

Council District Nine

**Further Committee Review Of A Ballot
Measure Proposal By Councilmember Sean
Elo-Rivera Regarding an Empty Second
Home and Vacation Rental Tax**

Rules Committee

January 28, 2026



Requested Action

Forward the proposed measure to the City Council for consideration for placement on the June 2026 ballot.

Vision:

A San Diego that works for the people who live here — where everyone can see a future for themselves, their families, and their friends.

Goals:

- **Homes for San Diegans**
 - Keep homes available for local families and reduce pressure that drives up rent and home prices.
- **Protect San Diegans from displacement**
 - Stop investors and short-term rentals from pushing working families out of their neighborhoods.
- **Protect San Diego's neighborhoods**
 - Preserve the character, safety, and community fabric of the places we call home.
- **Make speculative investors pay their fair share**
 - Ensure those profiting from our housing market help fund housing, infrastructure, public safety, and the city services that make San Diego thrive.

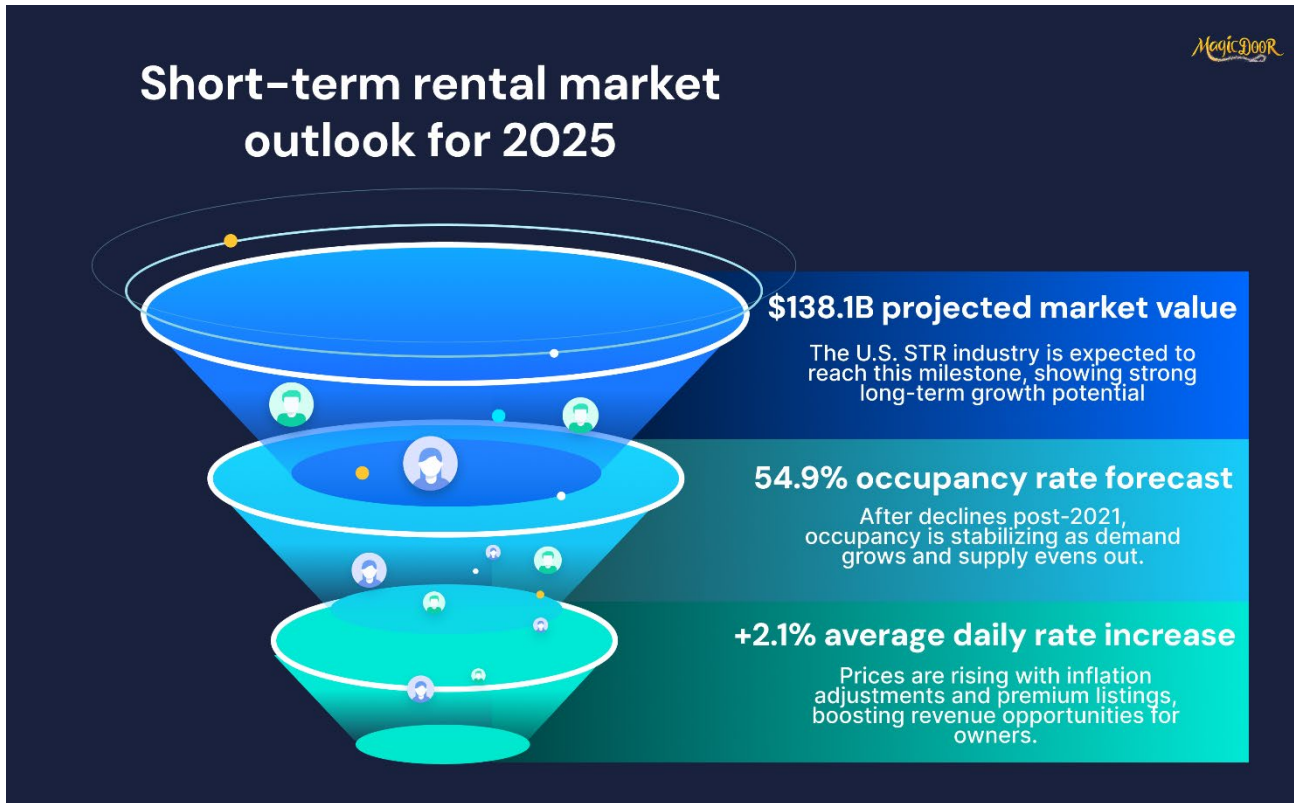
A Global Issue



Cities taking a stand:

- Barcelona
- Milan
- Rome
- Paris
- Mexico City
- Montreal
- Vancouver
- Bali
- Ho Chi Minh City

United States

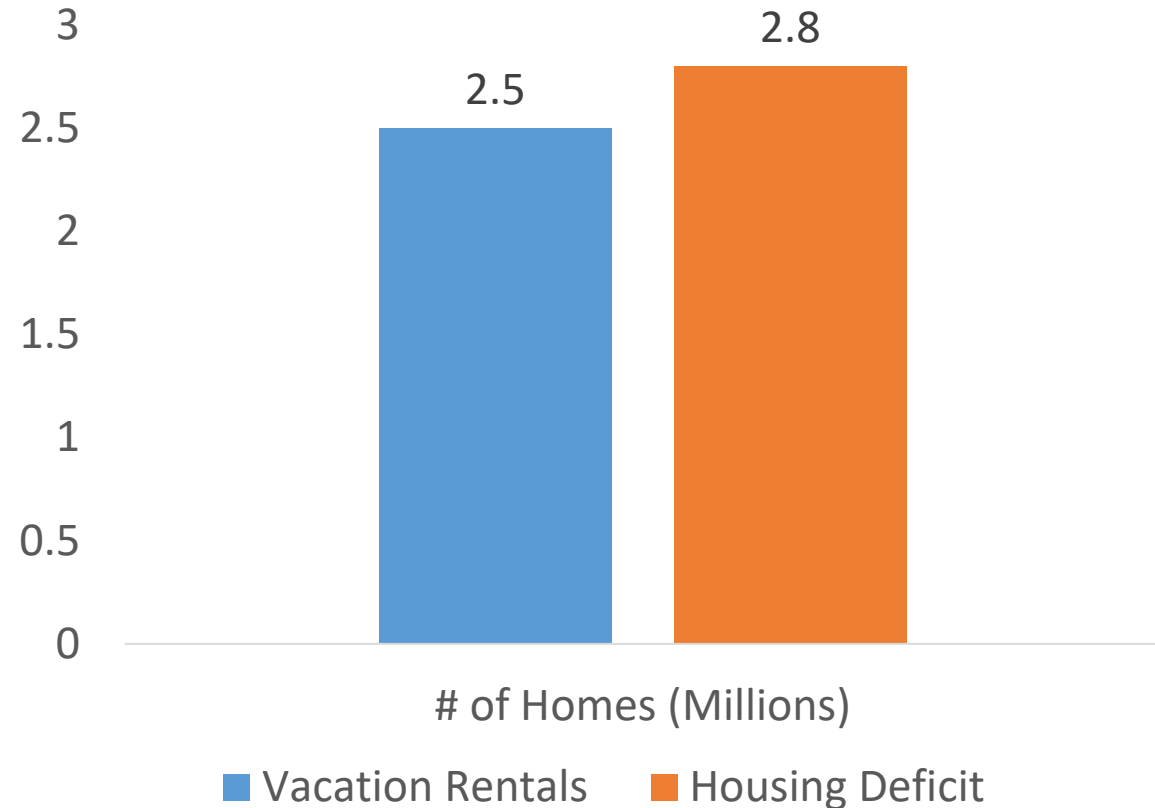


“2026 is shaping up to be the most compelling year to invest in short-term rentals since 2021.”

United States

The current housing supply shortage is estimated at **2.8 million** units in the United States.

At the same time, there were **2.5 million** vacation rentals.



United States

Jurisdictions taking a stand:

- Aspen, CO
- State of Montana
- Berkeley, CA
- Maui County, HI
- Washington D.C.
- Chicago, IL
- Park City, UT



San Diego

2026 FORECAST

Top 40 U.S. Short-Term Rental Markets

ADR gains will fuel revenue per available rental (RevPAR) growth by market in 2026.

Rental Markets	YOY Change in RevPAR %	Rental Markets	YOY Change in RevPAR %
Las Vegas, Nevada	8.0%	Seattle, Washington	2.4%
Philadelphia, Pennsylvania	6.3%	Santa Rosa/Rosemary Beach, Florida	2.4%
San Diego, California	5.8%	San Jose/Palo Alto, California	2.1%
Jersey City/Newark, New Jersey	5.5%	Big Bear, California	1.9%
Dallas, Texas	5.5%	Portland, Oregon	1.9%
Miami, Florida	4.8%		
Phoenix/Scottsdale, Arizona	4.6%		

7. San Diego

Market Score: 68.65

Average Annual Revenue: \$69,144

Mild weather, beaches, and a thriving convention scene make San Diego one of California's most consistent performers. Recent regulation changes added permit requirements, but demand remains strong across both coastal and inland neighborhoods.

What is *not* an Empty Second Home or Vacation Rental?

- Homes that are owner-occupied
 - Including where owners short-term rent only a portion of their home or fewer than 20 days per year (Tier 1 and 2)
- Homes rented to tenants
- ADUs kept empty when the primary residence is occupied

In other words:

- 98% of San Diego homes are ***not taxed***
- 99% of San Diegans are ***not taxed***
- 100% of homes lived in by San Diegans are ***not taxed***

What is an Empty Second Home and Vacation Rental?



Houses *not* being used as homes for San Diegans

Empty Second Homes

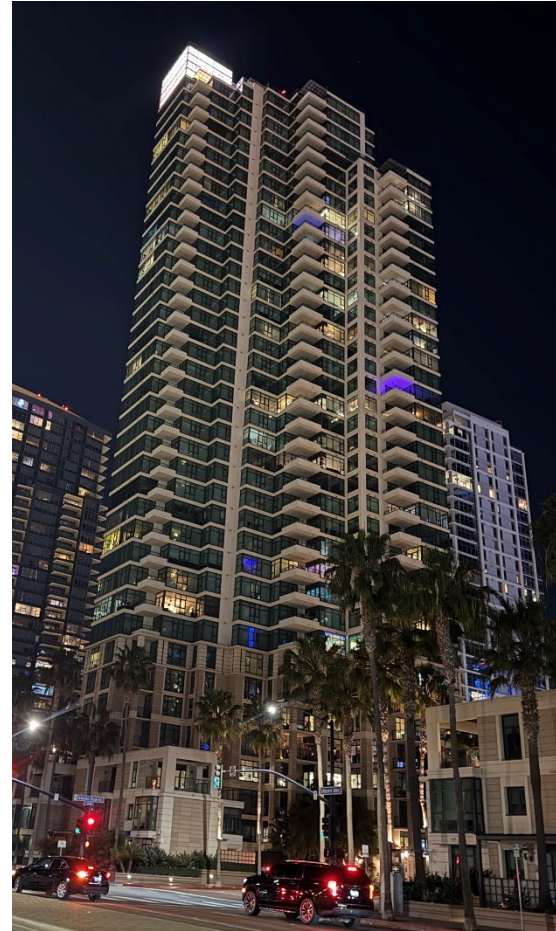
- Homes that are not an owner's primary residence
- Left vacant for more than half a year
 - Not a short-term rental
 - Not a long-term rental

These are homes the owner has chosen to keep empty

Empty Second Homes



- Pacific Gate
- 39 empty second homes



- Grande North
- 27 empty second homes

Empty Second Homes

- 939 Coast
- 29 empty second homes



Empty Second Homes

- Friars Rd
- 48 empty second homes



Empty Second Homes

- 5055 Collwood Blvd
- 3 empty second homes



Short-Term Rental Ordinance

Tier 1	Tier 2	Tier 3 and 4
<ul style="list-style-type: none">• Max 20 days whole-home annually• Would NOT be taxed	<ul style="list-style-type: none">• Room(s) for more than 20 days annually• Host must reside onsite when home-sharing• May rent whole-home for max 90 days• Would NOT be taxed	<ul style="list-style-type: none">• <u>Minimum 90 days</u> annually, up to year-round• <u>Whole-home</u>• Host <u>does not live onsite</u>• Owners would be taxed

Only whole-home, year-round STR businesses are taxed

Vacation Rentals

Owner: Mills Family Trust 05-09-77

5188 W POINT LOMA BL, #10, SAN DIEGO, CA 92107

Host: Jacob [REDACTED]

5188 W POINT LOMA BL, #8, SAN DIEGO, CA 92107

Host: Taylor [REDACTED]

5188 W POINT LOMA BL, #9, SAN DIEGO, CA 92107

Host: Sage [REDACTED]

5188 WEST POINT LOMA Av, #7, SAN DIEGO, CA 92107

Host: Gary [REDACTED]

5188 WEST POINT LOMA BL, #1, SAN DIEGO, CA 92107

Host: Maria [REDACTED]

5188 WEST POINT LOMA BL, #2, SAN DIEGO, CA 92107

Host: Gloria [REDACTED]

5188 WEST POINT LOMA BL, #3, SAN DIEGO, CA 92107

Host: Eulalia [REDACTED]

5188 WEST POINT LOMA BL, #4, SAN DIEGO, CA 92107

Host: Rosa [REDACTED]

5188 WEST POINT LOMA BL, #5, SAN DIEGO, CA 92107

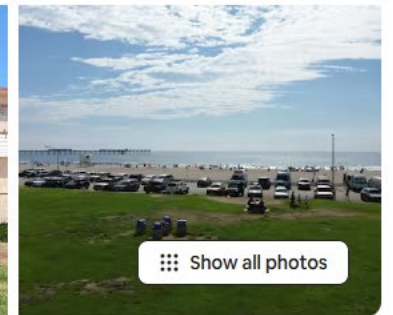
Host: Orlando [REDACTED]

5188 WEST POINT LOMA BL, #6, SAN DIEGO, CA 92107

Host: Patricia [REDACTED]

Panoramic View Over Beach & Ocean, 1 BR (Sirena)

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Entire rental unit in San Diego, California

4 guests · 1 bedroom · 1 bed · 1 bath

★ 4.76 · 34 reviews

\$1,125 for 5 nights

Vacation Rentals

- 27% are units **owned by corporations (not family trusts)**.
- 40% of owners of full-time STRs are **breaking the one STR per owner** intent of the Short-Term Rental Ordinance.
- Over a third (36%) of these STR owners **do not have a mailing address in the City** (58% if you consider a PO Box to be a foreign address).
- 17% of Tier 3/4 licenses are multi-family rental apartments, not single-family homes or condos. **That's nearly a thousand apartments.**

Empty Homes in San Diego

Type of Use	Current Definition of Use	Number of Homes (1/6/26)
Empty Second Homes	Not an owner's primary residence and is left vacant for more than 182 days a calendar year	5,115
Vacation rentals	Tier 3 and 4 STR license holders	5,741
Total Empty Homes		10,856



Disproportionate Impact of Vacation Homes on San Diego Neighborhoods

Empty Second Homes by Community Planning Areas	% of Total
Downtown: 792	
La Jolla: 751	
Pacific Beach: 412	
Peninsula: 326	45%
Additional San Diego neighborhoods: 2,834	55%



Disproportionate Impact of Vacation Homes on San Diego Neighborhoods

Vacation Rentals by Community Planning Areas	% of Total
Mission Beach: 1097	
Pacific Beach: 929	
La Jolla: 596	
Ocean Beach: 476	54%
Additional San Diego neighborhoods: 2,640	46%

Empty Second Home and Vacation Rental Tax

- \$8,000 annual tax per empty second home and vacation rental
- July 1-December 31, 2026
 - \$4,000 tax for half year
- Tax due by March 31 for the previous calendar year

Empty Second Home and Vacation Rental Tax

- \$4,000 surcharge for corporate-owned
- \$4,000 surcharge for repeat code violators
- July 1-December 31, 2026
 - \$2,000 surcharge for corporate-owned or repeat code violators for half year

Exclusions

Disaster period

2 years following fire, natural disaster, or catastrophic event

Homeowner exemption period

The principal place of residence of any person in its owner's group

Lease period

Bona fide lease for occupancy (empty second home only)

Exclusions

Non-ownership period

Period during which a person was not the owner

Owner death period

Death of any person in the owner's group who occupied that residential unit (duration of probate up to 2 years)

Owner in care period

Person who formerly occupied that residential unit is residing in a hospital, long-term or supportive care facility, medical care or treatment facility, or other similar facility

Exclusions

Qualifying military service period

A member of the United States Armed Forces, whether Active Duty, Reserve, or National Guard, is deployed, mobilized, or temporarily relocated pursuant to military orders, including reassignment to another duty station, regardless of location

Exemptions

- 4 or fewer residential units where the owner lives on site
 - ***1 unit is owner's principal residence***
 - ***3 or fewer units empty second homes or vacation rentals***

Next Steps

Second Consideration: Rules Committee hearing (January 28)

- Additional policy direction necessary to complete a draft of the measure and forward to City Council

Final Consideration: City Council hearing (March)

- Adopt ordinance to place ballot measure on the June 2026 ballot



Requested Action

Forward the proposed measure to the City Council for consideration for placement on the June 2026 ballot.



Thank you