OFFERING MEMORANDUM

710 E. 4TH STREET

Santa Ana, California 92701

±25,700 SF (0.59 AC) Infill Redevelopment Parcel | Lacy District
SD-84 / UN-2 Zoning | AB 130 CEQA-Exempt Entitlement Path

$2,500,000

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THE OFFERING

Lee & Associates is pleased to present the exclusive opportunity to acquire **710 E. 4th Street**, a ±25,700 square foot (0.59-acre) infill redevelopment parcel located in the Lacy District of Santa Ana, California. The site is offered at **$2,500,000**, or approximately **$97 per land square foot**.

The property is zoned **SD-84 / UN-2** under Santa Ana's Specific Development standards, with a General Plan designation of **UN-30** permitting up to 30 dwelling units per acre. The site additionally carries an **Adaptive Reuse Project Incentive Area** overlay. The property is currently improved with a legal nonconforming outdoor storage use operating under a 1965 variance.

The defining characteristic of this offering is entitlement velocity. Under **AB 130** (signed June 30, 2025, with companion legislation SB 131), the site qualifies for a **statutory CEQA exemption** pursuant to Public Resources Code §21080.66. This exemption eliminates CEQA litigation exposure entirely and imposes a **30-day mandatory agency decision shot clock**, compressing a post-close entitlement timeline that would conventionally run 9 to 24 months down to approximately **2 to 4 months**. For a merchant builder, that compression is a direct and quantifiable reduction in carry cost and execution risk.

INVESTMENT HIGHLIGHTS

- **AB 130 Statutory CEQA Exemption**
  Qualifies under PRC §21080.66. No CEQA litigation exposure. 30-day mandatory agency decision window.
- **Entitlement Timeline Compression**
  Post-close entitlement of approximately 2–4 months versus a conventional 9–24 month path.
- **By-Right Residential Density**
  General Plan UN-30 supports 30 du/ac. By-right yield of approximately 17 units; State Density Bonus supports 26+ units.
- **Adaptive Reuse Incentive Overlay**
  Site sits within a designated Adaptive Reuse Project Incentive Area.
- **Lacy District Infill Location**
  Walkable urban location minutes from Downtown Santa Ana, the Civic Center, and the SR-55/I-5 interchange.
- **Clean Delivery**
  Site is deliverable vacant. The existing nonconforming use does not encumber a residential redevelopment path.

SITE FACTS

Address	710 E. 4th Street, Santa Ana, CA 92701
APN	398-481-11
Land Area	±25,700 SF / 0.59 acres
Submarket	Lacy District, Santa Ana
County	Orange
Zoning	SD-84 / UN-2 (Specific Development)
General Plan	UN-30 — Urban Neighborhood, 30 du/ac
Overlay	Adaptive Reuse Project Incentive Area
Current Use	Outdoor storage (legal nonconforming)
Existing Entitlement	Variance VAR-65-2180-OTH (1965)
Delivery	Vacant at close
Environmental	Phase I ESA required under AB 130; not yet completed

PRICING

Asking Price	$2,500,000
Price / Land SF	$97.28
Price / Acre	$4,237,288
Price / By-Right Unit (17 units)	$147,059
Price / Density Bonus Unit (26 units)	$96,154
Terms	All cash; 120–180 day escrow contemplated
Contingency Structure	Pre-close entitlement contingency available

THE EXISTING NONCONFORMING USE

The property currently operates an outdoor storage use under **Variance VAR-65-2180-OTH**, granted in 1965 and classified by the City of Santa Ana as legal nonconforming / Noxious Use. Two points are material to a buyer's underwriting. First, the City retains the right to amortize the use at any time. Second, the variance extinguishes upon issuance of a new Certificate of Occupancy and **cannot be transferred** to a replacement industrial tenant. Industrial use at this site is no longer permitted by right or by conditional use permit. Accordingly, the existing improvements and use contribute no value to the offering, and the site should be underwritten strictly on a residential redevelopment basis.

Subject site — ±25,700 SF. Existing outdoor storage use shown; site delivered vacant at close.

Contextual aerial — Lacy District

Street-level context

REGULATORY FRAMEWORK

The property is zoned **SD-84 (Specific Development No. 84)** with an underlying **UN-2** district designation. The General Plan land use designation is **UN-30 (Urban Neighborhood)**, which supports residential density of up to **30 dwelling units per acre**. SD-84 was adopted to guide the transition of legacy industrial and mixed-use parcels in the Lacy District toward urban residential and neighborhood-serving uses.

Zoning District	SD-84 / UN-2
General Plan	UN-30 — Urban Neighborhood
Max Density	30 dwelling units per acre
Overlay	Adaptive Reuse Project Incentive Area
Permitted Product	Rental multifamily
Industrial Use	Not permitted by right or by CUP

CRITICAL NOTE ON PRODUCT TYPE

SD-84 / UN-2 permits rental multifamily only. There is no by-right path for for-sale residential product at this site. Buyers underwriting a condominium or for-sale townhome program should account for a discretionary approval path that falls outside the AB 130 exemption framework and carries materially different timing and risk. The site is best suited to a rental development program.

PERMITTED & CONDITIONAL USES — SUMMARY

USE	STATUS
Rental multifamily residential	**Permitted by right**
Live/work units	**Permitted by right**
Neighborhood-serving retail	**Permitted / conditional**
Adaptive reuse of existing structures	**Incentivized under overlay**
For-sale residential (condo/townhome)	**Not by right — discretionary**
Industrial / outdoor storage	**Not permitted**

710 E. 4TH STREET
SANTA ANA, CA 92701

THE STATUTE

Assembly Bill 130, signed into law on **June 30, 2025** with companion legislation **SB 131**, created a statutory CEQA exemption for qualifying infill housing development. The exemption is codified at **Public Resources Code §21080.66**. The subject property satisfies the qualifying criteria: it is an infill site within an urbanized area, zoned for residential use, under 20 acres, and consistent with the applicable General Plan designation.

WHAT THIS CHANGES

CEQA LITIGATION EXPOSURE

ELIMINATED

A statutory exemption is not a categorical exemption. It is not subject to the 'unusual circumstances' exception and is not vulnerable to the litigation that routinely delays infill housing in Orange County.

AGENCY DECISION TIMELINE

30-DAY SHOT CLOCK

AB 130 imposes a mandatory 30-day decision window on the reviewing agency. The City cannot indefinitely extend review.

CONVENTIONAL ENTITLEMENT PATH

9–24 MONTHS

A comparable Santa Ana infill site without the exemption would typically require initial study, mitigated negative declaration or EIR, public comment, and appeal windows.

AB 130 ENTITLEMENT PATH

2–4 MONTHS

With the statutory exemption and the shot clock, post-close entitlement compresses to approximately one fiscal quarter.

PHASE I ENVIRONMENTAL — REQUIRED

AB 130 **requires a Phase I Environmental Site Assessment** as a condition of the exemption. No Phase I has been completed on the subject property. Given the site's documented history of outdoor storage use dating to 1965, a **Recognized Environmental Condition (REC) is likely**. Buyers should budget for a Phase I and structure the escrow to accommodate a Phase II if warranted. Seller will cooperate with reasonable site access during the due diligence period.

DENSITY SCENARIOS

SCENARIO	UNITS	DU/AC	CONSTRUCTION	PRICE/UNIT	FEASIBLE
By-Right (UN-30)	17	28.8	3-story stick-frame	$147,059	**YES**
State Density Bonus	26	44.1	3-story stick-frame	$96,154	**YES**
Density Bonus (max)	30	50.8	Stick-frame ceiling	$83,333	**MARGINAL**
Podium program	50+	84.7	Type I/III podium	$50,000	**NO**

WHY PODIUM DOES NOT PENCIL

Density above approximately 30 units on a 0.59-acre parcel requires structured or podium parking and a Type I/III construction assembly. On a site of this scale, podium construction carries a cost basis that cannot be supported by achievable Lacy District rents. The incremental unit count does not offset the step-change in hard cost, structural parking cost, and extended construction schedule. **Buyers modeling 40, 50, or more units on this site should recalibrate before committing to underwriting assumptions.**

THE REALISTIC PROGRAM

The site's highest and best use is a **20 to 25 unit, three-story stick-frame rental community** with surface and tuck-under parking, delivered by a local or regional infill developer. This program fits the parcel geometry, clears the UN-30 density framework with State Density Bonus, avoids the podium cost cliff, and takes full advantage of the AB 130 entitlement path. This is not an institutional-scale site, and it is not intended to be. It is a clean, well-located, fast-to-entitle parcel for a builder who executes at this scale.

RECORDED TRANSACTIONS — SAME ZONING

ADDRESS	CLOSED	LAND SF	PRICE	$/LAND SF	APN	BUYER
812 E Santa Ana Blvd	12/12/25	4,350	$1,080,000	$248.28	398-313-03	MYCORN, RANDALL LEWIS
400 E 4Th St	12/15/25	14,797	$1,525,000	$103.06	398-507-08	BASMA PROPERTY VENTURE
1016 N Santiago St	12/17/25	44,453	$5,500,000	$123.73	398-191-03	1016 NS LLC
921 E 3Rd St	12/18/25	1,792	$1,020,000	$569.20	398-476-20	NGUYEN, ANA AI XUAN; N
919 E Santa Ana Blvd	12/26/25	79,009	$818,000	$10.35	937-923-23	CAMPOS, RICARDO
600 N Grand Ave	01/08/26	7,173	$1,311,500	$182.84	398-371-14	PETRUSAN, ALEXANDRU VI
120 N Hathaway St	03/23/26	6,250	$445,000	**$71.20**	398-452-05	HM HOMES INC
115 N Standard Ave	04/23/26	60,312	$6,100,000	**$101.14**	398-461-06	STANDARD IPBC LLC

Highlighted rows denote the most relevant transactions. Source: county recorder data and aggregated brokerage listing data.

COMP SELECTION METHODOLOGY

Eight recorded transactions within the SD-84 / UN-2 zoning envelope closed between December 2025 and April 2026. The set is presented in full for transparency, but the transactions are not equally instructive. **115 N Standard Avenue** is the most relevant benchmark: an arm's-length April 2026 trade of a larger, developable parcel in the same zoning district, where land constitutes the substance of the consideration. **120 N Hathaway Street** is arm's-length but is a 6,250 SF lot — roughly one-quarter the subject's size and too small to support a density program, which materially limits its comparability. **400 E 4th Street** and **1016 N Santiago Street** reflect a building purchase and an apparent industrial owner-user acquisition respectively, neither of which isolates land value. The balance of the set involves small parcels carrying meaningful improvement value from which a land residual cannot be reliably extracted.

MOST RELEVANT TRANSACTIONS

115 N Standard Ave, Santa Ana
Closed April 23, 2026 | 60,312 SF land | $6,100,000 | APN 398-461-06
Buyer: STANDARD IPBC LLC
Larger developable parcel, same zoning — primary benchmark

$101.14
PER LAND SF

120 N Hathaway St, Santa Ana
Closed March 23, 2026 | 6,250 SF land | $445,000 | APN 398-452-05
Buyer: HM HOMES INC
6,250 SF lot — limited comparability at subject's scale

$71.20
PER LAND SF

SUBJECT PRICING VS. CLOSEST COMPARABLE

BASIS	$/LAND SF	SUBJECT LAND SF	SUBJECT TOTAL PRICE	PRICE/UNIT (26)
115 N Standard Ave (comp, closed 04/23/26)	$101.14	25,700	**$2,599,317**	$99,974
710 E. 4th Street (subject, ASKING)	**$97.28**	25,700	**$2,500,000**	$96,154

Subject is offered at a $3.86/SF discount to the most recent comparable land transaction in the same zoning district.

WHERE THE OFFERING SITS

MOST RECENT COMP

$101.14

115 N Standard Ave | 04/23/26

SUBJECT ASKING

$97.28

$2,500,000 | 25,700 SF

DISCOUNT TO COMP

$99,317

on 25,700 SF basis

PRICING RATIONALE

The subject is offered at **$2,500,000**, or **$97.28 per land square foot**. The most directly relevant benchmark is **115 N Standard Avenue**, which closed **April 23, 2026** at **$101.14 per land square foot** — an arm's-length transaction on a larger developable parcel in the same SD-84 / UN-2 zoning district, and the most recent trade of consequence in this envelope. The subject is priced **below** that benchmark.

That discount is available notwithstanding a material advantage the comparable did not carry. **115 N Standard Avenue was contracted without the benefit of the AB 130 statutory exemption** — its buyer underwrote a conventional CEQA path with the associated timeline and litigation risk. The subject is delivered with a qualifying PRC §21080.66 exemption identified, a 30-day agency shot clock, and no CEQA litigation exposure. For a builder, that is a direct reduction in carry cost and schedule risk that the benchmark pricing does not reflect.

On a per-unit basis, the offering pencils at **$96,154** per unit at a 26-unit State Density Bonus program — a basis that supports a three-story stick-frame rental development at achievable Lacy District rents. Seller will consider a 120–180 day escrow with a pre-close entitlement contingency, allowing a buyer to clear the AB 130 path before hard money.

THE LACY DISTRICT

The Lacy District is one of Santa Ana's oldest neighborhoods and among the most actively transitioning submarkets in central Orange County. Bounded roughly by the I-5 freeway, Grand Avenue, and Downtown Santa Ana, the district has absorbed sustained residential investment as the City has redirected its land use framework away from legacy industrial toward urban residential. The subject site sits within that redirection.

Downtown Santa Ana	±1.0 mile
Santa Ana Civic Center	±1.2 miles
I-5 Freeway access	±0.5 mile
SR-55 Freeway access	±1.8 miles
Santa Ana Regional Transportation Center	±1.5 miles
John Wayne Airport (SNA)	±6.0 miles
Discovery Cube / Santa Ana Zoo	±1.5 miles

DEMAND DRIVERS

Santa Ana remains one of the most supply-constrained rental markets in Orange County, with limited new deliveries relative to household formation. The Lacy District's proximity to Downtown employment, the Civic Center, and regional transit supports the rental demand profile that underpins a 20–25 unit program at this location. The surrounding block face reflects the neighborhood's trajectory: recent multifamily and townhome product is visible within blocks of the subject, evidencing both entitlement precedent and builder conviction in the submarket.

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EXCLUSIVELY LISTED BY

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