

Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO. R26-0320
06/03/2026

REPORT RE:

DRAFT ORDINANCE AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF LOS ANGELES AND NREA-TRC 700 LLC, RELATING TO REAL PROPERTY IN THE DOWNTOWN COMMUNITY PLAN AREA, AND LOCATED AT 700 SOUTH FLOWER STREET, 700 WEST 7TH STREET, AND 711 SOUTH HOPE STREET

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 25-0778

Honorable Members:

Pursuant to your request, this Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. The draft ordinance would authorize the execution of a development agreement by and between the City of Los Angeles and NREA-TRC 700 LLC, relating to real property located at 700 South Flower Street, 700 West 7th Street, and 711 South Hope Street (Development Agreement).

Background

The site of the proposed project is currently developed with The Bloc, a mixed-use development composed of a 26-story hotel and a 33-story office building on the northern portion of the site, and a nine-story podium building containing commercial

uses, six levels of above-ground parking, and two levels of subterranean parking on the southern portion of the site. The Development Agreement is proposed in conjunction with the development of a residential tower with up to 466 units, enclosure of the existing rooftop parking level, and the addition of two parking levels above the existing nine-story podium building. All existing uses would remain, excluding 24,342 square feet of theater and retail uses (located in the podium building), which would be demolished to accommodate the new residential tower. (Council File No. 25-0778.) Once constructed, the project and existing uses would total 1,894,988 square feet of floor area on a 4.3-acre site, and have a maximum height of 710 feet, or 53 stories. In addition, a Sign District would be established that includes digital displays, supergraphics, and onsite and offsite signage. (Council File No. 25-0778-S1.)

The Development Agreement has a 20-year term and is generally consistent with the City's prior development agreements. Under the Development Agreement, the developer shall make a contribution of \$1,300,000 to the City's 7th Street Streetscape Improvement Project, which consists of safety and aesthetic improvements to 7th Street between Figueroa Street and San Pedro Street. (Council File No. 17-1226-S1.) Such improvements include civil improvements (e.g., bike lanes, median islands, bus transit island, bus pad, and curb ramps), traffic-signal and striping improvements, sidewalk work, and median island landscaping.

The Development Agreement is substantively identical to the draft approved by the City Planning Commission with respect to the material terms, as modified by the City Council with respect to the developer's obligation to make a \$1,300,000 contribution to the City's 7th Street Streetscape Improvement Project.

City Planning Commission Action

On April 10, 2025, the City Planning Commission adopted the required Charter and Government Code findings necessary to approve the development agreement set forth in the Planning Department's staff report to the City Planning Commission. The April 10, 2025, action included a requirement that the developer make a contribution of \$1,600,000 to the 7th Street Streetscape Improvement Project. (CPC-2024-8052-DA.) On September 16, 2025, the City Council voted to reduce the developer's obligation to make such a contribution from \$1,600,000 to \$1,300,000. (Council File No. 25-0778.) Due solely to the reduced contribution, the Planning Director, on behalf of the City Planning Commission, disapproved the modified ordinance. Because of the Planning Director's disapproval on behalf of City Planning Commission, under Charter Section 558, the City Council may adopt the draft ordinance only by a two-thirds vote.

California Environmental Quality Act (CEQA)

If the City Council wishes to adopt the draft ordinance authorizing the execution of the Development Agreement, it must first comply with CEQA. City Council may

comply with CEQA in connection with the Development Agreement by making the CEQA findings set forth below under Recommended Actions.

Government Code Requirements for Notice and Hearing

Before taking any action on either the draft ordinance or the Development Agreement, the City must comply with the provisions of Government Code Sections 65867, 65090 and 65091. Those sections require, among other things, notice and a public hearing. In addition, the City's Development Agreement Procedures provide that the City Council shall not take any action on any development agreement before the expiration of a 24-day notice period.

Recommended Actions

If the City Council wishes to approve the draft Development Agreement, it may take the following actions:

1. Previously have approved all of the related entitlements;
2. Find, based on the independent judgment of the City Council and after consideration of the whole of the administrative record, the project was assessed in Environmental Impact Report (EIR) No. ENV-2021-9959-EIR, certified on February 11, 2025, and pursuant to CEQA Guidelines Sections 15162 and 15164, no subsequent EIR, negative declaration, or addendum is required for approval of the project;
3. Adopt the April 10, 2025, findings of the City Planning Commission, including the Development Agreement findings, or adopt City Council's own findings; and
4. Adopt the enclosed draft ordinance authorizing the execution of the Development Agreement.

Council Rule 38 Referral

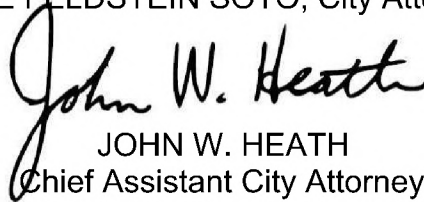
Pursuant to Council Rule 38, copies of the draft ordinance and the Development Agreement were sent to the Department of Building and Safety, the Housing Department, and the Department of Transportation, along with a request that all comments, if any, be directed to the City Council when this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney Lindsey Zwicker at (917) 566-4338. A member of this Office will be available when you consider this matter to answer questions you may have.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By:


JOHN W. HEATH
Chief Assistant City Attorney

JWH:LZ:ls
Transmittal