GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors

From: Nancy Marsh on behalf of the CRC Ad Hoc Committee

Subject: Considrations Regarding Option for Sale of the 480 Ave. Alhambra Property

Date: October 16, 2025

The purpose of this memo is to summarize the opportunity and restrictions that would be associated with consideration of sale of this property.

Background

GCSD purchased the property at 480 Ave Alhambra in August 2021. The 30,000sf property includes a 3,000sf building, which was originally built as a nursery warehouse in 1987 and has housed a preschool since 1993. The property is in the "El Granada Gateway District" Zone. The purpose of the EG Gateway District is to provide for low intensity development of the "Burnham Strip" in El Granada, which preserves, to the greatest degree possible, the visual and open space characteristics of the property. Permitted uses include, but are not limited to:

- Community Centers
- Interpretive Centers
- Libraries
- Linear Parks and Trails
- Open Field Cultivation of Plants and Flowers for Ornamental Purposes
- Outdoor Art Centers
- Outdoor Athletic or Recreation Facilities
- Parks
- Vegetative Storm Water Treatment Systems and Underground Storage Facilities
- Public Parking for Surfers Beach
- Public Restrooms and Showers
- Public Pedestrian and Bike Trails

Site building restrictions include:

- maximum height 16 feet
- 50ft front setback, 20ft side and rear setbacks
- Maximum parcel coverage: 10%

GCSD has developed plans for a 6,000sf Community Recreation Center on the site, to be constructed in two phases: 1) a complete renovation of the existing structure up to current code, which would provide two community multipurpose rooms, a small meeting room, public restrooms and staff office space, and 2) the addition of a new 3,000sf community multipurpose room, including a catering kitchen, mechanical and storage space and additional public restrooms.

Market Opportunity

The EG Gateway zoning restriction prohibits commercial or residential development or uses, which limits the universe of potential buyers. The commercial business use permit owned by the current preschool tenant of the property is grandfathered because it existed before the site zoning was changed in 2012. The only viable commercial use for a buyer is to continue the preschool operation under its current use permit.

The previous property owner, who founded the preschool but sold the school to a third party while retaining the property, has stated publicly that finding such a buyer was their intent when they put the property on the market in early 2021. According to the property owner, they had been informed in late 2020 that the preschool business was for sale and at risk of closing if it didn't find a buyer. The property owner decided to put the property on the market, hoping to attract an established pre-school provider to purchase both the property and the business from the current preschool operator. Two different preschool providers entered escrow on the property but according to the property owner, each buyer was unsuccessful coming to terms and the deals fell through. The property owner then agreed to sell the property to GCSD to develop a Community Recreation Center, a use allowed under current zoning.

A legal representative of the preschool business owner suggested in January 2025 that there may be a third party interested in buying the property and business together – this was the basis for requesting a lease extension from June 2025 – May 2026, to keep the business in continuing operation. However, there has been no further communication to GCSD about this potential.

Public Agency Obligation: Surplus Land Act

GCSD could take formal action to declare that the 480 Avenue Alhambra property is no longer necessary for GCSD uses. To do so, GCSD would have to follow the process prescribed by the California Surplus Land Act, Government Code Section 54220:

- Provide notification to the CalHFA-certified housing sponsor list and local public entities within GCSD's jurisdiction that GCSD intends to sell/lease the surplus property, with copies to the state Department of Housing and Community Development. GCSD must also provide notification to park, recreation and open space districts, and school districts.
- In accordance with Government Code Section 54222, respondents to the notice have sixty (60) days from the date GCSD's offer was sent to notify GCSD of their interest in acquiring the property. In the event that GCSD receives notice of interest, GCSD would enter into at least ninety (90) days of good faith negotiations with each interested party. If no agreement is reached on sales price and terms, GCSD may market the property to the general public.

- If the District receives more than one letter of interest during this 60-day period, it will give first priority to entities proposing to develop housing where at least 25 percent of the units will be affordable to lower income households. If more than one housing proposal is received, priority will be given to the proposal with the greatest number of affordable units. If more than one proposal specifies the same number of affordable units, priority will be given to the proposal that has the lowest average affordability level.

GCSD would have to complete any negotiations with interested housing sponsors and/or any public agencies before considering an offer from a private buyer.

Recommendation

Given the limited buyers' market for this property given the public use limitations of the El Granada Gateway District zoning, and the desire of the District community for neighborhood-serving uses (as evidenced by GCSD's extensive outreach, including consistent ~70% favorability for a Community Recreation Center in three separate surveys between 2015 and 2022), the ad hoc committee does not recommend declaring the property as surplus property and offering it for sale.