

East Palo Alto Loses \$200,000 Housing Grant

The Peninsula Community Foundation has cancelled a grant in the amount of \$200,000 to the City of East Palo Alto.

The grant was obtained by em-

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posted saying that it was to be held. The city clerk never did certify the results of the election to the governing body as required by election Code §2832.5, nor was a resolution passed with

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battled City Manager Stan Hall to establish a Housing Department and find its first director in response to state- and regionally-mandated housing goals, and critical housing needs as a result of anticipated displacement due to redevelopment.

The POST has learned that a letter was sent to the city recently, notifying it of the cancellation, and requesting the return of the initial allocation of \$25,000.

The cancellation was due in part to the lack of action in filling the position, and the departure of Sun Microsystems as a viable player in redevelopment of the city.

Stan Hall responded, when

questioned regarding the subject, that he was not surprised by the action. Hall stated that he had screened down to 10 well-qualified candidates in September of 1990, and was ready to interview when he was placed on his much-publicized suspension.

Again upon return to work, Hall stated he began to plan scheduled interviews, but again council action (previously Johnson, Coats and Bostic), this time by Johnson, Coats and Butler imperiled his employee status, thus throwing the entire recruitment effort into a state of flux.

The Housing Department executive was to be paid for by the

foundation grant. The responsibilities of the department included rent stabilization, code enforcement, housing rehabilitation, new housing construction, housing finance and housing counseling and information services.

The foundation funds could have served as a local match for both federal and state housing funds.

Unfortunately, the future of the department is now in question.

The POST reported last week about alleged fiscal impropri-

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ties by the current council majority may cost as much as \$850,000 with funds to cover costs. The loss of an additional \$200,000 to the financially-strapped community has some city hall observers shaking their heads in disbelief of the decision making currently under the leadership of Mayor Coats.

Some well-informed citizens are angry that this information has not surfaced before the City Council for a full discussion and citizen input.