



Lacey City Council Approved Worksession Minutes

Tuesday, January 27, 2026

Council Chambers and Online

1. Call to Order

Mayor Ryder called the meeting to order at 6 p.m.

2. Roll Call

Council Present

Mayor Andy Ryder
Deputy Mayor Malcolm Miller
Councilmember Lenny Greenstein
Councilmember Carolyn Cox (remote)
Councilmember Nicolas Dunning (remote)
Councilmember Maren Turner
Councilmember Ryan Siu

Staff Present

Rick Walk, City Manager
Shannon Kelley-Fong, Assistant City Manager
Dave Schneider, City Attorney
Robert Almada, Police Chief
Vanessa Dolbee, Community and Economic Development Director
Troy Woo, Finance Director
Ryan Andrews, Community Planning Manager
Paul J. White, Deputy City Clerk

3. Land Acknowledgement

Mayor Ryder presented the abbreviated Land Acknowledgement.

4. Approval of the Agenda

Councilmember Greenstein moved to approve the agenda. Deputy Mayor Miller seconded. The motion carried.

5. Public Comment

Verbal Public Comment

No one signed up to speak at the meeting.

One person registered to speak remotely:

John Torrence, Low Income Housing Institute, commented on the Franz Anderson Housing Development.

Written Public Comment

No written public comments were received.

6. Agenda Items

A. **Franz Anderson Permanent Supportive Housing Interlocal Agreement**

Vanessa Dolbee, Community and Economic Development Director

Ryan Andrews, Community Planning Manager

Jacinda Steltjes, City of Olympia Affordable Housing Manager

Walk presented background on the Franz Anderson Permanent Supportive Housing project in Olympia, located on Franz Anderson Road north of Interstate 5. The project is intended to provide supportive services to help establish people in permanent housing. The City of Olympia has contracted with the Low-Income Housing Institute (LIHI) to implement the project. LIHI has requested changes to the mix of eligible residents to include more units for residents with up to 50 percent average median income (AMI). Andrews described the need to amend the project's interlocal agreement between Thurston County and the Cities of Olympia, Lacey, and Tumwater to align with the updated mix of income-eligible residents. The project involves construction of a 71-unit facility. LIHI, which operates Lacey's Maple Court facility, will own and operate the Franz Anderson facility. Andrews reported that reduction in federal Housing Choice Vouchers is a contributing factor to the need to revise the income eligibility mix. Discussion ensued.

B. **House Bill 2015 Discussion**

Shannon Kelley-Fong, Assistant City Manager

Troy Woo, Finance Director

Robert Almada, Police Chief

Lieutenant Jaime Newcomb

Kelley-Fong summarized previous revenue discussions as part of the City's Financial Action Plan and presented available options based on the Legislature's passage of HB 2015 in 2025. HB 2015 allows local governments to levy a 0.1-percent local sales tax for public safety and criminal justice needs by council action. It also established a grant program to support hiring and retention of police officers. Because counties and cities can impose the new local sales tax

concurrently, the potential impact for incorporated areas could be an additional 0.2-percent sales tax increase. Lacey's current sales tax rate is 9.7 percent.

Eligibility criteria for the grant program continue to develop. It was reported that at this time, no agencies in Washington have met the program requirements. Uses and criteria for both programs were summarized. A financial analysis of potential revenue and expense was presented. In addition to HB 2015 options, Kelley-Fong presented an analysis of a levy lid lift with use limited to public safety. Voter approval would be required to increase local property tax assessment by more than the 1 percent statutory limit for annual property tax increases. Revenue from this additional property tax assessment could be used for purposes defined by the City Council.

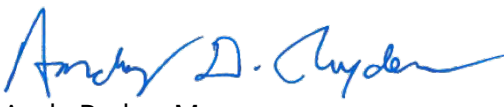
C. 2026 Retreat Overview

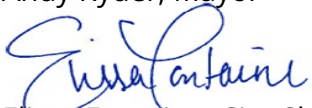
Rick Walk, City Manager

Walk provided an overview of the agenda for the upcoming council retreat on January 30.

7. Adjourn

Mayor Ryder adjourned the meeting at 8:37 p.m.

MAYOR: 
Andy Ryder, Mayor

ATTEST: 
Elissa Fontaine, City Clerk

APPROVED: March 3, 2026