

1 [Lease Amendment - La Cocina, Inc. - 101 Hyde Street - Term Extension]

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3 **Resolution authorizing the Director of Property to execute a Second Amendment to a**
4 **Lease between the City and La Cocina, Inc. related to the lease of City-owned property**
5 **located at 101 Hyde Street to extend the lease for an additional five years, from**
6 **January 1, 2027, for a total term of July 9, 2019, through December 31, 2031, with no**
7 **change to the annual base rent of \$12,000; make certain modifications to the Second**
8 **Amendment to Lease and take certain actions in furtherance of this Resolution, as**
9 **defined herein; and to authorize the Director of Property to enter into amendments or**
10 **modifications to the lease that do not materially increase the obligations or liabilities to**
11 **the City and are necessary to effectuate the purposes of the lease or this Resolution.**
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13 WHEREAS, The City acquired real property (Assessor's Parcel Block No. 0346, Lot
14 No. 003A) located at 101 Hyde Street in the City and County of San Francisco (the "Property")
15 on August 5, 2016 (the "Acquisition Date"), and placed the Property under the jurisdiction of
16 the Mayor's Office of Housing and Community Development ("MOHCD") for future
17 development as permanent affordable housing; and

18 WHEREAS, MOHCD remains committed to developing affordable housing on the
19 Property and intends to issue a Request for Qualifications or equivalent procurement to select
20 a developer or development team within two years of this Resolution; and

21 WHEREAS, Under authorization by Resolution No. 139-19, City and La Cocina, Inc., a
22 nonprofit California public benefit corporation ("Tenant") entered into that certain Lease dated
23 July 7, 2019, wherein City leases the Property, which includes a commercial building, to
24 Tenant for the purpose of Tenant operating a food hall, an incubator kitchen and commercial
25 kitchen; and

1 WHEREAS, Under authorization by Resolution No. 304-25, City and Tenant executed
2 a First Amendment to the Lease on June 6, 2024 ("First Amendment");

3 WHEREAS, The term of the Lease, as amended by the First Amendment, is currently
4 set to expire on December 31, 2026, and City and Tenant desire to extend it for an additional
5 five years, until December 31, 2031, provided that City will have the right to terminate the
6 Lease after two years of such extension; and

7 WHEREAS, The City and the Tenant are committed to working collaboratively to
8 identify opportunities for accessory active uses open to the public; and

9 WHEREAS, The City, through MOHCD and the Real Estate Division, in consultation
10 with the Office of the City Attorney, has negotiated a Second Amendment to Lease,
11 substantially in the form approved by the Director of Property and the Director of MOHCD and
12 on file with the Clerk of the Board of Supervisors in File No. 251146 ("Second Amendment"),
13 incorporated herein by reference; now, therefore, be it

14 RESOLVED, That in accordance with the recommendations of the Director of Property
15 and the Director of MOHCD, the Board of Supervisors hereby approves and authorizes the
16 Director of Property, along with the Director of MOHCD, to finalize and execute the Second
17 Amendment; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
19 Property, in consultation with the Director of MOHCD and the City Attorney, to enter into any
20 additions, amendments or other modifications to the Second Amendment that the Director of
21 Property and Director of MOHCD determines are in the best interests of the City, do not
22 further decrease the revenues of the City in connection with the Property, or otherwise
23 materially increase the obligations or liabilities of the City, and are in compliance with all
24 applicable laws, including the City's Charter; and, be it

1 FURTHER RESOLVED, That MOHCD shall provide the Clerk of the Board of the
2 Supervisors a fully executed copy of the Second Amendment within thirty (30) days of
3 signature of same.

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5 RECOMMENDED:

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7 /s/
8 Daniel Adams, Director
9 Mayor's Office of Housing and Community Development

10
11 /s/
12 Sarah R. Oerth, Director of Property
13 Real Estate Division
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