

Article 5: Transient Occupancy Tax

Division 2: Additional, Voter-Approved Transient Occupancy Tax and Related Bonds

*(“Additional, Voter-Approved Transient Occupancy Tax and Related Bonds”
added 11-19-2025 by O-21143 N.S.; effective 8-30-2024.)*

§35.0201 Imposition of Special Tax

- (a) Notwithstanding the tax imposed by sections 35.0103, 35.0104, 35.0105, 35.0106, 35.0107, or 35.0108, and in addition thereto, for the privilege of Occupancy in any Hotel, any Recreational Vehicle Park, or any Campground, or other overnight lodging facility required to pay the Transient Occupancy Tax either currently or in the future, each Transient is subject to and shall pay the Additional Tax in a specified percentage of the Rent charged by the Operator, as follows:
 - (1) 1.25 percent in Tax Zone 1;
 - (2) 2.25 percent in Tax Zone 2; and
 - (3) 3.25 percent in Tax Zone 3.

- (b) The Imposition Date of the Additional Tax is May 1, 2025. The Additional Tax shall continue to be imposed for 42 consecutive years from the final calendar day of the month in which the Convention Center Long-Term Expansion Bonds are issued, except as follows:
 - (1) If no Convention Center Long-Term Expansion Bonds have been issued within 10 years after the Imposition Date, then Additional Tax shall cease April 30, 2035, which is 10 years after the Imposition Date.
 - (2) Notwithstanding the above provisions, if the imposition of the Additional Tax is scheduled to cease 10 years after it is first imposed in accordance with section 35.0201(b)(1), but any Bonds earlier issued to finance Homelessness Programs, Street Repairs, or Convention Center Improvements remain outstanding, then the Additional Tax shall continue in effect for so long as necessary to fund payments of principal and interest on the Bonds until those Bonds have been fully satisfied.

(Amended 2-2-2026 by O-22053 N.S.; effective 3-4-2026.)

(3-2026)

§35.0202 Special Purposes of Additional Tax Revenues

- (a) The Additional Tax is a special tax that will generate Additional Tax Revenues to the City for the Special Purpose Activities, specifically including:
- (1) Homelessness Programs;
 - (2) Street Repairs;
 - (3) Convention Center Improvements;
 - (4) Convention Center Operations;
 - (5) Convention Center Support Activities; and
 - (6) Convention Center Business Development Programs.
- (b) All Additional Tax Revenues shall be applied only to the Special Purpose Activities, as more specifically described in sections 35.0204 and 35.0206.
- (c) The People of the City of San Diego intend that the Additional Tax Revenues will supplement, rather than replace, any existing revenue sources (as outlined in the Fiscal Year 2016-2017 budget adopted by the San Diego City Council) to the Convention Center, Street Repairs and Homelessness Programs before imposition of the Additional Tax.

(“Special Purposes of Additional Tax Revenues” added 11-19-2025 by O-21143 N.S.; effective 8-30-2024.)

(Amended 2-2-2026 by O-22053 N.S.; effective 3-4-2026.)

§35.0203 Collection and Allocation of Additional Tax Revenues

- (a) The Additional Tax shall consist of the Homelessness Program Tax Component, the Street Repair Tax Component, and the Convention Center Tax Component.
- (b) Except as otherwise specified in section 35.0204(a), the Homelessness Program Tax Component shall equal 31 percent of the Additional Tax Revenues, the Street Repair Tax Component shall equal 10 percent of the Additional Tax Revenues, and the Convention Center Tax Component shall equal 59 percent of the Additional Tax Revenues.

(3-2026)

- (c) If a Tax Allocation Triggering Event has occurred with respect to any fiscal year, the Mayor may propose as part of any annual budget required by section 35.0206, and the City Council may approve, a revised percentage allocation that allocates a lesser percentage of the Additional Tax Revenues to the Convention Center Tax Component and a greater percentage to either or both of the Homelessness Program Tax Component or the Street Repair Tax Component than shown in section 35.0204. Any revised percentage allocation shall be operative only for that fiscal year.
- (d) The City Treasurer shall collect the Additional Tax and deposit the Additional Tax Revenues in the appropriate Revenue Accounts, consistent with the revenue allocations identified in this section. The Chief Financial Officer shall disburse funds from each Revenue Account consistent with the Special Purpose Activities identified in section 35.0204 and the approved annual budgets described in section 35.0206.
- (e) The City’s proceeds of the Homelessness Program Tax Component shall be deposited into the Homelessness Revenue Account.
- (f) The City’s proceeds of the Street Repair Tax Component shall be deposited into the Street Repair Revenue Account.
- (g) The City’s proceeds of the Convention Center Tax Component shall be deposited into the Convention Center Revenue Account.

(“Collection and Allocation of Additional Tax Revenues” added 11-19-2025 by O-21143 N.S.; effective 8-30-2024.)
(Amended 2-2-2026 by O-22053 N.S.; effective 3-4-2026.)

§35.0204 Utilization of Additional Tax Revenues

- (a) Special Homelessness Crisis Allocation. Through October 31, 2030, the Additional Tax Revenues shall be allocated 41 percent to the Homelessness Revenue Account and 59 percent to the Convention Center Revenue Account. Commencing November 1, 2030, the revenue allocations shall be as stated in section 35.0203(b).

- (b) All funds in the Homelessness Revenue Account shall be used exclusively for Homelessness Program Costs, and not for any other Special Purpose Activity or any other governmental purpose. The City, another public entity, a nonprofit entity, or a private entity, as permitted by law, may operate, manage, and own an Affordable Housing project subsidized by funds from the Homelessness Revenue Account. If funds in the Homelessness Revenue Account are allocated to construction of a project that includes both market-rate elements and Affordable Housing, the allocation of funds in the Homelessness Revenue Account to the project shall not exceed the actual, reasonable construction cost of Affordable Housing units, as reasonably determined by the Mayor. The City Council may from time to time establish by resolution standards to implement, monitor, and enforce each Affordability Covenant consistent with prevailing standards in the affordable housing industry. The City Council shall also adopt a resolution establishing an advisory seven-member Citizens Oversight Committee appointed by the Mayor and confirmed by the City Council as provided in San Diego Charter sections 43, 265(b)(11)-(12), and 265(g) to have the following duties and responsibilities: (1) provide input on, and review plans for, expenditures of bond proceeds, including an annual allocation plan or expenditure plan; and (2) advise and make recommendations to the Mayor and City Council relative to all expenditures in this program, including plans, policies, funding guidelines, and funded projects. Except as otherwise provided herein, the members' terms and qualifications, and any other duties and scope of the Citizens Oversight Committee, shall be established by the City Council.
- (c) All funds in the Street Repair Revenue Account shall be used exclusively for Street Repair Costs, and not for any other Special Purpose Activity or any other governmental purpose.
- (d) All funds in the Convention Center Revenue Account shall be used exclusively for Convention Center Expansion and Modernization Costs, Convention Center Operating Costs, Convention Center Support Costs, and Convention Center Business Development Costs, and not for any other Special Purpose Activity or any other governmental purpose.
- (e) The City Council may amend this Division to clarify the scope of Special Purpose Activities, to clarify the manner of collection of the Additional Tax (or the collection of any Additional Tax Component, if section 35.0201(b) is triggered), or to clarify the use of funds in any Revenue Account, so long as:
- (1) the ordinance is not inconsistent with the purpose and intent of the Additional Tax as described in both this Division and the voter-approved ordinance adopting it;

(3-2026)

- (2) the ordinance does not in any way change the nature of the Special Purpose Activities or increase the Additional Tax;
- (3) the ordinance does not change the percentage of Additional Tax Revenues allocated toward each Special Purpose Activity under section 35.0203(b), except as permitted under sections 35.0202(b) and 35.0203(c); and
- (4) the ordinance does not allow the transfer of any funds from one Revenue Account to another Revenue Account.

(“Utilization of Additional Tax Revenues” added 11-19-2025 by O-21143 N.S.; effective 8-30-2024.)
(Amended 2-2-2026 by O-22053 N.S.; effective 3-4-2026.)

§35.0205 Expenditure Restrictions

The Additional Tax Revenues shall not be subject to the expenditure restrictions set forth in section 35.0101 or sections 35.0128 through 35.0133, inclusive, but instead shall be subject to the expenditure restrictions of this Division. Given that the Additional Tax has been proposed by local citizens as an initiative and approved by the local electorate, and is restricted transient occupancy tax revenue, the Additional Tax Revenues shall not be subject to any provisions of San Diego Charter section 77.1 related to the City’s Infrastructure Fund because they are Exempt Revenues as defined in that section.

(“Expenditure Restrictions” added 11-19-2025 by O-21143 N.S.; effective 8-30-2024.)
(Amended 2-2-2026 by O-22053 N.S.; effective 3-4-2026.)

§35.0206 Annual Budgets

- (a) Commencing with the City’s Fiscal Year 2026 annual budget, and continuing in each successive fiscal year until all funds in the Revenue Accounts have been exhausted, the Mayor shall propose, and the City Council shall approve (with any modifications that the City Council deems appropriate), an itemized annual budget for the expenditure of funds in each of the Revenue Accounts in a manner consistent with this section and section 35.0204. A budget need not authorize expenditure of all available funds in the upcoming fiscal year and may reserve any portion of a Revenue Account to promote effective long-term fiscal planning of the applicable Special Purpose Activities or for other purposes consistent with the Special Purpose Activities.

(3-2026)

- (b) In accordance with its budgeting authority under San Diego Charter section 11.1, the City Council’s allocation of the portion of each annual budget relating to the Convention Center may in the City Council’s discretion reflect the following expenditure priorities, in descending order of importance:
 - (1) Convention Center Expansion and Modernization Costs, utilizing Construction Manager At-Risk or any other contracting method consistent with California Public Contract Code section 20175 as adopted by Chapter 821 of the Statutes of 2017 as it may hereafter be amended, including, but not limited to, servicing any outstanding Bonds;
 - (2) Convention Center Operating Costs;
 - (3) Convention Center Support Costs; and
 - (4) Convention Center Business Development Costs.

- (c) In accordance with its budgeting authority under San Diego Charter section 11.1, the City Council’s allocation of the portion of each annual budget relating to the Convention Center may in the City Council’s discretion reflect the following principles:
 - (1) the Convention Center Corporation shall expend Convention Center Annual Operating Revenues to fulfill the reasonable operational and capital needs of the Convention Center and to maintain a reasonable financial reserve for Convention Center Operations;
 - (2) the Convention Center Corporation shall not incur expenditures for Convention Center Operations that are excessive or unnecessary in comparison to established industry standards for large convention facilities; and shall maintain labor peace among both its direct and contracted workforces, and continue to recognize the representatives, and their successors, of the represented workforce at the facility, to reduce the risk of operational disruptions and revenue loss; and
 - (3) the Convention Center Corporation shall not accumulate a total financial reserve for Convention Center Operations that is unreasonably high in comparison to established industry standards for large convention facilities.

(3-2026)

- (d) Unless reasonably necessary to address emergency situations or unforeseen circumstances associated with operation of the permanent dewatering system at the Convention Center, the City Council may in its discretion use its budgeting authority under San Diego Charter section 11.1 such that the portion of the annual budget relating to Convention Center Support Activities includes a funding allocation of no greater than \$4.5 million for Fiscal Year 2027, and thereafter increases no more than five percent from the previous year's appropriation.
- (e) In accordance with its budgeting authority under San Diego Charter section 11.1, the City Council's allocation of the portion of each annual budget relating to Convention Center Business Development Programs may include a funding allocation of no greater than \$4.5 million for Fiscal Year 2027, and thereafter increases no more than five percent from the previous year's appropriation.

*("Annual Budgets" added 11-19-2025 by O-21143 N.S.; effective 8-30-2024.)
(Amended 2-2-2026 by O-22053 N.S.; effective 3-4-2026.)*

§35.0207 Five-Year Implementation Plans

- (a) In Fiscal Year 2026, the Mayor shall propose, and the City Council shall approve (with any modifications that the City Council deems appropriate), a five-year implementation plan for Fiscal Years 2027 through 2031, describing how the City will allocate existing and projected funds in the Homelessness Revenue Account to specific Homelessness Programs and identifying the order of priority among those Homelessness Programs. This same process for proposal and approval of a five-year implementation plan will occur once every five years thereafter until all funds in the Homelessness Revenue Account have been exhausted. Respecting the City Council's budget authority under San Diego Charter section 11.1, voters express their intention that the expenditure of Homelessness Revenue Account funds will reflect a considered, long-term strategy to address homelessness. The City Council may implement the Regional Community Action Plan to Prevent and End Homelessness proposed by the Regional Taskforce on Homelessness or other similar long-term plans for addressing homelessness developed before or after the imposition of the Additional Tax. The Affordable Housing shall be prioritized for Extremely Low Income and Very Low Income households as defined by the U.S. Department of Housing and Urban Development. Commencing in Fiscal Year 2028, the City Council shall hold a public hearing during the second year of each five-year planning period to consider whether any amendments or updates to the plan are warranted.

(3-2026)

- (b) In Fiscal Year 2031, the Mayor shall propose, and the City Council shall approve (with any modifications that the City Council deems appropriate), a five-year implementation plan for Fiscal Years 2032 through 2036, describing how the City will allocate existing and projected funds in the Street Repair Revenue Account to specific Street Repairs and identifying the order of priority among those Street Repairs. This same process for proposal and approval of a five-year implementation plan will occur once every five years thereafter until all funds in the Street Repair Revenue Account have been exhausted. Commencing in Fiscal Year 2033, the City Council shall hold a public hearing in the second year of each five-year planning period to consider whether any amendments or updates to the plan are warranted.

(“Five-Year Implementation Plans” added 11-19-2025 by O-21143 N.S.; effective 8-30-2024.)

(Amended 2-2-2026 by O-22053 N.S.; effective 3-4-2026.)

§35.0208 Annual Reports for Additional Tax Revenues

- (a) Within 270 days after the close of each fiscal year (commencing in Fiscal Year 2027 with respect to the close of Fiscal Year 2026), and continuing in each successive fiscal year until all funds in the Revenue Accounts have been exhausted, the Chief Financial Officer shall retain an independent auditor to submit to the City Council an annual report describing:
 - (1) the Additional Tax Revenues collected by the City during the fiscal year, itemized by each of the Additional Tax Components;
 - (2) the Additional Tax Revenues expended by the City for Special Purpose Activities during the fiscal year, itemized by each of the Additional Tax Components; and
 - (3) the status of all Special Purpose Activities required or authorized to be funded by Additional Tax Revenues, consistent with the annual budget approved by the City Council for the fiscal year.
- (b) Each report shall be included as an information item on the City Council’s agenda within 60 days after the Chief Financial Officer submits the report to the City Council.

(“Annual Reports for Additional Tax Revenues” added 11-19-2025 by O-21143 N.S.; effective 8-30-2024.)

(Amended 2-2-2026 by O-22053 N.S.; effective 3-4-2026.)

(3-2026)

§35.0209 Performance Audits

- (a) The City Auditor shall conduct a performance audit of each Revenue Account in accordance with San Diego Charter section 39.2, as follows:
- (1) Commencing in Fiscal Year 2029, and continuing with respect to each successive three-year period until all funds in the Homelessness Revenue Account have been exhausted, the City Auditor shall conduct a performance audit of Special Purpose Activities funded by the Homelessness Revenue Account.
 - (2) Commencing in Fiscal Year 2034, and continuing with respect to each successive three-year period until all funds in the Street Repair Revenue Account have been exhausted, the City Auditor shall conduct a performance audit of Special Purpose Activities funded by the Street Repair Revenue Account.
 - (3) Commencing in Fiscal Year 2030, and continuing with respect to each successive three-year period until all funds in the Convention Center Revenue Account have been exhausted, the City Auditor shall conduct a performance audit of Special Purpose Activities funded by the Convention Center Revenue Account.
- (b) Each performance audit shall determine whether expenditures were made and Special Purpose Activities were conducted in accordance with this Division. The City Auditor shall issue to the City Council a written report of each performance audit. Upon the City Council's request, the City Auditor shall present the results of any performance audit during a public meeting of the City Council or a Council Committee.

*("Performance Audits" added 11-19-2025 by O-21143 N.S.; effective 8-30-2024.)
(Amended 2-2-2026 by O-22053 N.S.; effective 3-4-2026.)*

§35.0210 Authorization of Debt and Issuance of Bonds

- (a) The City is authorized to issue and sell Bonds, from time to time, payable from and secured by the Additional Tax Revenues attributable to the Homelessness Program Tax Component, to fund Homelessness Program Costs.
- (b) The City is authorized to issue and sell Bonds payable from and secured by the Additional Tax Revenues attributable to the Street Repair Tax to fund Street Repair Costs.

- (c) The City is authorized to issue and sell Bonds payable from and secured by the Additional Tax Revenues attributable to the Convention Center Tax Component, to fund Convention Center Expansion and Modernization Costs.
- (d) The maximum bonded indebtedness for Bonds issued under this section for Homelessness Program Costs, including financing costs, shall not exceed the lesser of the Additional Tax Revenues attributable to the Homelessness Program Tax Component, projected over the life of those Bonds, and \$750,000,000.
- (e) The maximum bonded indebtedness for Bonds issued under this section for Street Repair Costs, including financing costs, shall not exceed the lesser of the Additional Tax Revenues attributable to the Street Repair Tax Component, projected over the life of those Bonds, and \$400,000,000.
- (f) The maximum bonded indebtedness for Bonds issued under this section for Convention Center Expansion and Modernization Costs, including financing costs, shall not exceed the lesser of (i) the Additional Tax Revenues attributable to the Convention Center Tax Component, projected over the life of those Bonds, and (ii) \$850,000,000; provided, however, that the City Council may lift the \$850,000,000 cap by a resolution adopted after a noticed public hearing.
- (g) All of the Bonds authorized to be issued under this section shall be limited obligations of the City payable solely from the Additional Tax Revenues attributable to the pertinent Additional Tax Component. Notwithstanding the foregoing, the City may, but is not obligated to, supplement Additional Tax Revenues with other legally available funds to make payments on the Bonds. The issuance of Bonds under this section shall not directly, indirectly, or contingently obligate the City to levy or pledge any form of taxation other than the Additional Tax.
- (h) Upon the issuance and sale of any such Bonds, the Chief Financial Officer shall establish an account into which the proceeds of those Bonds will be deposited. Separate accounts shall be established for Bonds issued for each specific purpose identified in this section.

(3-2026)

- (i) As long as any proceeds of such Bonds remain unexpended, the Chief Financial Officer shall report in writing to the City Council no later than 270 days after the close of each year, commencing upon the issuance of any Bonds: (1) the proceeds of Bonds received and expended in that year, and (2) the status of any Special Purpose Activities funded or to be funded from proceeds of those Bonds. Such report may relate to calendar year, fiscal year, or other appropriate annual period as the Chief Financial Officer may determine, and may be incorporated into, or presented with, the City's annual budget, the City's audited annual financial statements, or another report to the City Council.
- (j) Bonds authorized by this section shall be issued and shall mature at such time or times not to exceed forty (40) years and shall bear interest at such fixed or variable rate or rates approved by the City Council, but not to exceed the maximum rate permitted by law. Bonds authorized by this section shall be sold at either public or private sale and for such prices as the City shall determine.
- (k) The voters intend their approval of this Division to approve the Bonds authorized by this section and understand that San Diego Charter section 90.1 applies to the City Council and other City officials but not to the voters under the analysis of *California Cannabis Coalition v. City of Upland* (2017) 3 Cal.5th 924 and other applicable law. Should a court of competent jurisdiction determine that Bonds authorized by this section are governed by San Diego Charter section 90.1, the voters express their desire that the City Council exercise its authority under that section 90.1 to approve those Bonds.
- (l) The authority to issue Bonds in this section is not exclusive and is not intended to prevent the City from entering into any Financing Agreement or using any other legal mechanism to finance any Special Purpose Activities.
- (m) The City is authorized to issue Bonds to replace or refund Bonds issued under this section.

("Authorization of Debt and Issuance of Bonds" added 11-19-2025 by O-21143 N.S.; effective 8-30-2024.)

(Amended 2-2-2026 by O-22053 N.S.; effective 3-4-2026.)

(3-2026)

§35.0211 Definitions

- (a) The terms defined in section 35.0102 shall apply to this Division and are capitalized in this Division for emphasis.
- (b) In addition, the following definitions are applicable to this Division:

“Additional Tax” means the special tax levied by this Division consisting of three components: the Homelessness Program Tax Component, the Street Repair Tax Component, and the Convention Center Tax Component.

“Additional Tax Components” means, collectively, the Convention Center Tax Component, the Street Repair Tax Component, and the Homelessness Program Tax Component.

“Additional Tax Revenues” means revenues derived from the Additional Tax collected by the City Treasurer.

“Affordability Covenant” means a restrictive covenant that imposes income eligibility requirements and rental amount restrictions on a residential dwelling unit and remains in effect for the City’s benefit for the longest feasible time, which shall not be less than 55 years.

“Affordable Housing” means any dwelling unit subject to an Affordability Covenant and available for rental occupancy, whether on a transitional or long-term basis, by a Targeted Rental Household at an annual cost that, together with estimated annual utility expenses, does not exceed 30 percent of that household’s annual income, subject to any deductions or exclusions from annual income allowable by the U.S. Department of Housing and Urban Development.

“Bonds” means debt instruments, taxable or tax-exempt revenue bonds (including, without limitation, transient occupancy tax revenue bonds), notes, debentures, or other similar financial instruments payable from Additional Tax Revenues and authorized by this Division.

“Convention Center” means the San Diego Convention Center generally located in the area bounded on the south by San Diego Bay and bounded on the north by the Santa Fe Railway easement, as well as land included in any future contiguous extensions of the Convention Center.

“Convention Center Annual Operating Revenues” means annual revenues collected by the Convention Center Corporation with respect to the management, marketing, and operation of the Convention Center, as disclosed in an annual financial report or similar report prepared by or on behalf of the Convention Center Corporation.

“Convention Center Business Development Costs” means all costs and expenses associated with the establishment, implementation, operation, and completion of Convention Center Business Development Programs, including, but not limited to, the payment of all staff, consultant, and legal expenses reasonably necessary to effectuate all or any part of Convention Center Business Development Programs. Convention Center Business Development Costs shall exclude all Convention Center Support Costs.

“Convention Center Business Development Programs” means, collectively, rent credits, discounts on service charges (e.g., food and beverage charges or telecommunications charges), and similar customer incentives to secure convention and trade show commitments at the Convention Center, and direct marketing at meeting planner conventions or trade shows aimed at promoting the Convention Center.

“Convention Center Corporation” means the San Diego Convention Center Corporation, or its assignee or successor-in-interest, to the extent that such entity has primary, day-to-day responsibility for Convention Center Operations.

“Convention Center Expansion and Modernization Costs” means all costs and expenses associated with the financing, acquisition of land or right of way to enable construction, permitting, design, development, and construction of the Convention Center Improvements, including, but not limited to, payment of land or site acquisition costs reasonably necessary to effectuate the Convention Center Improvements, payment of debt service obligations on one or more series of Bonds issued to finance or refinance Convention Center Improvements (including the establishment and, where necessary, replenishment of any reserves required under the documents governing such Bonds), and the payment of all staff, consultant, and legal expenses reasonably necessary to effectuate the Convention Center Improvements.

“Convention Center Improvements” means the contiguous (meaning physically connected to the existing Convention Center) expansion of the Convention Center, all associated infrastructure or improvements, as well as any additional capital improvements to modernize the Convention Center, consistently with the applicable land use planning documents, as amended from time to time, that govern the Convention Center and improvements to the Convention Center, which may include, but are not necessarily limited to, the San Diego Unified Port District’s Port Master Plan and any applicable coastal development permit.

“Convention Center Long-Term Expansion Bonds” means an initial series of long-term Bonds issued to fund Convention Center Improvements.

“Convention Center Operating Costs” means all costs and expenses associated with Convention Center Operations, including the funding of appropriate capital reserve accounts for the Convention Center, the funding of reserve accounts to pay the anticipated costs of issuance of the Convention Center Long-Term Expansion Bonds, and the payment of debt service or related lease payments associated with existing debt for capital improvements at the Convention Center. Convention Center Operating Costs shall exclude all Convention Center Support Costs.

“Convention Center Operations” means the maintenance, operation, and repair of the Convention Center, as such facility may be expanded and modernized through the Convention Center Improvements, so as to maintain the Convention as a first-class, visitor-serving facility in a safe, usable condition and so the Convention Center can achieve and maintain a Facility Condition Index that meets or exceeds the standard of a good physical condition and to provide a visitor-serving experience that remains competitive in the convention market among cities comparable in size to San Diego.

If the construction industry ceases to publish or commonly use the Facility Condition Index to assess the physical condition of a facility or building, the Mayor may rely upon any alternative publication or metric the Mayor deems to be an objectively reasonable indicator the condition of the Convention Center. Convention Center Operations shall exclude all Convention Center Support Activities.

“Convention Center Revenue Account” means a special revenue account that is hereby created in the City treasury, to account for the City’s proceeds of the Convention Center Tax Component.

“Convention Center Support Activities” means, collectively, the Convention Center Corporation’s operation of a permanent dewatering system to alleviate hydrostatic pressure on the foundation of the Convention Center and the Convention Center Corporation’s efforts to market and promote the Convention Center as a visitor destination.

“Convention Center Support Costs” means annual support payments by the City to the Convention Center Corporation for Convention Center Support Activities.

“Convention Center Tax Component” means the portion of the Additional Tax intended to fund Convention Center Expansion and Modernization Costs, Convention Center Operating Costs, Convention Center Support Costs, and Convention Center Business Development Costs, as described in section 35.0204.

“Facility Condition Index” is described in the construction industry publication titled “Asset Lifecycle Model for Total Cost of Ownership Management” and used to measure the physical condition of a facility or building. It is expressed as a ratio of the cost of remedying deficiencies, as well as the cost of capital renewal requirements, to current replacement value. The benchmark is represented on a scale of zero to 100 percent, with higher percentages representing a poorer condition and lower percentages representing a better condition.

“Financing Agreement” means any lease agreement, installment sale agreement, irrevocable assignment, or other similar financing agreement or contract entered into by the City and payable from Additional Tax Revenues or other funds available to the City.

“Homeless Population” means: (i) vulnerable individuals and families who are present in the City and who do not have adequate permanent shelter or are at risk of losing access to adequate permanent shelter, such as: homeless veterans, homeless women and children, victims of domestic violence, senior citizens, individuals with disabilities, individuals with severe mental illness, or individuals with a chronic substance abuse disorder; or (ii) individuals and families who are present in the City who meet the definition of “homelessness” in the Homeless Emergency Assistance and Rapid Transition to Housing Act, as it may be amended from time to time.

“Homelessness Program Costs” means all costs and expenses associated with the financing, establishment, implementation, operation, and completion of Homelessness Programs, including, but not limited to, payment of debt service obligations on one or more series of Bonds issued to finance or refinance any Homelessness Programs (including the establishment and, where necessary, replenishment of any reserves required under the documents governing such Bonds), and the payment of all staff, consultant, and legal expenses reasonably necessary to effectuate any Homelessness Programs.

“Homelessness Program Tax Component” means the portion of the Additional Tax to be used for Homelessness Program Costs, as described in Section 35.0204.

“Homelessness Programs” means any of the following activities performed in the City: the financing (through a grant, loan, or other financial assistance), permitting, design, development, and construction of Affordable Housing (including payment of land acquisition costs and tenant relocation costs) and other capital projects and payment of related land acquisition costs to assist the Homeless Population or to prevent or reduce homelessness; rapid rehousing programs; transitional housing programs or facilities; permanent supportive housing programs or facilities; shared housing programs; homelessness prevention and diversion programs; programs, services, or facilities intended to increase the use or receipt of available public benefits and subsidies by the Homeless Population; educational programs, job training, and related services or facilities intended to increase or subsidize the employment of the Homeless Population; the creation and operation of support services assessment centers, including the provision of temporary beds, bridge housing opportunities, and triage and assessment services intended to assist the Homeless Population; capacity building assistance for the Homeless Population; temporary shelter facilities, shower facilities, and other facilities used to provide supportive services or goods to, or otherwise benefit, the Homeless Population; mental health treatment, substance abuse treatment, counseling services, and related services or facilities intended to assist the Homeless Population; any other public benefits, goods, and services, including landlord incentive payments, rental vouchers, other subsidies used to pay rent or security deposits, community outreach services, and case navigation services, including street outreach, intended to assist the Homeless Population; the creation and operation of a regional homeless crisis response system that provides for centralized delivery of services intended to assist the Homeless Population; the purchase of a landowner’s agreement to impose an Affordability Covenant on five or more residential dwelling units located on one or more contiguous taxable parcels, effectively converting those dwelling units from market-rate housing into

Affordable Housing; and any other capital improvements, programs, services, or activities that, in the Mayor's reasonable discretion, will assist in reducing, alleviating, or preventing problems or challenges frequently encountered by the Homeless Population that contribute to homelessness.

"Homelessness Revenue Account" means a special revenue account hereby created in the City treasury to account for the City's proceeds of the Homelessness Program Tax Component.

"Imposition Date" is May 1, 2025. This is the day the City first imposed the Additional Tax.

"Overall Condition Index" means the benchmark developed by the U.S. Army Corps of Engineers and used by many jurisdictions nationwide to measure the general condition of publicly-maintained streets. This benchmark is represented by numerical values ranging from 0 to 100, with lower values representing poorer conditions and higher values representing better conditions. If the Overall Condition Index ceases to be used commonly by municipalities to assess the condition of public streets, the Mayor may rely upon any alternative publication or metric the Mayor deems to be an objectively reasonable indicator of the physical condition of City streets.

"Revenue Accounts" means, collectively, the Convention Center Revenue Account, the Street Repair Revenue Account, and the Homelessness Revenue Account.

"Special Purpose Activities" means, collectively, Convention Center Improvements, Convention Center Operations, Convention Center Support Activities, Convention Center Business Development Programs, Street Repairs, and Homelessness Programs.

"Street Repair Costs" means all costs and expenses associated with the financing, permitting, design, development, and construction of Street Repairs, including, but not limited to, the payment of debt service obligations on one or more series of Bonds issued to finance or refinance any Street Repairs (including the establishment and, where necessary, replenishment of any reserves required under the documents governing such Bonds), and the payment of all staff, consultant, and legal expenses reasonably necessary to effectuate any Street Repairs.

“Street Repair Revenue Account” means a special revenue account hereby created in the City treasury to account for the City’s proceeds of the Street Repair Tax Component.

“Street Repair Tax Component” means the portion of the Additional Tax to be used for Street Repair Costs, as described in section 35.0204.

“Street Repairs” means any of the following activities performed in the City, to the extent they will enable the City to achieve and maintain an Overall Condition Index of City streets that meets or exceeds the standard of a good physical condition: the repair and maintenance of streets, alleys, and bridges; street sweeping; the resurfacing and reconstruction of streets, including the use of slurry seal, paving, overlay, and inlay of asphalt, and the replacement of concrete; the striping and re-striping of streets; the widening of streets; the installation, repair, and maintenance of sidewalks, pedestrian paths, bikeways, curbs, guardrails, streetlights, traffic signals, street signs, street furniture, traffic calming measures, transit stops, and traffic signs; the installation, relocation, repair, and maintenance of utilities or stormwater infrastructure related to streets and public rights-of-way; the installation, repair, and maintenance of accessibility upgrades or improvements to streets and public rights-of-way in compliance with the Americans with Disabilities Act of 1990, as hereafter amended, and Title 24 of the California Code of Regulations, as hereafter amended; the installation of general street infrastructure and public right-of-way improvements; the maintenance, repair or improvements to landscaping and trees and parks, parkways and open space related to circulation; transportation demand management programs to manage and reduce traffic congestion by providing mobility options and encouraging the use of transportation alternatives; and, any similar projects, improvements, or activities that, in the Mayor’s reasonable discretion, will enable the City to achieve and maintain an Overall Condition Index on City streets that meets or exceeds the standard of a good physical condition at all times.

“Targeted Rental Household” means any household in which the combined gross annual income for all members does not exceed 80 percent of the area median income, adjusted for household size, published annually by the U.S. Department of Housing and Urban Development (HUD) for the San Diego Standard Metropolitan Statistical Area. If HUD ceases to publish the area median income figures, the Mayor may rely upon any alternative publication or data source the Mayor deems to be an objectively reasonable indicator of the local area median income.

“Tax Allocation Triggering Event” means a circumstance, commencing no earlier than 20 years after the Additional Tax is first imposed (i.e., no earlier than April 30, 2045), in which the Mayor and a majority of the board of directors of the Convention Center Corporation agree that, after accounting for payment of anticipated Convention Center Expansion and Modernization Costs during an upcoming fiscal year, the fixed percentage of the Additional Tax Revenues that otherwise would be allocated to the Convention Center Tax Component under section 35.0203(b) is expected to generate more funds than reasonably necessary to pay Convention Center Operating Costs, Convention Center Support Costs, and Convention Center Business Development Costs.

“Tax Zone 1” means two noncontiguous portions of the City, one located north of California State Route 56, and the other located south of California State Route 54, as depicted on the Tax Zone Map.

“Tax Zone 2” means a contiguous portion of the City that does not comprise Tax Zone 1 or Tax Zone 3, as depicted on the Tax Zone Map.

“Tax Zone 3” means a contiguous portion of the City located generally in the downtown area, as depicted on the Tax Zone Map, and more specifically described as the area east of West Laurel Street and south of Laurel Street through its intersection with Sixth Avenue, west of Sixth Avenue through its intersection with Interstate 5 Freeway, south of Interstate 5 Freeway through its intersection with B Street, south of B Street through its intersection with 22nd Street, west of 22nd Street through its intersection with Commercial Street, south of Commercial Street through its intersection with Ocean View Boulevard, west of Ocean View Boulevard through its intersection with Dewey Street, west of Dewey Street, and west of California State Route 75 (San Diego/Coronado Bridge).

“Tax Zone Map” refers to “Exhibit A” attached to Ordinance O-21143, which depicts the geographic boundaries of each Tax Zone; provided that the text of this Division will prevail in the event of any conflict with the Tax Zone Map.

“Tax Zones” means, collectively, Tax Zone 1, Tax Zone 2, and Tax Zone 3.

*(“Definitions” added 11-19-2025 by O-21143 N.S.; effective 8-30-2024.)
(Amended 2-2-2026 by O-22053 N.S.; effective 3-4-2026.)*

(3-2026)

§35.0212 Administration of the tax

- (a) Consistency with Transient Occupancy Tax Rules.

The People of the City of San Diego intend this Division to be enforced consistently with Division 1 of Article 5 of Chapter 3 of this Code and any rule or regulation promulgated under that Division except as expressly provided to the contrary in this Division.

(“Administration of the tax” added 11-19-2025 by O-21143 N.S.; effective 8-30-2024.)