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*PRESS RELEASE*

**IMMEDIATE RELEASE**  
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## **CITY OF SAN DIEGO SECURES \$1.25 MILLION JUDGMENT AND SHUTS DOWN ILLEGAL SHORT-TERM RENTAL OPERATION**

**SAN DIEGO** — City Attorney Heather Ferbert announced that her office secured the successful resolution of a civil enforcement action against an illegal short-term rental operation spanning six San Diego properties. The outcome shuts the operation down, returns homes to the long-term housing market, and holds the operators accountable for up to \$1.25 million in civil penalties.

The stipulated final judgment and permanent injunction resolves the action the City Attorney's Office filed in November 2025 against 3YS, LP and Skytree Enterprises, who had been operating unlicensed short-term vacation rentals since at least June 2023 without obtaining the required Business Tax Certificate, Short-Term Residential Occupancy (STRO) license, or building and safety approvals. In one instance, the operators converted a detached garage into rental lodging with no permits and no inspections, exactly the kind of unsafe, unpermitted conversion the City's licensing and building rules exist to prevent.

The judgment covers all six properties owned or managed by the defendants, located at 4745-4747 35th Street, 4827-4833 Castle Avenue, 4118-4124 Gamma Street, 3637 36th Street, 4233-4239 Swift Avenue, and 3791 Marlborough Avenue / 4165-4169 Wightman Street.

Under the judgment, the operators must immediately cease all short-term rentals, cancel existing bookings, remove every listing from rental platforms, and stop using unpermitted structures as living space. They are required to obtain permits and correct all building code violations, and they are barred from operating any short-term rental at these properties or even applying for a license until 2028. The operators are also required to pay \$100,000 in civil penalties and \$6,079.88 in investigative costs upfront, with an additional \$1,150,000 in civil penalties suspended as long as the defendants fully comply with the judgment but would be imposed immediately upon any failure to do so.

"This is exactly the kind of outcome San Diegans deserve," said **City Attorney Heather Ferbert**. "We identified unlawful operators, we built the case, and we shut them down with up to \$1.25 million in penalties to make clear that ignoring the rules comes at a real cost. I am proud of our Housing Protection Unit for prosecuting this case and grateful to BLUE's investigators for building it from the ground up. This is what accountability looks like."

"Under the leadership of Councilmember Jennifer Campbell, the City of San Diego took action to enact a thoughtful, balanced short-term rental ordinance in 2022. It is important that all operators play by the same rules," said **Mayor Todd Gloria**. "This outcome demonstrates our policies work and that the City will hold bad actors accountable. I appreciate the work of our City Attorney's Office and City staff who helped achieve this good result."

"San Diegans deserve safe, stable neighborhoods and housing that serves people who live and work here, not unlawful operators who ignore basic rules while neighbors deal with the consequences," said **Councilmember Sean Elo-Rivera**. "I am grateful to the City Attorney's Office for taking action to protect residents in Normal Heights, Hillcrest, and across our city. Enforcing our short-term rental and building safety laws is about accountability, housing stability, and making sure every neighborhood is treated with the respect it deserves."

This result was driven by a strong partnership between the City Attorney's Housing Protection Unit (HPU) and the City's Building and Land Use Enforcement Division (BLUE) team, a division of the Development Services Department. BLUE's investigators built the foundation of the case property by property, documenting the code violations, the unpermitted garage conversion, and the pattern of missing licenses across all six properties. The City Attorney's HPU prosecuted the civil enforcement action and secured the Stipulation for Entry of Final Judgment and Permanent Injunction. The case was prosecuted by Lead Deputy City Attorney Paul Prather.

The final stipulated judgment is attached [here](#).

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