

**Stephen Box's Answers to CRA and  
City Prosecutor Questionnaire**

(1) Although the City has faced a financial crisis for a few years, I do not see any mention of the CRA/LA surplus in your writings.

Shouldn't the city councilmembers tell constituents that the CRA has a surplus? If not, why not?\*

Shouldn't councilmembers tell constituents that the CRA projects pay no incremental property taxes?\*\*\*

Shouldn't councilmembers tell constituents the CRA's actual incremental property tax income year by year for the last ten years and tell them the projected revenue for the next fiscal year? If not, why not?\*\*\*

Shouldn't councilmembers tell constituents that Prop 22 meant that the school district and the city general fund could not claw back any funds from the CRA, thereby reducing the budgets for schools and diverting more incremental tax funds from the city's general fund? If not, why not?\*\*\*\*

**Stephen Box:** I have written extensively on local development and land use topics and have addressed the CRA/LA from a few different perspectives.

As a Neighborhood Council Budget Advocate, I represented the Central Planning Area and worked with other budget reps to develop Budget Recommendations that included:

"Community Redevelopment Agency - Draw the CRA into a robust relationship with the City of Los Angeles, evaluating the financial relationship and embracing a partnership in funding, in revenue, in budget accountability, and in budget responsibility."

I wrote about the experience for City Watch LA in an article entitled [City Hall, Where Inspiration meets Desperation](#).

As a member of the community, I fought for community benefits and the implementation of Transit Oriented Standards during the development of the W Hollywood, a battle that started five years ago and is not over.

I wrote about the CRA's W Hollywood project from a few different perspectives, including the unique [TRANSIENT Oriented Development](#) designation and their [innovations in public space](#).

I wrote about the CRA's Hollywood & Western project from a few different perspectives, including their failure to fulfill their [community benefit promises](#), the [failure of the TOD promise](#), and their [inability to implement responsible property management](#).

I addressed the CRA during the LA Clean Sweep Forum when I ([3:42 of the video](#)) pointed out that the City of LA's General Fund deficit is dwarfed by the CRA's surplus. I also pointed out that the CRA is responsible for the dormant blighted property in our community and for participating "in a parasitic relationship that has got to end."\*In light of the City of LA's

current budget crisis, it is imperative that the City Council communicate clearly the deficits and surpluses that exist within the City of LA. When the City of LA contends that its General Fund deficit of \$450 million justifies layoffs and a reduction of city services, it is reprehensible that they don't also inform the public that the CRA is running a \$480 million surplus at the same time.

\*In light of the current General Fund burden that has prompted the City Council to cut services and staff, it is again imperative that the City council clearly communicate the realities of the CRA's financial relationship to the city and the fact that CRA developments pay no incremental property taxes, instead giving the taxes back to the CRA. The resulting development adds to the General Fund burden but without any increase in General Fund tax contribution. This puts an additional strain on Public Safety, Public Works, Public Health, and Public Education.

\*In light of the current emotional drama that has accompanied the budget crisis, it is imperative that the City of Los Angeles communicate clearly its income and its expenses, including and starting with the CRA's actual incremental property tax income over the last decade and the negative impact that has had on the City's bottom line. Most important, as City Hall informs the public of its budget projections for the future, it must include the projections for the CRA, thus painting an honest picture of LA's projected financial future and of the complexities of the Federal, State, County, and City of LA funding and budget processes.

\*\*\*\*In light of the many Ballot Measures and the confusing language that is used to name them and to describe them, it is incumbent on LA's City council to clearly communicate, without bias, the facts and how they impact the people of Los Angeles. Proposition 22 is a classic example of deceptive nomenclature. Prop 22 was positioned as a "Stop the Raids!" solution when in fact it reduces funding for education, shrinks budgets for fire and public safety, and makes it even harder to balance the state's general fund budget. Prop 22 locks in protections for redevelopment agencies into California's constitution. They use local property taxes to fund subsidies for local developers — with no direct voter oversight. "Our constitution should not be used to punish California's most vulnerable people and protect developer subsidies."

One would have to hunt to find an argument against Prop 22 and LA's City Hall was in favor of Prop 22 so the people of LA received no help from their representatives.

(2) If elected, would you propose that the City alter its charter in order to abolish the CRA? If not, why not?

Prior to Prop 22, the City had the power to re-direct CRA's revenues, but that option is now lost. The only alternative to abolition seems to be to reject each new CRA project.

**Stephen Box:** The City of LA's number one priority is to get its finances in order. The situation is complex and there are a multitude of issues but one of the largest and most significant is the simple fact that the CRA/LA is running a surplus that exceeds the City of LA's General Fund deficit, all while the City of LA is contemplating the sale of its assets. This is completely unacceptable.

The immediate remedy is to examine the CRA and its relationship to the City of LA and explore options for immediate action, leading up to a Charter Amendment that would

abolish the CRA.

Immediate actions would entail extensive land-use audits and a review of the projects on the books, in play, and in operation, searching for short-term and long-term options for an exit strategy.

The CRA's role in the City of LA is complicated and the details must see the light of day, they must be examined in the light of the City's budget crisis, and they must be addressed immediately.

(3) If you do not propose to abolish the CRA, how do you plan to compensate the City general fund and the school district for the incremental property tax which the CRA diverts?

**Stephen Box:** I am opposed to the CRA's current dominant and independent relationship with the City of LA. I am opposed to the significant eminent domain authority it exerts over local property owners. I am opposed to the significant amount of incremental property taxes that end up in the CRA's coffers, to the detriment of the community which is left to foot the bill in order to deliver on Public Safety, Public Works, Public health, and Public Education commitments.

(4) Do you favor applying Kelo v City of New London 545 U.S. 469 (2005) to all properties within the City of Los Angeles? If not, why not?

**Stephen Box:** I am opposed to the application of Kelo v City of New London 545 U.S. 469 (2005) to private property within the City of Los Angeles and was pleased when AB2531 was vetoed. Most distressing was the fact that AB2531 made it as far as it did and that the State of California and the City of LA came so close to getting "Keloed!"

State and municipal development authorities have been expanding their application of eminent domain over the last few decades, moving from the traditional seizure of private property in order to develop it for the public good (roads, schools, infrastructure, hospitals...) and into a new "private for private" application redevelopment application. The Kelo case allows a developer to argue that the proposed use of private property would benefit the community therefore the municipal eminent domain authority could be invoked in order to take property from one party and give it to another party.

I believe that the 5th Amendment is clear in its language and it does **not** allow for or provide for the seizure of private property for private use. "...nor shall private property be taken for public use without just compensation."

The City of Los Angeles was almost "Keloed" when AB2531 made it as far as it did. AB2531 would have created an umbrella over the entire City of Los Angeles, expanding the current redevelopment eminent domain authority to the entire city. This would have rendered the entire city vulnerable to the proposals of developers who would be able to argue that their plans for someone else's private property should allow them to seize the property against the will of the original owner.

It has been argued that the "Kelo" rule would destroy "the distinction between private use and public use" simply by asserting that a proposed private use would provide incidental benefits to the local community. I contend that the "Kelo" rule is an unjustified use of

condemnation power.

(5) If the City or State introduces a new measure like AB 2531 to apply Kelo eminent domain to the entire city, will you oppose such a measure? If not, why not?

**Stephen Box:** If the City of Los Angeles or the State of California were to introduce a "private for private" ballot measure similar to AB2531 in the future, I would oppose it vehemently. I would consider it my obligation as a representative of the people to defend their private property by opposing legislation similar to AB2531.

(6) The City Attorney is the lawyer for the City, its staff and elected officials. Thus, it owes fiduciary duties to these entities, making it a violation of the Ethics of the State Bar of California to take any position that may violate confidentiality or cause any harm to one of the represented entities. For example, if the City Attorney learns that a councilmember is engaged in extortion, the City Attorney must remain silent.

Will you support a charter amendment to bifurcate the City Attorney's office into two separate and distinct offices similar to the division between County Counsel and [County] District Attorney?

Under this bifurcation, the **City Attorney's Office** would have no duties for any criminal prosecution, but it would continue to act as the lawyer for the City, its staff and elected officials.

The new **City Prosecutor's Office** would handle all the criminal matters which the current City Attorney handles, and in addition it would have full prosecutorial powers over the City, its staff and its elected officials. The City Prosecutor would owe no fiduciary duties to the City, its staff or its elected officials. The City Prosecutor's jurisdiction over the city, its staff, and its elected official would include felonies and would be concurrent with the jurisdiction of any other law enforcement agency.

**Stephen Box:** I believe that the City of Los Angeles should pursue a Charter Amendment that would bifurcate the City Attorney's office into two separate and distinct offices, similar to the division between LA County Counsel and the LA County District Attorney.

I believe that the City Attorney's Office should continue to serve its client, the City of LA, including its employees and its elected officials.

I believe that the City Prosecutor's Office should have the authority, budget, staff, and prosecutorial powers that would allow it to enforce the law over the City of LA, including its employees and its elected officials.

The City Charter would need to clarify jurisdiction of the City Prosecutor and provide for felony investigations that involve the City of Los Angeles. Cities, counties, states and the feds can have concurrent jurisdiction, thus allowing the City Prosecutor to investigate and/or prosecute cases which involve or may involve the City, a City agency, or a City official. This must take place without divesting felony jurisdiction from the District Attorney or the State Attorney General.

As the March 8, 2011 election approaches and the ballot measure establishing a Ratepayers

Advocate (RPA) and an Office of Public Accountability (OPA) get the spotlight, it is important to remember that oversight and accountability mean little, if anything at all, without enforcement authority and a mandate for prosecution.