



February 10, 2026

Riverside Mayor and City Council  
City Hall  
3900 Main Steet  
Riverside, CA 92522

CC: Riverside City Manager, Mike Futrell

*Sent via email to: City\_Clerk@riversideca.gov, DGause@riversideca.gov, pdawson@riversideca.gov, pfalcone@riversideca.gov, ccervantes@riversideca.gov, SRobillard@riversideca.gov, cconder@riversideca.gov, smill@riversideca.gov, jperry@riversideca.gov, shemenway@riversideca.gov, AHolcomb@riversideca.gov, mbruns@riversideca.gov, SGarcia@riversideca.gov, REngles@riversideca.gov, SArellano@riversideca.gov, MMaldonado@riversideca.gov, lagunas@riversideca.gov, lvega@riversideca.gov, MKruse@riversideca.gov*

**RE: City of Riverside Notice of Violations of Housing Element Law and Anti-Discrimination in Land Use Regarding City Council's Vote on Quality Inn Project**

Dear Riverside City Leaders:

Inland Counties Legal Services (ICLS), The Public Interest Law Project (PILP), and American Civil Liberties Union Foundation of Southern California (ACLU) write regarding the City of Riverside's (City) action rejecting a \$20.1 million Project Homekey+ state grant and the use of \$9.5 million in federal and state funding (collectively Grant Funds) to rehabilitate and remodel the Quality Inn Motel into 114 permanent supportive housing units for low income and unhoused residents who are experiencing homelessness in the City (hereinafter referred to as the Quality Inn Project). The California Department of Housing and Community Development ("HCD") has raised compliance concerns and has indicated that its Housing Accountability Unit will investigate the City Council's action to reject the Grant Funds, and in turn, the Quality Inn Project. We urge you to reconsider the decision to reject the Grant Funds considering the City's obligations under the Housing Element Law and fair housing laws that prohibit discrimination in land use and zoning. The City leaves itself vulnerable to litigation on behalf of low-income and disabled community-members reliant on this permanent supportive housing, especially given many councilmembers' public comments evidencing discriminatory animus and bias in rejecting these Grant Funds.

On or about February 9, 2026, the California Department of Housing and Community Development ("HCD") issued written correspondence to the City Council confirming that it is aware of the City's rejection of more than \$20 million in Homekey+ funding for the Quality Inn Project. HCD further advised that the City's action raises immediate concerns regarding implementation of the City's adopted Housing Element, the City's obligations as a Prohousing Designation jurisdiction, and the City's responsibility to affirmatively further fair housing ("AFFH"). HCD has indicated that its Housing Accountability Unit will investigate further and

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urged the City Council to reconsider the Homekey+ funding award at its February 10, 2026 meeting. “(the “HCD Letter”).”

The City Council should reschedule this matter for a vote to provide an opportunity to correct course and accept the Grant Funds for the Quality Inn Project. The City risks missing a critical opportunity to house our most vulnerable community members.

**I. Rejection of the Grant Funds for the Quality Inn Project will Inhibit the City’s Ability to Implement its Housing Element Goals, Policies, and Programs for Persons Experiencing Homelessness in the City.**

Riverside’s Housing Element recognizes the positive evidence-backed outcomes associated with the Housing First Model of Service Delivery and need for creating permanent supportive housing units in furtherance of the City’s goals. “Housing First is a best practice approach to address homelessness, and specifically to using the supportive housing intervention that are characterized as deeply affordable housing paired with wrap around supportive services targeted at hard-to-serve homeless households with a disability.” (Riverside Housing Element, Sixth Cycle 2021-2029, Technical Background Report, pg. 144) “Supportive housing has proven effective in ensuring housing stability of formerly homeless households and limiting returns to homelessness. Additionally, many studies have demonstrated the cost effectiveness of providing housing and services that lead to decreased utilization of high-cost public systems, including emergency services, health care, and criminal justice.” (*Id.*) The Housing Element committed to using motel conversion opportunities to create transitional and supportive housing through Project Roomkey or equivalent mechanisms. (*Id.* at 107.)

These commitments are reflected throughout the Housing Element, including Policy HE-2 and related programs. The Housing Element’s **Policy HE-2 – Homelessness** directs the City to “expand housing and services that address the needs of the City’s homeless population,” (City of Riverside Housing Element (2021–2029), Policy HE-2 – Homelessness: Expand Housing Services that Effectively Address the Needs of the City’s Homeless Population, p. 48). This policy includes implementing the City’s Housing First strategy and supportive housing programs that integrate supportive units into new affordable developments. (City of Riverside Housing Element, Programs HE-2-1 and HE-2-2 (Supportive Housing and Housing First), pp. 48–49). The Housing First Strategy, adopted by the City in 2018 and carried forward through the Housing Element, provides guiding policy direction for addressing homelessness by prioritizing supportive housing and rapid re-housing without preconditions. (City of Riverside Housing Element, Program HE-2-1 – Housing First Strategy, pg. 48). The City’s Housing Element identifies the need to increase permanent supportive housing unit capacity and reduce returns to homelessness through evidence-based housing interventions, consistent with the City’s quantified goals and strategies to meet its share of regional housing needs and serve residents with the greatest barriers to housing stability. (*Id.*; City of Riverside Housing Element, Housing Plan and Objectives and Key Performance Indicators, pp. 47–50).

The Quality Inn Project qualifies as supportive housing. The funding that the City intends to reject is a one-time opportunity from the state to address the need for permanent supportive housing. The Riverside Housing Development Corporation (RHDC) submitted its proposal to the City in February 2025, seeking to remodel the 114 hotel rooms and transform them into studio apartments prioritizing low-income residents and people who are unsheltered. Government Code section 65582(n) defines supportive housing as “housing with no limit on length of stay, that is occupied by the target population, and that is linked to an onsite or offsite service that assists the

supportive housing resident in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community.” The City is rejecting critical funds that will further its obligation to identify and address the housing needs of its community members who are unsheltered as required by Government Code sections 8899.50 and 65583.

## **II. Housing Element Noncompliance Exposes the City to Significant Financial, Funding, and Enforcement Consequences.**

Housing availability and affordability is a critical issue, and local leaders have the power to make the most impactful decision regarding access to housing. California requires local leaders to develop their plan for growth and outline how they intend to combat the challenges that contribute to the housing crisis via the housing element. As such, California state law has established clear penalties for local jurisdictions that fail to comply with California’s Housing Element Law.

First, noncompliance will result in ineligibility or delay in receiving state funds that require a compliant housing element as a prerequisite, including, but not limited to, the following:

- Permanent Local Housing Allocation,
- Local Housing Trust Fund Program,
- Infill Infrastructure Grant Program,
- SB 1 Caltrans Sustainable Communities Grants, and
- Affordable Housing and Sustainable Communities Program.

Additionally, the City’s actions raise serious concerns regarding its continued eligibility for its Prohousing Designation and related state funding incentives. Government Code section 65589.9 reflects the Legislature’s intent to incentivize jurisdictions that maintain compliance with housing element requirements and adopt Prohousing local policies, including by awarding “additional points or other preference in the scoring of competitive housing and infrastructure programs.” (Gov. Code, § 65589.9, subd. (a).) The statute further provides that jurisdictions with a housing element found to be in substantial compliance with California Housing Element Law (Gov. Code, § 65580 et seq) and that have been designated as Prohousing “shall be awarded additional points or preference in the scoring of program applications” for key state programs, including the Affordable Housing and Sustainable Communities Program and the Infill Infrastructure Grant Program. (Gov. Code, § 65589.9, subd. (b)(1)–(4).)

Moreover, HCD is authorized to monitor Prohousing Designations on an ongoing basis and may revoke a Prohousing Designation at any time upon determining that a jurisdiction has failed to meet its obligations to affirmatively further fair housing, failed to comply with state housing law, or taken action inconsistent with its housing element. (Cal. Code Regs., tit. 25, § 6607(a)(1)(D)–(F).) Accordingly, the City’s decision to reject the Grant Funds for the Quality Inn Project not only threatens the City’s compliance with Housing Element Law, but it also places at risk the City’s Prohousing Designation status and the funding incentives tied to that designation.

HCD has also specifically noted that the City is significantly behind in meeting its Regional Housing Needs Allocation (“RHNA”), having permitted 0% of its very low-income RHNA while permitting more than 31% of its above-moderate income RHNA (see [Annual Progress Reports - Data Dashboard and Downloads | California Department of Housing and Community Development, last accessed on February 10, 2026.](#)) This imbalance heightens the risk that the

City's decision to deny Grant Funds towards the Quality Inn Project is an unlawful barrier to the development of much needed housing for very low-income households and residents in protected classes, including persons with disabilities.

### **III. The City of Riverside's Decision to Reject the Grant Funding Constitutes Discrimination Under California and Federal Fair Housing Laws.**

California's Planning and Zoning Law (Gov. Code, § 65000 et seq.) prohibits discrimination in land use and planning. Specifically, Government Code section 65008 deems any action taken by a city to be null and void if such action denies an individual or group of individuals the enjoyment of residence, landownership, tenancy, or any other land use in the state due to discrimination based on protected characteristic. (Gov. Code § 65008(a).) The law further provides that no city shall administer its laws so as to "prohibit or discriminate against any residential development ... because of the method of financing" or because "the development ... is intended for occupancy by a person in a protected class, including persons with disabilities and persons and families of very low, low, or moderate income." (Gov. Code § 65008(b).) Similarly, a city may not impose requirements on residential use by persons in a protected class, including persons with disabilities and persons of very low, low, moderate, or middle income, other than those generally imposed upon other residential uses. (*Id.*, subd. (d)(2)(A).)

California's Fair Employment and Housing Act (FEHA) makes it unlawful for a city to "discriminate through public . . . land use practices, decisions, and authorizations because of" protected characteristics, including disability, race, and source of income. (Gov Code § 12955 (l); Cal. Code Reg., tit. 2, §§ 12060 (discriminatory effects standards under FEHA); 12161, *et seq.* (prohibiting land use discrimination); and 12141 *et seq.* (prohibiting source of income discrimination and discussing liability for source of income discrimination.)) "A practice has a discriminatory effect where it actually or predictably results in a disparate impact on a group of individuals, or creates, increases, reinforces, or perpetuates segregated housing patterns, based on membership in a protected class. A practice predictably results in a disparate impact when there is evidence that the practice will result in a disparate impact even though the practice has not yet been implemented." (Cal. Code Regs., tit. 2, § 12060(b).)

Similarly, the Fair Housing Act ("FHA") prohibits housing discrimination and provides for liability where a city's actions create unlawful barriers to housing for protected classes, including persons with disabilities. The crux of a disparate impact claim under the Fair Housing Act (FHA) is "targeting artificial barriers to housing." (*Martinez v. City of Clovis* (2023) 90 Cal.App.5th 193, 255 (citing *Texas Dept. of Housing and Community Affairs v. Inclusive Communities Project, Inc.* (2015) 576 U.S. 519.)) A disparate impact claim involves a three-step burden shifting analysis, where a Plaintiff first proves that the challenged practice caused or will cause a discriminatory effect. (*Id.* at 257.) Then, the Defendant provides sufficient justification for the practice. (*Id.*) Finally, the Plaintiff established the reasons justifying the practice could be served by another practice with a less discriminatory effect. (*Id.*) There is no requirement to prove discriminatory intent. (*Id.* at 255.)

Here, the City's decision to reject funding for the Quality Inn Project – an evidence based supportive housing initiative intended to serve low-income residents and individuals experiencing homelessness – creates significant risk of liability under California and federal fair housing laws. The City cannot lawfully reject housing opportunities for individuals with disabilities and low-income residents based on generalized fears, speculation, or stereotypes about the intended residents, particularly where the effect of the decision will predictably exclude protected classes from housing opportunities and undermine the City's state housing goals. The

few comments offered by the Council members voting to reject the funding suggest animus is the motivating factor in the City's decision.

HCD has confirmed that its Housing Accountability Unit is investigating the City Council's action, underscoring that the City's decision presents immediate housing compliance concerns and potential fair housing liability.

#### **IV. The Council's Vote Was Based on Discriminatory Stereotypes and Unsupported Claims.**

The public record demonstrates that the City Council's decision to reject the Quality Inn was driven, in substantial part, by discriminatory stereotypes and fear-based assumptions about people experiencing homelessness and individuals with disabilities, including those living with serious mental illness and substance use disorders. These statements reflect an unlawful basis for denying housing and are inconsistent with the City's obligation under state and federal fair housing laws.

During and after the vote, councilmembers repeatedly framed the proposed supportive housing project as inherently criminal, dangerous, and incompatible with the community – not based on objective evidence but based on stigmatized generalizations about the people who would reside in the development.

For example, Councilmember Conder publicly asserted that the project “would have done NOTHING to reduce homelessness or crime,” and characterized contrary claims as “pure fantasy, if not outright lies.” He further asserted that supportive housing under a Housing First model becomes an “epicenter of crime,” where “felonies including the use, sale, and manufacture of illegal drugs; human trafficking and prostitution run rampant.” Councilmember Conder described the project as a “heartless, ‘Warehouse of the Homeless,’” claimed it would not require residents to “obey our laws,” and warned that it would become an “incubator of crime” posing a “grave risk” to “the over 29,000 students” at North High School and UC Riverside. He further claimed that “criminals travel to where there is opportunity,” and suggested they would “break into mailboxes, burglarize homes, and assault people on the street.”

These statements explicitly equate homelessness and behavioral health disability with criminality and violence, reflecting precisely the type of stigmatizing stereotypes that cannot lawfully form the basis for a land use decision.

Equally concerning, Councilmember Conder premised several of his arguments on demonstrably inaccurate assertions regarding the structure of the project. Specifically, he claimed the project would be “Section 8 Public Housing” such that “anyone who met the federal criteria... could not be turned away” and that the City would be unable to prioritize seniors or veterans. This claim mischaracterizes the nature of the proposed project-based rental assistance model and reflects a broader pattern of misinformation and stigmatizing assumptions being used to justify rejection of housing intended to serve extremely low-income households and individuals with disabilities. This is precisely the type of discriminatory stereotyping that state and federal fair housing laws prohibit. Reliance on such misinformation and generalized fears cannot constitute substantial evidence sufficient to justify the rejection of supportive housing under state housing law.

Similarly, Councilmember Falcone publicly stated that he did not support a “Housing First Absolute” approach and expressed concern that without “expecting tenants to engage in support,”

individuals with “addiction and mental health challenges” would be left to “navigate on their own.” He emphasized a preference for “structure” and “expectations” and stated that tenants should be required to actively partner with service providers, “toward healing.”

Councilmember Mill likewise stated that the project would require the City to commit to permanent supportive housing “with no enforceable expectations around treatment, recovery , or stabilization,” and described the intended population as individuals suffering from long-term substance use disorders and/or serious mental illness,” with services that were “entirely voluntary” and no mandated participation in treatment or clinical care.

Councilmember Robillard similarly emphasized that Homekey+ eligibility is “specifically centered on individuals who are unhoused and who are experiencing serious mental illness and substance use disorders,” and characterized those conditions as foundational requirements of the program.

Collectively, these statements reflect hostility toward the intended residents of supportive housing and demonstrate that the vote was shaped by stigmatizing assumptions equating homelessness and disability with criminality, danger and lawlessness, as well as making discriminatory and inflammatory statements about persons who are justice and system-impacted due to interaction with the criminal legal system. As to this class of persons, California law extends fair housing protections to help aid their successful reentry back into society. (Cal. Code Reg. §§ 12264-12271; see also Gov. Code § 53165.1.)

Further, this framing is particularly concerning because individuals with serious mental illness and substance use disorders are protected under state and federal disability discrimination laws, and cities may not deny housing based on speculative fears or generalized stereotypes regarding disability. (Gov. Code, § 12955.)

Moreover, several councilmembers repeatedly focused on the fact that the project was not exclusively reserved for seniors or veterans, suggesting that the absence of such a limitation justified rejection of the Grant Funds. This reasoning is troubling because it implies that housing for individuals experiencing homelessness is only worthy of support when limited to certain “acceptable” subgroups. While seniors and veterans may be prioritized as a matter of local preference, the City cannot lawfully reject a supportive housing project because it will also serve individuals experiencing homelessness who have disabilities or behavioral health concerns. (Gov. Code §§12955; 65008; Cal. Code Reg., tit. 2, §12161.)

The City’s reliance on unsupported assumptions about the intended residents – particularly assertions that the Quality Inn Project would inevitably increase criminal activity, trafficking, drug use, and violence – further demonstrates that the vote to reject it was driven by fear-based narratives and discriminatory animus rather than evidence-based land use criteria. These claims are not supported by objective findings tied to the Quality Inn Project’s specific operational plan, and they cannot serve as a lawful justification for denying housing opportunities to protected classes. (Cal. Code Reg., tit. 2, § 12161 (b).)

As a result, the City’s decision to reject the Quality Inn Project exposes the City of Riverside to significant legal liability for discriminatory land use practices that will predictably and disproportionately impact low-income residents and persons with disabilities. (Cal. Code. Reg., tit. 2, § 12060.) The City does not have a reasonable justification for rejecting the funds that will

clearly further the goals stated in its Housing Element, and low-income community members stand to be disparately impacted by the City's decision.

### Conclusion

We strongly recommend that the City of Riverside reconsider its vote. We hope to resolve this issue amicably to ensure that all Riverside residents are treated with dignity in the City's furtherance of its housing goals.

Sincerely,

**Inland Counties Legal Services**

/s/Chloe McGrath Wright

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