



## THE CITY OF SAN DIEGO

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### OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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# FISCAL IMPACT STATEMENT FOR CITY MEASURE A ON JUNE 2, 2026 BALLOT: EMPTY HOMES TAX ORDINANCE

This measure would create a new tax on owners of vacant, residential homes who keep those properties vacant for 183 or more days in a calendar year. Certain exemptions would be provided, including but not limited to primary residences, properties leased to a tenant(s) or occupied by family, and owners unable to occupy or rent a property for specified reasons. If approved, the new tax would become effective January 1, 2027. Vacant properties in calendar year 2027 would be taxed at a rate of \$8,000, which would increase to \$10,000 in calendar year 2028. Corporate owned vacant properties would be taxed an additional \$4,000 in calendar year 2027, which would increase to \$5,000 in calendar year 2028. Thereafter, tax rates would be annually adjusted by regional inflation.

**If this measure passes, the City would receive estimated additional net revenue ranging between \$9.2 million (conservative) to \$21.4 million (optimistic) in the first year of implementation, which could increase to \$10.5 million (conservative) to \$24.3 million (optimistic) in the second year.**

This new revenue range varies based on assumptions about the number of taxable vacant properties. Based on currently available data, it is estimated that there are 5,140 properties potentially eligible for this tax. A notable share of these properties (between 45% to 70%) are assumed to be excluded from the tax in the first year, due to exemptions or properties becoming occupied. Should more properties be exempted, occupied, or otherwise untaxed, revenue would likely fall below the estimated range. Additionally, should this measure have the intended effect of reducing the number of vacant properties as more properties are occupied over time, tax revenue from this measure in future years will also decline.

All revenue collected under this measure would be unrestricted and deposited into the City's General Fund. Revenue from this measure could be used to support rental assistance, affordable

housing development, and infrastructure, but would not be restricted to those purposes and could also be used to support other City services including but not limited to neighborhood services (such as libraries and parks), public safety (such as police, fire, and 9-1-1 response services), and general infrastructure (such as streets, sidewalks, streetlights, and flood prevention).