

City Council Memorandum

City of Arts & Innovation

**TO: HONORABLE MAYOR
AND CITY COUNCIL**

DATE: AUGUST 11, 2026

FROM: OFFICE OF THE MAYOR

WARD: ALL

**SUBJECT: CONSIDERATION OF COUNCIL'S SUPPORT FOR PROPOSITION 1
(\$11.25B BOND MEASURE) ON THE NOVEMBER 2026 BALLOT**

ISSUE:

Request council to consider support for Proposition 1, a \$11.25B statewide bond measure on the November 2026 ballot. Approval would codify the city's support for the measure and no city funds would be expended.

RECOMMENDATIONS:

That the City Council:

1. Affirm its support for Proposition 1: California's Veterans and Affordable Housing Bond Act of 2026.

BACKGROUND:

SB 417 (Limón, 2026) was passed by the California Legislature and signed into law by the Governor in June 2026. This legislation became Proposition 1 upon placement on the November 2026 ballot. If passed, Proposition 1 would authorize the issuance of \$11.25B in general obligation bonds for the purpose of providing funding for affordable housing and accessible homeownership. The measure would also fund programs that support the creation and preservation of affordable housing, expand homebuying opportunities for low-and moderate-income residents and veterans, and invest in permanent solutions to solve the challenge of homelessness throughout the state.

California continues to face a severe housing shortage. Estimates of the statewide shortage generally exceed 1 million homes, while the state has identified a need for approximately 1.2 million additional affordable homes for lower-income Californians. Affordable housing developments generally cannot generate enough rental revenue to cover the full cost of acquiring land, securing financing, constructing the project and

maintaining affordable rents. Public subsidies are therefore often necessary to close the financing gap and make these developments financially feasible.

California has not maintained a continuous, long-term source of funding for these programs. In 2018, voters approved of a \$4 billion Veterans and Affordable Housing Bond with approximately 56% of the vote. Because of the high demand for affordable housing assistance, most of those resources were committed within several years, thereby creating a need for more funding.

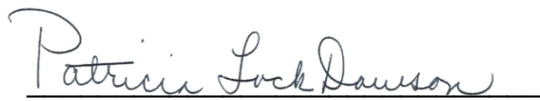
DISCUSSION:

A request to put an item on the city council agenda can be brought directly by the Mayor or a member of the City Council. The Mayor would like to bring this item before the council in an effort to help affirm the city's support for legislation and funding opportunities that directly address the challenges related to homelessness in our city and state. As chair of the Big City Mayors coalition, Mayor Lock Dawson has led support of Proposition 1 for that group, and views homelessness as one of the most pressing challenges facing municipalities today.

FISCAL IMPACT:

There is no fiscal impact from this requested agenda item, as no costs are associated with this procedural vote.

Submitted by:

A handwritten signature in cursive script that reads "Patricia Lock Dawson". The signature is written in dark ink and is positioned above a horizontal line.

Patricia Lock Dawson
Mayor