



February 27, 2026

San Diego City Council
202 C Street
San Diego, CA 92101

RE: CONSIDERATION OF AN EMPTY HOMES TAX MEASURE PROPOSAL

Chair LaCava and Members of the City Council:

The California Apartment Association respectfully opposes the proposed vacancy tax measure under consideration for placement on the ballot.

As drafted, San Diego's proposal closely mirrors the vacancy tax adopted by the City and County of San Francisco through Proposition M. While the San Diego proposal includes limited exceptions for certain owner-occupied properties and units occupied by family members, those distinctions do not meaningfully alter the central legal vulnerabilities that led a trial court to strike down the San Francisco tax.

In the San Francisco case, the court concluded that the vacancy tax constituted an unconstitutional taking and conflicted with the Ellis Act, which protects property owners' rights to exit the rental housing market. Those two core defects are equally present here. Although the San Francisco ruling is currently on appeal and therefore not yet binding statewide precedent, it squarely places local governments on notice that vacancy taxes face constitutional and statutory challenges.

Beyond its legal deficiencies, the proposed vacancy tax sends a troubling signal to housing providers at a time when San Diego urgently needs investment in new housing and the preservation of existing supply. Penalizing property owners with punitive taxation will not address the root causes of housing affordability challenges. Instead, it risks discouraging rehabilitation, redevelopment, and responsible property management which are essential to maintaining safe, quality housing.

CAA respectfully urges the City Council to refrain from advancing this legally vulnerable measure. San Diego should focus instead on policies that encourage housing production, support property maintenance, and foster collaboration between the City and housing providers.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Melanie Woods", is centered on the page.

Melanie Woods
Vice President, Local Public Affairs
California Apartment Association
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