



MEDIA RELEASE

February 7, 2026

City of Riverside Turns Down \$20M State HomeKey Grant for 114 Unit Permanent Supportive Housing Project for Homeless Disabled Seniors & Veterans w/mental illness

WHEN: Public Testimony, 1 pm, Tuesday, February 10th at Riverside City Hall

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The City of Riverside has abandoned 94 homeless seniors and veterans with mental illness and/or substance abuse to the streets of Riverside, rather than house them and reduce homelessness. This action by 4 white City Councilmembers—Philip Falcone, Steven Robillard, Chuck Conder, and Sean Mill—overruled the Champion of the project Councilmember Clarissa Cervantes, the only woman and Latino on the Council in her own district.

The opposing Councilmembers presented no alternative solutions to house the 94 homeless seniors or veterans or any funding option for future projects. One hundred forty homeless died in Riverside County in 2025. These Councilmembers seem immune to the concern about these vulnerable people. Further, with State homeless funding drying up due to the State's fiscal woes and federal funding for homelessness in turmoil, the only source of funding for future projects appears to be the City's general fund dollars, resulting in a tax increase on all Riversiders to pay for housing the homeless.

The proposed 114-unit Permanent Supportive Housing development was to be funded by a \$20 million California Homekey grant and \$9 million in federal funds required no City funds. It would provide stable, supportive housing for 94 seniors and veterans living with chronic mental illness and substance use disorders and 20 additional affordable housing units. The project was designed to emulate the best practices of the Housing First model with 6 case managers to assist the homeless residents in stabilizing their lives, overcoming severe trauma and getting the necessary treatment at 3 nearby FQHCs (Federally Qualified Health Clinics that specialize in services to homeless and or high risk and or extremely low income individuals) within blocks of the location. The project included 24 hour security, a staff person living on site, and was gated

at the request of the community. The location was chosen for its access to transit, shopping, health care, and other resources. In Redlands, the 98 unit permanent supportive housing project operated by Step Up is highly successful and featured on the Redlands Chamber of Commerce website.

The site is currently a Quality Inn, which is an attractive nuisance leading to over a 100 police calls in 2025 and getting worse. Indeed, Councilmember Mill called for increased police enforcement at that site to address the rising crime. Its weekly rental rate is \$60/night for weekly rentals. The **Old Riverside Foundation**, who operates a historic building directly behind the hotel described the current situation as **“The Quality Inn’s problems spill over to us: break-ins, theft, vandalism, broken windows, and illegal drug use. Attempted entries several times a week, late at night. Our volunteer caretakers have cleaned up vomit and human defecation from the property.”** Thus, the renovated University Terrace would be a dramatic improvement to the University Avenue corridor.

The project has overwhelming public support. Thirty-two organizations have submitted letters of support to the City Council. The project enjoys strong support from the students of the nearby University of California-Riverside. Public testimony has also been overwhelmingly supportive. Across the last two council meetings on January 27th and February 3rd, **65 residents and experts spoke in favor of the project & only 3 spoke against in 3 ½ hours of public testimony.**

In Redlands, the 98 unit Permanent supportive housing program operated by Step Up is highly successful and endorsed and featured on the Redlands Chamber of Commerce website.

Despite these facts, small but powerful opposition continues, driven largely by a familiar refrain from well-resourced local opponents: support for affordable housing, not wanting “those people” and “just not here.” It is a classic case of NIMBYism. This opposition has not been open to considering the project on its merits. Despite affordable housing in the area, they are adamantly opposed to this location. They are led by the influential Bailey Family that has invested \$15 million in the new FarmHouse Collective a couple of blocks down the street. The ironic piece is the University Terrace project would remove all the issues stemming from the Quality Inn and be a lasting improvement to University Avenue.

The City Councilmembers claim there would be no accountability for the residents of the University Terrace. Yet, the proposed developer and operator, the Riverside Housing Development Corporation (RHDC) has 35 years of operation with 1300 rental units and a strong reputation. Former Mayor of Riverside Rusty Bailey and the founder and Executive Director of the Fair Housing Council of Riverside, Rose Mayes, a civil rights icon sit on their board.

As for tenants, every resident signs a legally binding lease, pays 30 percent of their adjusted gross income for rent, illegal activity including drug use is not permitted, nuisance or disruptive behavior is addressed through a documented enforcement process, repeated violations will result in termination of the tenancy and eviction consistent with California law.

Remarks by City Council members during deliberations about the approval of the grant application and the denial of acceptance have led the ACLU and RHDC have written letters warning the City Council and Mayor that denying this grant exposes the City of Riverside to massive legal liability from all 94 seniors and veterans who would be denied housing due to disabilities, including mental illness and substance use disorders which is clearly discriminatory and a violation of the Fair Housing Act.

The consequences of rejecting this project extend far beyond the loss of housing units. Doing so would:

- Jeopardize future state and federal homelessness funding
- Possible loss of the City of Riverside's Pro-Housing designation, costing the City millions
- Expose Riverside to significant legal liability
- Undermine revitalization efforts along University Avenue
- Damage the city's reputation with state leaders and philanthropic funders
- Undercut the Big City Mayors Coalition, chaired by Riverside Mayor Patricia Lock Dawson, by rejecting \$20 million dedicated to fighting homelessness

"This decision doesn't just harm vulnerable seniors and veterans," advocates say. "It violates the public trust and signals that Riverside is unwilling to lead on one of the most urgent issues facing our state."

Despite the denial, community members are urging residents to act by contacting their councilmembers, attending the upcoming council meeting on Tuesday, February 10th at 1 pm, and speaking out publicly in support of the project.

Riverside still has a chance to choose compassion, fiscal responsibility, and public safety—but that window is closing fast. As Riverside Mayor said, "People Rise, Cities Follow".

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5/20/25 City Council Meeting (Grant Application)

Link – [Revised City Council - Art Pick Council Chamber](#)

Timing

- 1:07:07 – Item #7 begins and public comment follows
- 2:53:40 – Council remarks and deliberation

1/13/26 City Council Meeting (Quality Inn Vote)

Link – [City Council - Art Pick Council Chamber](#)

Timing

- 2:39:50 – Item #24 begins and public comment follows
- 4:54:00 – Council remarks and deliberation

- 5:16:15 – Councilmember Mill’s comment

1/27/26 City Council Meeting (Public Comment for Reconsideration)

Link – [City Council - Art Pick Council Chamber](#)

Timing

- 1:00 (public comment begins) through 30:25 (public comment ends)

Old Riverside Foundation Statement of Support from their Facebook page repeated in testimony before City Council on February 3rd

<https://www.facebook.com/oldriversidefoundation/posts/pfbid02ToSiSmUowUGqodJi4DSanJcPktZhf7DYi612cwt1pFgtQ1rAHNdA1FmYhq6HMek7l>