capital and tools for financing additional economic development activities as identified in the project.

These specific results, when taken together, will provide new job opportunities, improve services, increase City revenues, build lasting relationships between public and private sector representatives, and provide the technical expertise needed for continuing efforts.

The achievement of these results, through this project, will meet some of the City's immediate needs and provide a solid framework for economic self-sufficiency in the future.

The following section describes the project approach and work plan.

IV. Project Approach and Work Plan

In order to achieve the specific results discussed in Section III above, an approach and work plan have been designed that will meet the objectives of the project in the shortest possible time frame. The approach includes a series of tasks leading to a measurable increase in investments in East Palo Alto during the coming year. These tasks are identified and described below.

Task 1. Contract with an Economic Development Specialist to manage the project

As a newly incorporated city, East Palo Alto does not currently have the staff capacity and expertise necessary to manage as intensive an effort as proposed herein. Therefore, we propose to contract with a qualified individual or firm to provide day-to-day management of the project and guidance to public and private sector representatives regarding the efficient and effective achievement of project objectives and results. The contractor will also be responsible for the design and execution of an evaluation plan as required in the RFP. The contractor will report directly to the City Manager and serve as principal liaison with the City's Economic Development Task Force and Technical Advisory Committee as well as the Chamber of Commerce and other related groups that may be formed during the course of the project. In addition, the contractor will work directly with local business representatives and potential investors to facilitate specific business expansions and new starts.

Task 2. Identify viable business expansion opportunities in East Palo Alto

The Economic Development Specialist will meet individually and collectively with representatives of local business firms and organizations to assess their plans regarding business expansion. Based on these discussions, the contractor will identify specific firms interested in expansion and determine their capital needs. The contractor then will provide direct technical assistance to qualifying firms in securing the necessary capital. This might include assistance in preparing a business development plan, loan packaging, market analysis, management improvement, or other activities necessary for favorable consideration for funding. Each venture will be tailored to meet the specific needs of the firm to ensure success. Special care will be taken to not duplicate those services available from other providers in this area. The strategy to be employed will be one of targeted focus, coordination, and support.

Task 3. Identify viable opportunities for new business starts in East Palo Alto

In addition to the expansion of existing businesses, there are many opportunities for new business starts. These opportunities arise from the fact that neither the quality nor the range of services currently provided meet the needs of East Palo Alto residents. In addition, land and facilities are available for new business starts at costs generally less than those in adjoining areas. The Economic Development Specialist will work with the Economic Development Task Force, Technical Advisory Committee, and the Chamber of Commerce to design and implement a market survey. This survey will identify gaps in services which could be met through profitable business ventures and opportunities for other new business starts which would meet area market needs, and increase income flowing into East Palo Alto from outside the City. For example, this analysis will describe a range of products purchased by major Bay Area firms which could be profitably produced in East Palo Alto at less cost than those of current suppliers. This market analysis will be used as the basis for a targeted strategy to secure investments in new business ventures in East Palo Alto which close service gaps and provide new sources of cash flow to the community.

Task 4. Establish A Supplemental Capital Investment Fund

As has been stressed throughout this proposal, East Palo Alto has historically been a capital-deficient area. This condition will remain until it can be clearly demonstrated, through profitable investment, that East Palo Alto is a good place to do business. Due to the historic view of the area, strong incentives will be necessary if this perception is to be changed. Therefore, an extra effort must be made to ensure the success of initial projects undertaken this year. A special supplemental capital investment fund will be established for the purpose of making matching grants to business firms seeking to expand or locate in East Palo Alto. This fund will be administered by the City and be available to firms to pay pre-development and other extraordinary costs associated with securing financing of their projects by private sector investors and to reduce borrowing costs to an acceptable level. Specific criteria will be established to ensure that the benefits of the projects accrue to East Palo Alto residents in the form of jobs and expanded services. Funding of specific projects will be based, among other considerations, on feasibility and consistency with the objectives of this project as well as a determination that the funds are essential for securing private sector investments. This particular element of the proposal will provide the essential incentive for stimulating an initial flow of investment

capital into East Palo Alto and lead to confidence in future projects on an unsubsidized basis.

Task 5. Evaluate the results of the project and formulate an Action Plan

It is recognized by the applicant that the funds available for this project are for one year only. It is, therefore, especially important that a critical and objective evaluation of the results of the effort be made. It is equally important to employ this evaluation as an instrument for guiding the community in the future. The Economic Development Specialist, in coordination with the Economic Development Task Force and Technical Advisory Committee, will prepare and issue an evaluation of the project assessing the causes of successes and failures. The evaluation report also will contain specific recommendations for future action, including costs and sources of funding. This report will be the basis for a recommended action plan intended to further alleviate the causes of poverty in East Palo Alto within the critical next few years and position the community closer to a self-sustaining basis.

PART III - BUDGET INFORMATION

SECTION A - BUDGET SUMMARY

Grant Program, Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. CSBG-DP-84-3	13,665	\$	\$	\$ 5,000	\$	\$ 5,000
2.				85,000	40,000	125,000
3.				210,000	330,000	540,000
4.						
5. TOTALS		\$	\$	\$300,000	\$ 370,000	\$ 670,000

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	- Grant Program, Function or Activity				Total (5)
	(1) CSBG-DP-84-3	(2)	(3)	(4)	
a. Personnel	\$	\$	\$	\$	\$
b. Fringe Benefits					
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual	5,000	85,000			90,000
g. Construction					
h. Other			210,000		210,000
i. Total Direct Charges					
j. Indirect Charges					
k. TOTALS	\$ 5,000	\$ 85,000	\$ 210,000	\$	\$ 300,000
7. Program Income	\$	\$	\$	\$	\$

SECTION C - NON-FEDERAL RESOURCES

(a) Grant Program	(b) APPLICANT	(c) STATE	(d) OTHER SOURCES	(e) TOTALS
8. CSBG-DP-84-3	\$	\$	\$	\$
9. 13,665	40,000			40,000
10.			330,000	330,000
11.				
12. TOTALS	\$ 40,000	\$	\$ 330,000	\$ 370,000

SECTION D - FORECASTED CASH NEEDS

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 300,000	\$ 6,000	\$ 40,000	\$ 128,000	\$ 126,000
14. Non-Federal	370,000	10,000	60,000	150,000	150,000
15. TOTAL	\$ 670,000	\$ 16,000	\$ 100,000	\$ 278,000	\$ 276,000

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
	(b) FIRST	(c) SECOND	(d) THIRD	(e) FOURTH
16. CSBG-DP-84-3	\$	\$ 2,000	\$	\$ 3,000
17.	6,000	28,000	28,000	23,000
18.		10,000	100,000	100,000
19.				
20. TOTALS	\$ 6,000	\$ 40,000	\$ 128,000	\$ 126,000

SECTION F - OTHER BUDGET INFORMATION

(Attach additional Sheets if Necessary)

21. Direct Charges:

22. Indirect Charges:

23. Remarks:

PART IV PROGRAM NARRATIVE (Attach per instruction)

Explanation of Budget

Federal Funds

1. Independent Audit		\$5,000
2. Contracts:		
Economic Development Specialist plus assistant	\$50,000	
Direct costs for consultants	10,000	
Market Surveys	<u>25,000</u>	
Total		85,000
3. Grants in aid to business		<u>210,000</u>
Total		\$300,000

Non-Federal

1. In kind from City		
Space: 250 sq. ft. x \$15/year sq. ft.		\$3,750
Equipment: \$200/month x 12		2,400
Supplies: \$75/month x 12		625
Time of City Staff		
City Manager	\$10,000	
City Attorney	10,000	
Planning staff	10,000	
Other staff	<u>3,225</u>	
		\$33,225
2. From CDBG Grants #B-80-UC-06-006 and #B-78-UC-06-006		\$100,000
3. Grants and matching monies from private sector		<u>230,000</u>
Total		\$370,000

PART V

ASSURANCES

The Applicant hereby assures and certifies that he will comply with the regulations, policies, guidelines and requirements, including OMB Circulars No. A-95, A-102 and FMC 74-4, as they relate to the application, acceptance and use of Federal funds for this federally-assisted project. Also the Applicant assures and certifies to the grant that:

1. It possesses legal authority to apply for the grant; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
2. It will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance and will immediately take any measures necessary to effectuate this agreement.
3. It will comply with Title VI of the Civil Rights Act of 1964 (42 USC 2000d) prohibiting employment discrimination where (1) the primary purpose of a grant is to provide employment or (2) discriminatory employment practices will result in unequal treatment of persons who are or should be benefiting from the grant-aided activity.
4. It will comply with requirements of the provisions of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P.L. 91-646) which provides for fair and equitable treatment of persons displaced as a result of Federal and federally assisted programs.
5. It will comply with the provisions of the Hatch Act which limit the political activity of employees.
6. It will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act, as they apply to hospital and educational institution employees of State and local governments.
7. It will establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
8. It will give the sponsoring agency or the Comptroller General through any authorized representative the access to and the right to examine all records, books, papers, or documents related to the grant.
9. It will comply with all requirements imposed by the Federal sponsoring agency concerning special requirements of law, program requirements, and other administrative requirements.
10. It will insure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.

The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.

1 1 . It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234; 87 Stat. 975, approved December 31, 1976. Section 102(a) requires, on and after March 2, 1975, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards.

1 2 . It will assist the Federal grantor agency in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470), Executive Order 11593, and the Archeological and Historic Preservation Act of 1966 (16 U.S.C. 469a-1 et seq.) by (a) consulting with the State Historic Preservation Officer on the conduct of investigations, as necessary, to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the activity, and notifying the Federal grantor agency of the existence of any such properties, and by (b) complying with all requirements established by the Federal grantor agency to avoid or mitigate adverse effects upon such properties.

OFF-AGENDA ITEM (Cont'd)

Councilman Satterwhite requested that the Council be better informed regarding the City's fiscal management.

COUNCIL ACTION:

Satterwhite moved and Abrica seconded to approve resolution No. 80-84, authorizing the City Manager and City Clerk to request the Controller to prepare warrants without prior City Council approval for emergency purposes in an amount not to exceed \$5,000.-

Motion passed unanimously. (5-0)

6. NEW BUSINESS

- (A) Consideration of the formation and composition of an Economic Development Task Force and a related Technical Advisory Committee.

COUNCIL ACTION:

Blakey moved and Abrica seconded to approve consideration of this item.

Motion passed unanimously. (5-0)

1. The City Manager reported that the City has an opportunity to submit a request to the U.S. office of Community Services for funding of an economic development project if it can be prepared and forwarded by no later than March 15, 1984. The City's economic development project would provide a specific focus and set of activities for the above-referenced Task Force, which would be comprised of lay persons from the Community, and Committee, which would be comprised of professionals in this area, both before and after project funding if it were to occur. These activities would neatly complement those required to implement the broader economic program for the City of East Palo Alto.

Councilman Satterwhite requested that staff bring back formal resolutions to establish these committees at the next meeting.

COUNCIL ACTION:

Satterwhite moved and Abrica seconded to authorize staff to advertise for the Economic Development Task Force and Technical Advisory Committee with the understanding that formal action will be taken by resolution at the next regular meeting and that each body would be comprised of seven members.

6. NEW BUSINESS (Cont'd)

Motion passed unanimously. (5-0)

2. Mr. Howell requested authorization to amend the agreement with Naphtali H. Knox & Associates, Inc., to now assist the City with preparation of a Community Services Block Grant application.

COUNCIL ACTION:

Blakey moved and Abrica seconded to amend the agreement with Naphtali H. Knox & associates, Inc., who now assist the City with preparation of a Community Services Block Grant application.

Motion passed unanimously. (5-0)

3. Mr. Howell requested authorization to prepare and submit by 3/15/84 an application for \$300,000 under the Community Services Block Grant-84 program.

Councilman Satterwhite suggested that the City Manager talk with the President of the Chamber of Commerce who was involved in the initial discussions of this project.

COUNCIL ACTION:

Blakey moved and Satterwhite seconded to authorize staff to prepare and submit to the U.S. Office of Community Services by March 15, 1984, an application for funding in the amount of \$300,000 under the Community Services Block Grant-84 program.

Motion passed unanimously. (5-0)

- (B) Report and Recommendation re City's First Annual Spring Clean up Campaign.

Russell V. Averhart, Interim City Clerk, reported that the City's first Annual Spring Clean-up Campaign was scheduled to be conducted during the last week of March 1984. Council was requested to approve the scope of activities outlined in the staff report and authorize submission to the County HCD office of a project proposal to utilize the \$35,100 carry-over funds from the former Street Beautification Program as outlined.

RESOLUTION NO _____

A RESOLUTION PERTAINING TO THE FORMATION,
COMPOSITION, AND ROLES OF THE CITY OF EAST PALO ALTO'S
ECONOMIC DEVELOPMENT TASK FORCE
AND TECHNICAL ADVISORY COMMITTEE

WHEREAS, the City of East Palo Alto is desirous of undertaking a comprehensive program of economic development to alleviate the causes of poverty and mitigate economic distress; and

WHEREAS, the City has also authorized the preparation and submittal to the U.S. office of Community Services an application for funding in the amount of \$300,000 under the Community Services Block Grant-84 program; and

WHEREAS, the City has the ability to commit a portion of its Community Development Block Grant funds to this activity for even greater leverage; and

WHEREAS, the City is actively seeking to enter into cooperative arrangements with members of the private sector to further enhance the City's economic development activities; and

WHEREAS, these combined efforts are intended to create jobs and business growth, reduce unemployment, improve economic opportunities and income for poverty-level residents, and improve retail services for citizens; and

WHEREAS, a targeted, coherent strategy to facilitate the growth of existing businesses and attract new business is deemed to be the most effective approach for the accomplishment of these objectives; and

WHEREAS, it is necessary for a broad range of perspectives, skills, and expertise to be formally structured into the City's comprehensive program of economic development, thereby ensuring the maximum feasible degree of citizen participation.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of East Palo Alto does hereby establish the East Palo Alto Economic Development Task Force and does hereby specify the following as it relates to this task force:

1. MEMBERSHIP. The membership shall consist of seven (7) members, plus one alternate member, appointed by the City Council. Lay persons, with respect to economic development, shall have preference for appointment to the task force, and all members must be residents of East Palo Alto.
2. AUTOMATIC TERMINATION OF APPOINTMENT. The appointment of any member of the task force who has been absent from three (3) consecutive regular or special meetings, without the approval of said task force, shall automatically terminate.
3. VACANCY. Vacancies on said task force, from whatever cause, shall be filled by the City Council.
4. TERMS OF OFFICE OF MEMBERS. The term of office of all members shall be for the term of the task force.

5. TERM OF THE TASK FORCE. The term of the task force shall expire on July 31, 1985, unless extended by the City Council.
6. OFFICERS OF THE TASK FORCE. The task force shall have one of its members as Vice Chairperson and one of its members as Chairperson.
7. MEETINGS OF THE TASK FORCE. The East Palo Alto Economic Development Task Force shall establish a regular time and place of meeting and shall hold at least one regular meeting each month. Special meetings of the task force may be called at any time by the Chairperson, or by any four (4) or more members of the task force, upon personal notice being given to all members of the task force. If personal notice can not be given, written notice must be mailed to such members at least twenty-four (24) hours prior to said meeting, unless said notice requirement is waived in writing by said member.
8. ORGANIZATION AND PROCEDURE. The task force may make and alter all rules and regulations governing its organization and procedure not inconsistent with this resolution or any ordinance of the City.

Four (4) of the seven (7) members shall constitute a quorum. The affirmative vote of four (4) members is required to take any action. The task force shall keep an accurate record of its proceedings and transactions.

BE IT FURTHER RESOLVED that the City Council of the City of East Palo Alto does hereby establish the East Palo Alto Economic Development Technical Advisory Committee and does hereby specify the following as it relates to this Committee:

1. MEMBERSHIP. The membership shall consist of seven (7) members, plus one alternate member, appointed by the City Council. Professional persons, with respect to economic development, shall have preference for appointment to the committee and all members need not be residents of East Palo Alto.
2. THROUGH 8. These items are identical to those specified above for the task force.

BE IT FURTHER RESOLVED that the City Council of the City of East Palo Alto does hereby specify the following as it relates to both the task force and committee:

9. TASK FORCE AND COMMITTEE FUNCTIONS. The functions of the East Palo Alto Economic Development Task Force and Technical Advisory Committee shall be to
 - (a) Review the existing economic development policies and programs of the City.
 - (b) Research, review, and discuss a variety of economic development policy options and to evaluate their contribution to attainment of the goal.
 - (c) Assist the Economic Development Specialist with program implementation if the Community Services Block Grant application is funded.

- (d) Advise the City Council concerning expenditure priorities for the use of any Community Development Block Grant funds for economic development.
- (e) Identify and recommend to the City Council a set of criteria to be applied in the selection of existing businesses to receive financial and technical assistance through a City-operated program
- (f) Identify and recommend to the City Council a set of criteria to be applied in targeting new businesses for location in the City.
- (g) Recommend and explain quantitative goals (in dollars) for what could realistically be attained in the City within five and ten-year periods.
- (h) Submit a report to the City Manager in July, 1985, covering the activities and status of the appointed body along with a recommendation pertaining to future term.

PASSED AND ADOPTED by the City Council of the City of East Palo Alto this _____ day of March, 1984, by the following vote:

AYES:

NOES:

ABSENT:

Barbara A. Mouton
Mayor

ATTEST:

Russell V. Averhart
Interim City Clerk



Stanford Mid-Peninsula

URBAN COALITION

860 Escondido Road . Stanford University . Stanford, California 94305
Telephone (415) 497-3335 Member: National Coalition Network

March 15, 1984

Mr. Frederic A. Howell
City Manager
City of East Palo Alto
2415 University Avenue
East Palo Alto, California 94303

Dear Mr. Howell:

A little over a year ago the Board of Directors of the Stanford Mid-Peninsula Urban Coalition (SMPUC) voted to support the efforts of East Palo Alto to become a city. We here at the Coalition are following the activities of the new city and are, therefore, aware that you are applying for Community Services Block Grant funds. We are keenly interested in the economic development of the new city, and would like to offer our assistance in seeing that it is a success.

We are aware that success will depend upon your access to the leaders of the mid-peninsula corporate world. It is in that area that we may be able to offer the most help, since as you can see by our letterhead, many leading corporations are represented on our board and have been for the past fifteen years. An additional thirty to forty corporations support us and join us in various undertakings each year.

If you do get a block grant, the SMPUC will be able to provide some assistance. While we will have to fix the exact nature and extent of that help, it will include: (1) assistance in identifying those firms which are most likely to locate a division or branch in East Palo Alto, (2) the provision of managerial and other technical assistance at your request.

I wish you success with your proposal, and I look forward to working with you on the economic development of East Palo Alto.

Sincerely,

Sarita S. Berry
Executive Director

SSB:amf

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- John Young

Executive Director

Sarita S. Berry



EAST PALO ALTO CHAMBER OF COMMERCE

POST OFFICE BOX 50099
EAST PALO ALTO, CA 94303
TELEPHONE 415/327-5846

March 15, 1984

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Chief Operations Officer
415/327-5846

Frederic Howell
City Manager
City of East Palo Alto
2415 University Avenue
East Palo Alto, California 94303

Re: Grant Application to the Office of Community Services

Dear Fred:


As President of the East Palo Alto Chamber of Commerce, it gives me great pleasure to inform you that the Chamber is 100% behind your effort to alleviate the causes of poverty in our community through a well-defined economic development program.

The Chamber pledges to be part of that important public sector-private sector linkage that will be needed to promote the self-sufficiency of our lower-income citizens.

You can count on us to assist you in mobilizing the community, serving on committees, and raising matching funds.

We enthusiastically endorse the grant application, and we ask that you attach this letter to it as evidence of our strong good will and intent.

Cordially,


Joe Goodwill
President



March 15, 1984

Mr. Frederic Howell, City Manager
City of East Palo Alto
2415 University Avenue
East Palo Alto, California 94303

Re: Grant Application to Federal Office of Community Services

Dear Mr. Howell:

As Manager of Eastman Kodak's Palo Alto Processing Laboratory, I support efforts by and within the East Palo Alto community to build its economic base and thereby to provide jobs for East Palo Alto residents.

At such time as the City of East Palo Alto's application is granted, I would be happy to discuss with you ways in which we might help.

Please be assured of my continuing interest and desire to be of assistance.

Sincerely,

A handwritten signature in cursive script that reads 'J. R. Beck'.

J. R. Beck
Manager
Palo Alto Laboratory

JRB:lh

New leader gathering his forces

Times Tribune staff 3/11/84

Fred Howell, who began duties as city manager of East Palo Alto March 1, already is taking steps to promote the economic development of the city, a task he said is one of his top priorities.

Howell is accepting applications for two advisory committees "to help the City Council strengthen and expand the tax base in the community," he said.

One committee, to be called the Economic Development Task Force, will be open to any citizens interested in the

East Palo Alto

subject. The second, called the Technical Advisory Committee, will be comprised of professionals in the area of business and economic development, he said.

Howell said he expects to choose the committees in April or May.

Another step in Howell's economic development program is an application for a grant to the city from the Federal Office of Community Services.

"Their grants go to alleviate the causes of poverty in an economically distressed area," said Howell, the city's first manager. "It is a complicated application procedure. We are competing with other proposals and may or may not receive funding, depending where we rank. We may receive a grant, but less than what we are asking for."

Howell said his proposal will request \$300,000.



Fred Howell
... wants to strengthen tax base.

Howell has commissioned Naphtali H. Knox and Associates, an urban planning consultant in Palo Alto, to write a grant proposal under his direction. Naphtali Knox is a former director of planning for the city of Palo Alto.

Included in the grant proposal is budget funding for market research to determine specific types of business that might prosper in the city, Howell said. The application for the grant is due Thursday. Howell said he expects the city to be notified in June.

Howell said he has "been involved in the preparation and administration of grants in a number of previous instances." He is the former director of community development for the city of Davis.

Comment

Off to a good start

FRED HOWELL is not only making a fast start as city manager of East Palo Alto, he is clearly headed in the right direction.

Howell, who became city manager of the new city on March 1, has already taken positive steps to promote the economic development of East Palo Alto, a job he has identified as one of his principal concerns.

He has begun organizing two advisory committees to help strengthen and expand the tax base, and he is preparing to seek a grant from the Federal Office of Community Services that could help the city's financial situation until the tax base is strengthened.

In selecting the consulting firm of Naphtali H. Knox and Associates, Howell also showed an ability to hire well. Knox is former director of planning for the city of Palo Alto and a respected authority on urban planning.

There's quite a bit of difference be-

tween applying for a grant and getting it, of course, but Howell should know how to make a good application. He was director of development for the city of Davis before taking the East Palo Alto job, and has been involved in the preparation of applications for several grants.

East Palo Alto plans to ask for \$300,000 in the grant application. The application could be rejected or reduced, but the way Howell is going about seeking the grant shows promise for future grants if this one is turned down.

And the way he is attacking the whole problem of economic development shows promise for East Palo Alto's financial future. All of the candidates supporting incorporation in last year's election cited the need for economic development if the new city became a reality. Some of those candidates are now on the City Council that selected Howell for the city manager's job. It appears to have been a good choice.

The Peninsula Times Tribune

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March 21, 1984

Mayor Barbara A. Mouton
Municipal Services Building
2415 University Avenue
East Palo Alto, CA 94303

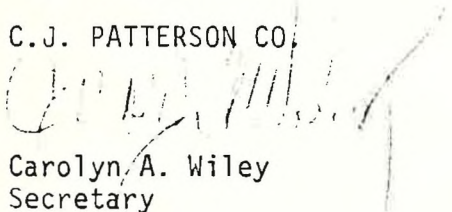
Dear Mayor Mouton:

As per Mr. Patterson, enclosed please find "blind copy" of his letter to Stephanie Lee Miller.

Should you have any questions, contact Mr. Patterson.

Sincerely,

C.J. PATTERSON CO.


Carolyn A. Wiley
Secretary

CSW

Enclosure

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March 21, 1984

Stephanie Lee Miller
Assistant Secretary
Department of Health and Human
Services
1704 Verbena, N.W.
Washington, D.C. 20012

Dear Stephanie:

Per our discussion, I am attaching a copy of the proposal submitted by the City of East Palo Alto to Department of Health and Human Services, Office of Community Services.

I will certainly appreciate your assistance in obtaining a favorable response.

As soon as you finalize your itinerary regarding the Bay area, please call Sandy Smith, my assistant at (415)568-4905, so that we can plan accordingly.

I will be arriving in Washington, D.C. on the 28th of March and hope your schedule will permit us to have lunch or dinner.

As always, it was a pleasure to talk with you.

Sincerely,



Clarence J. Patterson
President

CJP:csw

Attachment