

**Office of
The City Attorney
City of San Diego**

**MEMORANDUM
MS 59**

(619) 236-6220

DATE: March 9, 2026

TO: Diana J.S. Fuentes, City Clerk

FROM: City Attorney

SUBJECT: Title, Summary, and City Attorney Impartial Analysis for Ballot Measure – **City of San Diego Empty Homes Tax (Measure A)**

The Council of the City of San Diego (City Council) directed the City Attorney to prepare a ballot title, summary, and impartial analysis of a ballot measure related to an Empty Homes Tax, which the City Council voted to place on the June 2, 2026, Municipal Special Election ballot. (*See* San Diego Resolution R-316659 (Rev.) (March 3, 2026).)

The measure seeks voter approval to amend the Municipal Code by amending Chapter 3, Article 2, by adding Division 1, sections 32.0101 through 32.0123 relating to an Empty Homes Tax.

The City Council adopted San Diego Ordinance O-22071 (March 3, 2026), to submit the San Diego Municipal Code amendment measure to the voters on the June 2, 2026, Municipal Special Election ballot.

BALLOT TITLE

City of San Diego Empty Homes Tax.

BALLOT SUMMARY

This measure would amend the San Diego Municipal Code by amending Chapter 3, Article 2, by adding Division 1, sections 32.0101 through 32.0123 relating to an Empty Homes Tax that will impose a new tax of \$8,000 in the first year and starting at \$10,000 in subsequent years on all non-primary residences left vacant for more than 182 days per calendar year (Empty Homes), plus an additional charge of \$4,000 in the first year and starting at \$5,000 in subsequent

years for all Empty Homes owned by a corporate entity. The tax amount and additional charge will be subject to annual increases based upon Consumer Price Index: All Urban Consumers for the San Diego - Carlsbad Area for All Items beginning in calendar year 2029. The tax will not apply to owner-occupied primary residences, long-term residential leases, and other Empty Homes under certain exemptions, such as during periods of military service, certain natural disasters, and after an owner's death.

The Empty Homes Tax is intended to discourage extended vacancies and housing speculation and encourage long-term leases and property sales, increasing the housing available for occupancy. The new tax is also intended to raise funds for municipal services to be deposited into the City's General Fund, which can be used for general City services such as housing and infrastructure projects.

The Council of the City of San Diego (City Council) placed the measure on the ballot, and it will pass if it is approved by a majority vote of those qualified voters who vote on the measure. The amendments would take effect after the results of the election are certified by a resolution of the City Council. If adopted, collection of the tax is expected to commence January 1, 2027.

CITY ATTORNEY'S IMPARTIAL ANALYSIS

The City of San Diego (City) placed Measure A on the ballot for the voters to decide whether to amend the San Diego Municipal Code (Municipal Code) to add a tax of \$8,000 in the first year and starting at \$10,000 in subsequent years on all non-primary residences left vacant for more than 182 days per calendar year (Empty Homes), plus an additional charge of \$4,000 in the first year and starting at \$5,000 in subsequent years for all Empty Homes owned by a corporate entity. The tax amount and additional charge will be subject to annual increases based

upon Consumer Price Index: All Urban Consumers for the San Diego - Carlsbad Area for All Items beginning in calendar year 2029.

The tax will not apply to owner-occupied primary residences, long-term residential leases, and other Empty Homes under certain exemptions, such as during periods of military service, certain natural disasters, and after an owner's death. The City does not currently charge a tax on Empty Homes.

Estimates show that there are approximately 5,140 homes in the City that are potentially subject to the tax proposed by this measure. This is a "general tax," not a "special tax," because this measure does not legally restrict the use of tax revenue to any specific purposes. The proceeds may be used for general municipal services and all lawful public purposes.

If approved by a majority of the voters at the June 2, 2026, election, as authorized by California law, the City will begin charging the new tax on January 1, 2027. The tax would be due no later than April 1 for the previous calendar year and collected annually. Proceeds from the tax would be deposited into the City's General Fund. A report containing the amount of monies collected from the Empty Homes Tax, number of homes subject to the tax, and qualified exemptions and exclusions will be submitted annually to the City Council, by September 15 of each year. All proceeds generated by the Empty Homes Tax shall be included in the annual audit of the City's Annual Comprehensive Financial Report conducted by the City's outside independent auditor.

A "Yes" vote is a vote in favor of the tax. A "No" vote is a vote against the tax. Measure A will be approved if it receives a simple majority of "Yes" votes. This measure was proposed by Councilmember Sean Elo-Rivera, and the City Council voted to place it on the ballot. If approved by a majority of the qualified voters voting on the measure, the Municipal Code would

be amended after the election results are certified by a resolution of the City Council. If adopted, the collection of the new tax is expected to begin on January 1, 2027, and the measure will remain in effect until amended or repealed by the voters.