




C I T Y O F
RENO
Memorandum

DATE: February 18, 2026

TO: Mayor and City Council

THROUGH: Jackie Bryant, City Manager 

FROM: Elaine Wiseman, Housing Administrator
Monica Kirch, Director, Housing and Neighborhood Development

DEPT: Housing and Neighborhood Development

SUBJECT: Hi-Way 40 Update

In March 2022, the City entered into an agreement with Volunteers of America (VOA) to provide \$2,000,000 in Coronavirus State and Local Fiscal Recovery Funds (SLFRF) for the acquisition of the Hi-Way 40 Motel. An additional \$350,000 in SLFRF funds was allocated in July 2023 for the same purpose. The goal of this project is to substantially rehabilitate the dilapidated motel into 28 units of Permanent Supportive Housing (PSH) for individuals experiencing homelessness, with incomes at or below 30% Area Median Income (AMI), who also have a mental or physical disability.

Escrow closed on the property in September 2023. Following acquisition, the project entered pre-construction activities, including architectural design, interior demolition, and environmental remediation. During this phase, significant asbestos-containing materials were discovered, requiring extensive abatement beyond initial projections.

Construction formally began in May 2025. Due to the age and deteriorated condition of the existing structures, the project has experienced continued unforeseen rehabilitation challenges. These conditions have resulted in higher than anticipated construction costs which had resulted in a funding gap necessary to bring the project to completion.

With the City's support, VOA applied for funding through the Nevada Attainable Housing Account (NAHA) in December 2025 in the amount of \$1,479,476 to address the remaining funding shortfall. On February 5, 2026, the NAHA Council subsequently awarded the project the full requested amount, providing the required funding to bring the project to completion.

Construction is anticipated to be completed by the end of March 2026, with lease-up expected to begin in April 2026. Upon completion and occupancy, the project will provide 28 units of permanent supportive housing serving our community's most vulnerable residents.

As the project nears completion, staff will keep Council apprised of grand opening events and opportunities to recognize this important milestone for the community.

