



Lacey City Council Worksession Agenda

Refer to the bottom of the agenda for meeting information.

Tuesday, July 14, 2026

6:00 PM

Council Chambers and Online

1. Call to Order

2. Roll Call

3. Land Acknowledgement

We, the City of Lacey, are on the ancestral land of the Tribal People of the Treaty of Medicine Creek, including the Nisqually Indian Tribe and Squaxin Island Tribe. We acknowledge and remember those Tribal People not recognized today who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here. We recognize and respect the Tribal People of the Treaty of Medicine Creek as the traditional stewards of this land since time immemorial and their role today in taking care of these lands in perpetuity. We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as they have today. We recommend that community members read the Medicine Creek Treaty of 1854.

4. Approval of the Agenda

5. Public Comment

Refer to the bottom of the agenda for instructions on how to provide public comment.

6. Agenda Items

A. Thurston Conservation District Program Briefing

Sarah Moorehead, Executive Director

B. Draft 2026 CDBG Annual Action Plan Review

Michelle Chavez, Human Services Coordinator

C. Official Newspaper Designation

Elissa Fontaine, City Clerk

D. Council Reports

7. Adjourn

Meeting Information:

Attendance (Remote or in Person)

The public may attend the meeting in person, or you may view or listen to the meeting using one of the

following platforms:

In Person: Council Chambers at Lacey City Hall
420 College Street SE, Lacey, WA 98503

Zoom: https://us02web.zoom.us/webinar/register/WN_3VYKV8i7TSO9RcKa8WibBw

Website: <https://cityoflacey.org/government/public-meetings/>

Facebook: <https://www.facebook.com/cityoflacey>

YouTube: <https://www.youtube.com/watch?v=g5G4CzagbPE>

Phone: (888) 788-0099 or (877) 853-5247 (Webinar ID 856 0471 8595)

Verbal Public Comment

Each speaker is limited to three minutes. Comments are welcome on matters connected to City business or specific agenda items.

Prior to starting your comments, please provide your:

- a. Name
- b. City of residence or connection to the City
- c. Topic or subject matter of your comments

Those wishing to provide verbal public comment may do so in person or by Zoom:

In Person: Use the sign-up sheet located in the Council Chambers.

Zoom: Preregister using the following Zoom link no later than two hours prior to the meeting:
https://us02web.zoom.us/webinar/register/WN_3VYKV8i7TSO9RcKa8WibBw

Instructions and access details will be provided once registration is complete.

Written Public Comment

Public comments may also be submitted by email to PublicComment@cityoflacey.org. The commenting period will close two hours before the meeting time. Written comments will be provided to the City Council electronically prior to the meeting. Comments will not be addressed during the Council meeting; however, comments received will be added to the official record.

Growing a Resilient Lacey Through Conservation Partnership



July 14th, 2026
TJ Johnson, Board Chair
Sarah Moorehead, Executive Director

Building a Strong Foundation

TCD offers a voluntary, non-regulatory model that can extend the City's capacity, reach residents who may not otherwise participate in public programs, and help turn community interest into on-the-ground conservation action.



Thurston Conservation District: A Trusted Conservation Partner

We are a trusted, community-driven organization with over 75 years of service to our region.



*To protect and
enhance the farms,
forests, and
natural landscapes
of Thurston
County.*

Existing Partnerships and Work in the City of Lacey

Preparing the Next Generation of Environmental Stewards

South Sound GREEN provides a ready-made platform for connecting City investments in water quality and habitat with meaningful student learning.



Hands-on water-quality and watershed education.

Classroom instruction paired with outdoor field experiences.

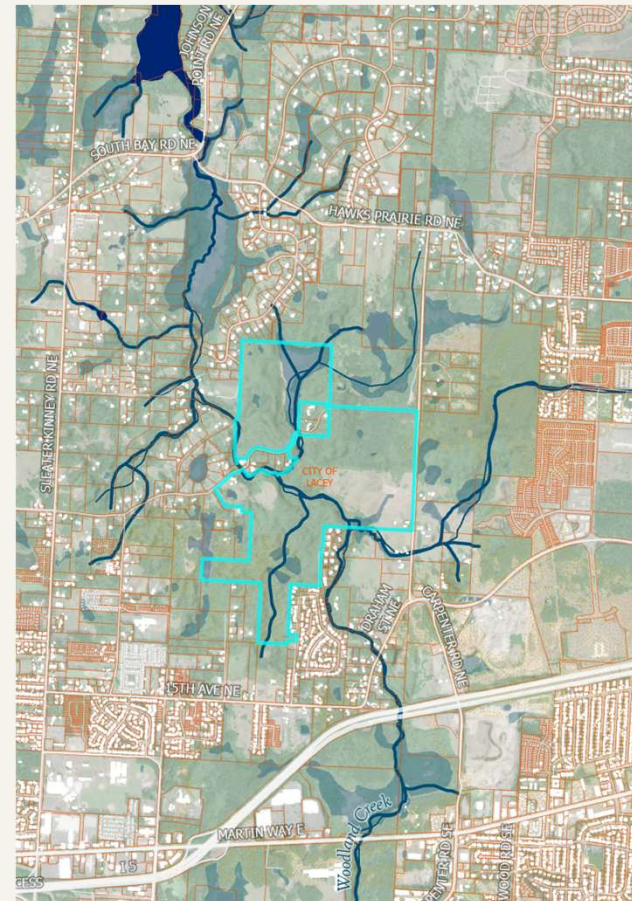
Connections between science, civic responsibility, and local ecosystems.

Practical Help for Properties and Neighborhoods

Meeting residents where they are with technical knowledge and conservation project construction.

Voluntary, personalized, practical solutions that fit the needs of individual properties and regional priorities.

Restoration efforts in Woodland Creek work in synergy with water quality projects led by the City of Lacey.



Opportunities to Expand Our
Work Together

Community Gardens and Urban Food Access

Education and programs like 'Farm My Yard' connect residents to knowledge and the land.



TCD has community gardens in partnership with the cities of Olympia, Yelm and Bucoda.

Whole-city agricultural lands analysis and policy recommendations, can accompany individual support for growers and gardeners.

Green Stormwater Infrastructure & Retrofits

Many residential and neighborhood-scale projects struggle to fit existing funding programs, priorities and capacity.

High demand to move from education, to design, to implementation of stormwater projects.

Existing stormwater ponds can be improved to provide more drainage and habitat benefits.

Green stormwater infrastructure partnerships with Conservation Districts like this already exist in Pierce, Mason and Kitsap counties.



Urban Forestry, Wildlife & Pollinators

Urban forestry can simultaneously advance stormwater management, heat resilience, air quality, wildlife habitat, neighborhood character, and climate goals.



Preparing for Increasing Seasonal Water Demand

Water conservation is closely connected to stormwater, groundwater recharge, summer streamflow, climate resilience, and utility planning.



Key Thurston Conservation District Initiatives

Investing in Long-Term Regional Conservation Capacity

Priority initiatives for a bright future.

Rates and Charges



Farmland Preservation

Conservation & Education Center



Expanding Capacity for Community Impact

- Increase City capacity
- Improve management
- Help residents
- Leverage funding
- Prepare for natural disaster
- Educate the next generation
- Improve landscapes
- Increase food security



Partnership Discussion: Where can TCD Add the Most Value?

Where are your largest natural resources management gaps?

Are there priority neighborhoods, resources, or audiences?

Which City plans, obligations or strategic goals could TCD help advance?



A Bright Future for Thurston County

Thurston Conservation District and the City of Lacey share a commitment to healthy water, thriving habitat, resilient neighborhoods, and an engaged community.



www.thurstoncd.com

July 14th, 2026
TJ Johnson, Board Chair
Sarah Moorehead, Executive Director



STAFF REPORT

Council Worksession

July 14, 2026

Subject: Draft CDBG 2026 Annual Action Plan
To: Lacey City Council
Prepared by: Michelle Chavez, Human Services Coordinator
Department Director: Shannon Kelley-Fong, Assistant City Manager
Reviewed By:
Final Review: Rick Walk, City Manager

mjc
SKF

RW

Purpose: Briefing

Recommendation: Review only.

Brief: The City is required to submit a CDBG Annual Action Plan (AAP) to the US Department of Housing and Urban Development (HUD) as part of its three-year (2025-2027) CDBG Consolidated Plan. The 2026 AAP is a planning framework that describes expected resources, annual goals and objectives, projects, geographic distribution, other actions and program specific requirements.

Two public hearings were held for the 2026 AAP at the Human Services Commission (HSC) on June 4 and July 2, 2026. A 30-day public review and comment period was also held from June 2 to July 1, 2026. At the July 3, 2026 meeting, the HSC recommended the attached DRAFT 2026 AAP be forwarded to the City Council for review and approval.

The City Council will consider approving the 2026 AAP at a future meeting.

Alternatives:

1. N/A

Prior Review:

Human Services Commission - January 8, 2026 [LINK](#)

City Council - March 10, 2026 [LINK](#)

Human Services Commission - June 4, 2026 [LINK](#)

Human Services Commission - July 2, 2026 [LINK](#)

Advisory Board Recommendation(s):

N/A

Fiscal Impact:

Budgeted Item: Yes

Amount: \$337,498

Project Code: N/A

Funding Source: 120-0000-333-14-20

Attachments:

1. DRAFT 2026 CDBG AAP

Policy or Legal Alignment:

1. [2025-2027 CDBG Consolidated Plan](#)

Background: The Community Development Block Grant (CDBG) Program provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.

CDBG funded programs or projects must fall under one of the three national objectives:

1. Benefit low- and moderate-income persons
2. Prevention or elimination of slums or blight
3. Address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

General information on the City of Lacey's (City) Community Development Block Grant Program (CDBG) can be accessed on the [CDBG webpage](#).

The City Council approved the 2025-2027 CDBG Consolidated Plan and 2025 AAP, which recommended allocating CDBG funds for City capital projects in the first few years, e.g., ADA improvements, sidewalks, etc. This approach complements existing Human Service Grant Program (HSGP) funds, which predominantly focus on services. This use also aligns with administrative resource limitations and is the most flexible if federal requirements change.

The first public hearing on the 2026 CDBG AAP was held on June 4, 2026. There were no public comments received. A 30-day review and comment period was held from June 2 to July 1. No additional comments were received during the period to date. A second public hearing was held on July 2, 2026. In attendance were representatives of several non-profit organizations. There were not any public testimony or public comments received by the HSC. Any comments submitted via the Human Services Commission and Lacey City Council will be submitted to HUD along with the AAP.

2026 Annual Action Plan

The City recommends dedicating Program Year 2026 (PY26) CDBG for the same purposes as identified in PY25 CDBG, with 90% of the CDBG dollars proposed to be spent on capital improvements in Lacey that benefit a majority (51%) of community members who are low to moderate-income; the remaining 10% would be used for administrative costs (the maximum administrative costs allowed under CDBG is 20%), see **Attachment 1**.

Table A displays the updated HUD CDBG Income limits for Lacey, which became effective June 1, 2026.



Table A			
Effective June 1, 2026 Income Limits Summary HUD Definitions - FY 2025			
Household Size	Extremely Low Income (30%)	Very Low Income (50%)	Low (80%)
1 (Person)	\$ 25,800	\$ 43,000	\$ 68,800
2 (Person)	\$ 29,500	\$ 49,150	\$ 78,600
3 (Person)	\$ 33,200	\$ 55,300	\$ 88,450
4 (Person)	\$ 36,850	\$ 61,400	\$ 98,250
5 (Person)	\$ 39,800	\$ 66,350	\$ 106,150
6 (Person)	\$ 42,750	\$ 71,250	\$ 114,000
7 (Person)	\$ 45,700	\$ 76,150	\$ 121,850
8 (Person)	\$ 48,650	\$ 81,050	\$ 129,700

Total estimated 2026 Lacey CDBG allocation: \$337,498.

- Proposed 2026 Capital Project Dollars (Public Facilities and Infrastructure): \$303,749
- Proposed 2026 Administration and Planning dollars: \$33,749

Like the 2025-2027 Consolidated Plan and 2025 AAP, City staff recommend that the 2026 AAP include the same list of potential capital projects for potential CDBG use, see **Table B**.

Table B					
Sample Potential CDBG Eligible City Capital Projects					
#	Project	Eligibility	Timeline	Brief	Est. Cost
1.	Huntamer Park Improvements	Qualified Census Track	Near-term 2026 - 2028	Updates to park, including sidewalks	\$1.8M
2.	ADA sidewalk updates	Qualified Census Track	Near-term 2026+	Update sidewalks throughout areas	Scalable
3.	Senior Center Expansion	Potential LMI Qualifier	Near-term 2027+	Expand approx. 3,000 sq. ft. to meet the needs of the growing senior community	\$4.3M
4.	Brooks Park Enhancements	Qualified Census Track	Near-term 2027+	Add new amenities, e.g., playground	\$615K
5.	Other public infrastructure improvements (lighting, septic, etc.)	Qualified Census Track	Near-term 2026 - 2028	Varies	Scalable
6.	Rainier Vista Park Improvements	Qualified Census Track	Long-term 2028+	Add new amenities, e.g., playgrounds, courts, etc.	\$1M
7.	Lacey Museum & Cultural Center	Qualified Census Track	Long-term 2028+	Construct a new museum and cultural center	\$14+M
8.	College St. Sidewalk and Pedestrian Crossing Improvements	Qualified Census Track	Long-term 2028+	Improve crossing infrastructure	\$1M+

To date, the City has not allocated CDGB funding to any specific project, however, Project #1 below, Huntamer Park Improvements, is close to commencing with funding from CDBG, potential other federal sources, and potential local sources, including state and City funding.

Project #1 – Huntamer Park Improvements

For decades, the City has actively engaged in planning and public projects to transform the Midtown District into a vibrant, community-centered urban core. The “heart” of this area, Huntamer Park, a 1.5-acre civic space, desperately needs updates to meet the growing community's needs. The last significant improvements at Huntamer Park occurred in 2005. Since then, the surrounding Midtown District has grown significantly with new mixed-use and residential (re)developments. This project would strengthen civic engagement, improve equity by increasing park access and amenities in Community Development Block Grant-qualified census tracts, increase environmental resiliency, improve public health and wellness, and expand economic growth and development. The overall project includes adding plaza spaces, a water feature, new landscaping, pathways, pedestrian lighting, and recreational enhancements and furniture designed for daily use while maintaining civic

spaces for important community-wide events. The total project cost is estimated at approximately \$1.6 million, with the CDBG portion used to improve sidewalks and accessibility. City staff recommends allocating \$303,749 of PY26 CDBG dollars to this project.

Contingency Project: Accessibility Improvements to the Virgil S. Clarkson Senior Center parking lot

City staff recommends a contingency project for PY26 CDBG dollars to expand the existing parking lot at the Virgil S. Clarkson Senior Center (Senior Center) and improve ADA accessibility. The expansion is necessary to accommodate increased use and attendance at the Senior Center, improve accessibility for older adults, and enhance overall safety during peak hours and special events. The existing lot is often at capacity during regular programming, forcing older adults to park a considerable distance away or to forgo attendance. The expanded parking lot will include approximately 50 additional spaces and improve ADA-accessible parking. The preliminary estimated cost of the project is \$1,000,000 to 2,000,000.

This includes environmental review, engineering, demolition, construction, and contingencies. The City has used CDBG funds through the Washington State competitive CDBG Program for both the construction of the Senior Center in 2000 and the Senior Center Expansion Project in 2011.

Administration

City staff also recommends allocating 10% of PY26 CDBG funds to project administration (\$33,749) which is half of the total amount eligible for this purpose (20% maximum). This reduces impact to the City's general fund and partially supports staff CDBG resources, including planning for future CDBG allocations, new 5-year Con Plans, AAPs, and CAPERS; creating program guides and monitoring handbooks; potential future sub-recipient monitoring; submitting financial reports; completing environmental reviews for programs and projects; and continuing program improvements and reporting on outcomes.

Program Year Reports

CDBG Program Year 26 (PY26) funds must be reported on via the Consolidated Annual Performance and Evaluation Report (CAPER) within 90 days of the PY26 end date. The U.S. Treasury Department recaptures CDBG funds if they are not spent within 6 years.

The 2026 Program Year (PY26) runs from September 1, 2026, to August 31, 2027.

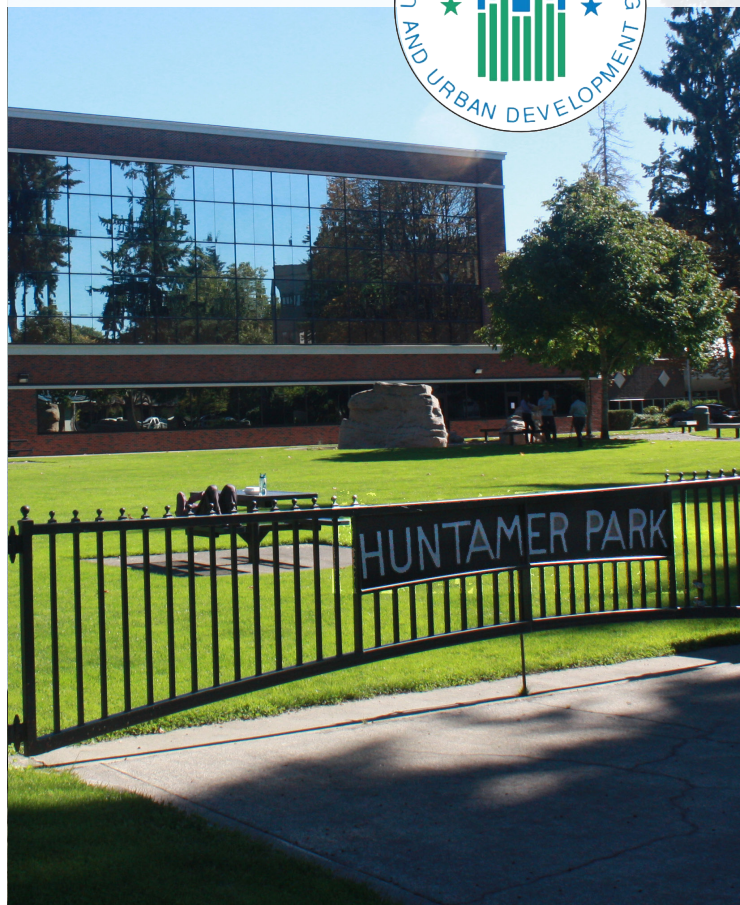
Table C provides a draft 2026 CDBG Program Timeline.



Table C 2026 CDBG Program Timeline Dates Subject to Change			
Dates	Activity	Who	Notes
January 8, 2026	CDBG Update to Human Services Commission (HSC)	City of Lacey	Update and get recommendations on 2025 capital projects
March 10, 2026	CDBG Update to City Council	City of Lacey	Update and get recommendations/direction on 2025 capital projects
May 27, 2026	Public Notice of Public Hearing #1 and 30- day public review and comment period for 2026 Annual Action Plan (AAP) June 2 to July 1	City of Lacey	Olympian, City website – Public Comment Period 30 days
June 4, 2026	HSC Holds First Public Hearing for 2026 AAP	City of Lacey	Review draft 2026 AAP and Timeline for Submittal
June 24, 2026	Public Notice of Public Hearing #2 for 2026 AAP	City of Lacey	Olympian, City website
July 2, 2026	HSC Holds Second Public Hearing for 2026 AAP	City of Lacey	Review draft 2026 AAP and Timeline for Submittal
July 14, 2026	City Council Reviews Draft AAP	City of Lacey	Reviews public comment, HSC recommendation
July 21, 2026	City Council takes final action	City of Lacey	Reviews public comment and HSC recommendation, and approves version for submittal to HUD.
Late July	Staff Submits Final Draft of AAP to HUD	City of Lacey	Online
August 2026	HUD Review and Comment Period	HUD	45 days maximum
September 1, 2026 to August 31, 2027	Year two of Lacey CDBG Entitlement Program	City of Lacey / HUD	
September 3, 2026	HSC Reviews Draft 2025 CAPER	City of Lacey	15-day public comment period
November 2026	Submit 2025 Consolidated Annual Performance Evaluation Report (CAPER) to HUD	City of Lacey	Report on activity



2026 CDBG Annual Action Plan



Executive Summary

AP-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

In 2024, the City of Lacey (City) took the necessary steps to begin the process of becoming a Community Development Block Grant (CDBG) entitlement community and to receive CDBG funding directly from the U.S. Department of Housing and Urban Development (HUD). Previously, the City received a CDBG allocation through a consortium with Thurston County. A requirement to receive these funds is to prepare an Annual Action Plan covering a three-year period, 2026-2027. The Annual Action Plan aims to identify how funds will be targeted to develop viable urban communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for low- and moderate-income persons.

The City remains in a HOME Investment Partnership (HOME) Consortium with Thurston County and Olympia to receive and manage HOME funding.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan, or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis, or the strategic plan.

The City is providing this action plan to include priority needs identified in the Thurston County 2023-2027 Consolidated Plan. They are as follows:

- Community and Economic Development, including: Improvements to public facilities and infrastructure which support housing for low- or moderate-income households, improvements to public facilities and infrastructure to support low- or moderate-income neighborhoods, improvements to low-income neighborhoods to reduce the concentration of poverty.
- Services, including: Supportive services for unhoused community members or those experiencing a mental health crisis, services to support older adults, children, and

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families, including food insecurity and child care, services to improve economic opportunities for low- or moderate-income persons.

- Affordable Housing, including: Increasing the affordable housing supply and preserving or improving existing affordable housing. The following goals address the priority needs:

- 1) Provide Public Facilities and Infrastructure Improvements to support low- or-moderate income households and neighborhoods and reduce the concentration of poverty.
- 2) Provide Services and Assistance to Improve Housing and Economic Outcomes
- 3) Increase affordable housing supply in Lacey and preserve existing affordable housing that will provide permanent housing for formerly unhoused community members, LMI renters and improve quality of affordable housing stock, including LMI home-owners.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The City previously received direct CDBG dollars through the competitive State of Washington CDBG program in 2000 and 2011. This funding was successfully used for the construction and expansion of the Lacey Senior Center. That project was completed with no corrective action taken.

More recently, the City received CDBG funding through a Consortium with Thurston County since 2014. The attached CDBG Project List (Table 1) include all of Lacey's CDBG-funded programs and projects as part of the Consortium from 2014 through 2023.

In 2024, Thurston County and the City were monitored by HUD for the 2020 Veterans Hub Expansion project. Thurston County received a finding from this HUD monitoring. As a result, they were required to update and extend the CDBG contract with the City and also perform additional monitoring of the Lacey Veterans Services Hub (LVSH) to ensure compliance with CDBG requirements. This served as corrective actions to the finding.

From January through March 2025, Thurston County monitored the City and the LVSH. After reviewing income verification documents provided by the City, it was determined that there were no findings or concerns regarding compliance with CDBG income documentation requirements for the LVSH.

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Each quarter in 2025, the City provided client income verification data to Thurston County to ensure that the City remained in compliance with CDBG regulations. The LVSH remains well above the 51% low- to moderate-income beneficiary ratio. 77% of LVSH clients were LMI in 2025. The City will continue collecting CDBG client income data for the duration of the CDBG contract with Thurston County, which ends 8/31/2030.

In 2025, the City approved its first Annual Action Plan and 3-year Consolidated Plan. The dollars for the initial few years of CDBG entitlement funds will be used 10% for administration and planning and 90% for capital improvements to infrastructure and facilities that support low-to-moderate income community members in Lacey.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

Public and stakeholder engagement took place prior to and throughout the preparation of this Annual Action Plan. The following are highlights of the outreach efforts:

- One-on-one interviews with City and nonprofit leaders
- Lacey Human Services Commission –June 4, 2026 (Public Hearing 1), July 2, 2026 (Public Hearing 2)
- Lacey City Council –_____ and _____
- Focus group discussions with constituent groups
- Online community survey
- Interviews with partner jurisdictions
- Interviews with various governing boards
- The City's 30-day public comment period was held from June 2, 2026 to July 1, 2026.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The City received public comments from the Human Services Commission on _____, 2026 which are included in the attached minutes. The City also received comments from the City Council on _____ 2026 and _____ 2026. Comments from those meetings are also attached.

The City received _____ comments from the community and that is also attached.

6. Summary of comments or views not accepted and the reasons for not accepting them

- TBD

7. Summary

The Annual Action Plan was developed to be consistent with and support the HUD goals identified in Title 1 of the Housing and Community Development Act of 1974, as amended. All program activities and strategies discussed in the Annual Action Plan are designed to further these goals and address the most critical affordable housing, homeless, and community development needs in Lacey. Recipients of CDBG, HOME, and other federal funding must adopt one or more federal performance objectives and outcome categories. To meet one of the national objectives for CDBG funding, an activity must:

- Low/Moderate Income: Benefit low- or moderate-income persons;
- Slum/Blight: Prevent or elimination of slums or blight; or
- Urgent Need: Meet a particularly urgent community development need.

Outcome categories improve:

- Availability or accessibility of housing units or services;
- Affordability not just for housing but also of other services; and
- Sustainability by promoting viable communities.

The CDBG program provides funding to state and local governments for projects and activities that principally benefit low- to moderate-income people. This HUD program helps local governments develop viable urban communities by providing adequate supplies of affordable housing, a healthy living environment, and economic opportunities.

Communities can use CDBG funds for a wide range of activities such as rehabilitating single-family homes and apartment buildings, improving community centers and public facilities, constructing water and sewer lines, supporting economic development, and providing vital social services. The fundamental philosophy of CDBG is the belief that local elected officials are best positioned to identify and prioritize local needs and to effectively allocate funding to address those needs.

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HOME provides formula grants to build, buy, and/or rehabilitate affordable rental or owner-occupied housing, or provide direct rental assistance to low-income people. Communities can use HOME funds for new construction, rental assistance, and homeowner assistance.

The City created the Annual Action Plan for the City's CDBG program. HOME programs will be planned in collaboration with the Thurston County HOME Consortium.

The required elements of the Action Plan include:

1. Expected Resources
2. Annual Goals and Objectives
3. Projects
4. Geographic Distribution
5. Other Actions
6. Program Specific Requirements

The 2026 program year will begin on September 1, 2026.

PR-05 Lead & Responsible Agencies - 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Table 1 – Responsible Agencies

Agency Role	Name	Department/Agency
CDBG Administrator	LACEY	City Manager

Narrative

The City of Lacey is the lead entity responsible for overseeing the development and administration of the Annual Action Plan. This task is delegated to the staff in the City Manager's Office. The City Manager oversees the effective and efficient delivery of all city services, including public safety, emergency preparedness, street maintenance and construction, traffic management, public works construction, planning, building inspection, code enforcement, parks and recreation, economic development, policy development, public information and neighborhood communications, water, wastewater, reclaimed water, and stormwater services, special events, and intergovernmental relations.

The City Manager and City staff work closely with the Lacey City Council to develop policy initiatives and ensure the implementation of the Lacey City Council's goals and priorities. The City Manager prepares and presents the annual city budget to the Lacey City Council and is responsible for the proper expenditure and monitoring of all City funds.

The City is eligible to receive CDBG Entitlement Funds directly from HUD. HOME funding is included automatically for the Thurston Urban County region. The City has entered into an interlocal agreement with the City of Olympia and Thurston County as a HOME Consortium, to allow HOME funds to be used countywide in all jurisdictions. Thurston County is considered the Participating Jurisdiction under HOME program rules.

Consolidated Plan Public Contact Information

For questions about the CDBG program, please contact:

Michelle Chavez, Human Services Coordinator

City of Lacey

360-486-8746

Michelle.Chavez@CityofLacey.org

DRAFT

AP-10 Consultation - 91.100, 91.200(b), 91.215(l)

1. Introduction

The consultation process for creating the Annual Action Plan included: 1) An online survey to assess community needs; 2) stakeholder review and comments on preliminary needs assessment and market analysis; 3) consultation with other jurisdictions, housing providers and nonprofit organizations; 4) public hearings on the needs assessment, market analysis, and development of proposed activities; 5) consultation with the Thurston County Housing Authority; 6) 11 focus groups with various stakeholders and 7). review and comments on the draft Annual Action Plan.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

To enhance coordination between public and assisted housing providers and mental health and service agencies, interviews were conducted with:

- Thurston County Public Health and Social Services
- Housing Authority of Thurston County
- HUD / VASH

The interviews were conducted to gain perspectives about how we can enhance coordination between the City and these agencies.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The City connected with the WA Department of Commerce, which oversees the Statewide Continuum of Care (COC), to determine how to stay up-to-date on their activities and initiatives. The City has been attending these meetings as needed and sharing program materials, program updates, etc.

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The City operates a local grant program that offers \$300,000 in direct allocations to local non-profit agencies that serve vulnerable community members, including chronically unhoused individuals and families, families with children, Veterans, and unaccompanied youth, and persons at risk of becoming unhoused.

The City funds and manages the Lacey Veterans Services Hub (LVSH) which provides direct services to vulnerable community members, including unhoused residents, Veterans and families with children. Every Thursday, LVSH provides coordinated entry for unhoused veterans. There are also four HUD/VASH caseworkers located at the LVSH who help with housing vouchers and case management for unhoused veterans Monday through Friday, 8 a.m. to 4 p.m.

The Thurston County Veterans Assistance fund also operates out of the LVSH Monday through Friday, 8 a.m. – 4 p.m. to provide emergency assistance to Veterans at risk of becoming unhoused.

The LVSH also serves as a satellite location for the Thurston County Food Bank Monday through Friday, 8 a.m. to 4 p.m., by providing access to food, socks, personal hygiene kits, and basic items to persons and families in need.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City does not currently receive ESG funds. The City does not oversee the coordinated entry program or the administration of HMIS. The City does oversee the Lacey Veterans Services Hub (LVSH) which provides direct services to unhoused residents including veterans and families with children. Every Thursday, LVSH facilitates a meeting with Coordinated Entry providers and unhoused veterans and non-veterans. This weekly meeting is called the Veterans Housing Options Group (VHOG).

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VHOG Providers:

Veterans Affairs-Community Housing and Outreach Services
VA Employment Specialist
VA Justice Outreach Coordinator
Thurston County Veterans Assistance Funds Program
Supportive Services for Veterans Families
Family Support Center-Coordinated Entry
Thurston County Food Bank
Worksource
MedAdvise (Medicare)
Vocational Rehabilitation Specialists (VRSI-Homeless Veteran Reintegration Program)
Olympic Health and Recovery Services-Forensic Projects for Assistance in Transition from Homelessness
Joint Animal Services
AJAC-Advanced Manufacturing Apprenticeships
Heavy Equipment Colleges of America

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations that participated

1	Agency/Group/Organization	Thurston Regional Planning Council
	Agency/Group/Organization Type	Other government - County Regional organization Planning organization Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis

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	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Thurston Regional Planning Council (TRPC) was consulted online and via regular meetings to provide data on housing needs, public housing needs, unhoused person's needs, and market analysis to help identify the priority needs and goals for the Consolidated Plan, Annual Action Plan, and Human Services Strategic Plan. This data helps Lacey set priorities for funding.
2	Agency/Group/Organization	Lacey Parks, Culture and Recreation
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Health Services-Education Other government - Local
	What section of the Plan was addressed by Consultation?	Infrastructure needs in LMI neighborhoods
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Lacey Parks, Culture and Recreation Department was consulted via email and in person to determine capital project improvements needed in LMI Census Tract Areas in Lacey. Lacey Parks, Culture and Recreation also participated in a focus group on human service needs in Lacey.
3	Agency/Group/Organization	Lacey Community and Economic Development Department
	Agency/Group/Organization Type	Housing Other government - Local Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy

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	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Lacey Community and Economic Development Department was consulted in person and on-line regarding housing needs, homeless needs, affordable housing strategy, homelessness strategy, market analysis, economic development needs and strategy, and climate hazard mitigation strategy. The agency also leads infrastructure improvements to parks in LMI neighborhoods.
4	Agency/Group/Organization	Lacey Human Services Commission
	Agency/Group/Organization Type	Other government - Local Civic Leaders Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Lacey Human Services Commission was consulted at their regular meeting(s) regarding the CDBG Community Participation Plan, Consolidated Plan and Annual Action Plan. This included human services needs, unhoused needs, needs for unaccompanied youth, anti-poverty strategy and overall participation in strategic planning for human services.

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5	Agency/Group/Organization	Thurston County Public Health and Social Services
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Health Agency Child Welfare Agency Other government - County
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Thurston County Public Health and Social Services was consulted regarding the Five-Year Consolidated Plan, Homelessness Strategy, Needs of unhoused Veterans, public Housing Needs, and Homeless data sets (PIT Count) and general human services provided. Thurston County also participated in a focus group on human service needs in Lacey.

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6	Agency/Group/Organization	Thurston County Veterans Advisory Board
	Agency/Group/Organization Type	Other government - County Civic Leaders
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homelessness Needs - Veterans Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Thurston County Veterans Advisory Board (VAB) was consulted at their regular meeting and via a Veterans Community Forum to determine the services, housing, and needs of veterans who are unhoused and veterans who are housed.
7	Agency/Group/Organization	Lacey Youth Council
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Lacey Youth Council was consulted at their regular meeting to discuss the needs of youth, including youth who are unhoused.
8	Agency/Group/Organization	Lacey Commission on Equity
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Non-Homeless Special Needs Anti-poverty Strategy

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	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Lacey Commission on Equity was consulted at their regular meeting regarding outreach to communities regarding human service needs, unhoused person needs, needs for unaccompanied youth, anti-poverty strategy, and overall participation in strategic planning for human services which informs annual action plan.
9	Agency/Group/Organization	Lacey Public Works Department
	Agency/Group/Organization Type	Agency - Managing Flood Prone Areas Agency - Management of Public Land or Water Resources Other government - Local
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Anti-poverty Strategy Infrastructure needs in LMI Area
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Lacey Public Works Department was consulted via email regarding capital project needs in LMI Census Tract Areas and overall human services needs including helping people unhoused. Lacey Public Works also participated in a focus group on human service needs in Lacey.

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10	Agency/Group/Organization	North Thurston Public Schools
	Agency/Group/Organization Type	Services-Children Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Education Other government - Local
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	North Thurston Public Schools was consulted via focus group to discuss human services needs in Lacey. In particular the needs of youth who are unhoused.
11	Agency/Group/Organization	Lacey Police Department
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services - Victims Agency - Emergency Management Other government - Local
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs

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	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Lacey Police Department was consulted via focus group to assess the needs of people unhoused in Lacey, and general human services needs.
12	Agency/Group/Organization	Intercity Transit
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless Other government - County Regional organization
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Intercity transit was consulted via focus group regarding human services needs in Lacey. In particular around public infrastructure, people who are unhoused and low-income resident's needs.

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13	Agency/Group/Organization	CIELO -
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	CIELO was consulted via a focus group with immigrant and cultural organizations regarding immigrant human service needs.
14	Agency/Group/Organization	City of Olympia Housing and Homeless Response
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-homeless Services - Victims Other government - Local

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	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	City of Olympia was consulted via focus group regarding human services needs. Specifically, needs for people unhoused in Lacey.
15	Agency/Group/Organization	City of Tumwater
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Persons with Disabilities Services-homeless Other government - Local
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	City of Tumwater was consulted via focus group regarding human services needs in Lacey and surrounding areas. Specifically, the needs of people unhoused.

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16	Agency/Group/Organization	Lacey South Sound Chamber of Commerce
	Agency/Group/Organization Type	Business and Civic Leaders Major Employer Private Sector Banking / Financing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Lacey South Sound Chamber was consulted via focus group to assess human services needs in Lacey.

Identify any Agency Types not consulted and provide rationale for not consulting

There were no agency types not consulted during the formation of the Annual Action Plan.

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Other local/regional/state/federal planning efforts considered when preparing the Plan

Table 3 - Other local / regional / federal planning efforts

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	WA State Department of Commerce	Housing and Service Goals Overlap.
2025 City Council Work Plan	City of Lacey	Comprehensive Infrastructure System that Connects People and Places. Provide Excellent, people-centered services. Building a Community of Safety and Belonging.
Economic Development Strategic Plan 2026-2030	City of Lacey	Assisting LMI households with youth and childcare services
DEIB Strategic Plan 2024-2030	City of Lacey	Increasing the equity of human services in Lacey
Local Homeless Housing Plan 2025-2030	Thurston County	Housing Goals
Planning for and Accommodating Housing Needs	Thurston Regional Planning Council	Housing Goals
Comprehensive Plan 2025-2045	City of Lacey	Housing Goals
Veterans Services Hub Strategic Plan 2027-2031	City of Lacey	Veterans Housing and Services goals
Veterans Service Needs and Awareness 2024	Thurston County	Veterans Housing and Services goals
Coordinated Human Services Transportation Plan 2023	Thurston Regional Planning Council	Transportation and Infrastructure Needs for LMI Community Members

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Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Rent Assistance Survey 2023	Thurston County	Homelessness prevention
Human Services Commission Workplan	City of Lacey	Review CDBG projects and hold public hearings
ALICE in Thurston County 2023	United Way of Thurston County	Anti-Poverty Strategy

Narrative

AP-12 Participation - 91.401, 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal-setting

The City began its engagement and participation efforts in 2024 as part of the Community Participation Plan for the Human Services Strategic Plan. The City established a Human Services Work group of community members to oversee the creation of the Community Participation Plan, Human Services Strategic Plan, allocations of Human Services Grant Program dollars, and eventually Community Development Block Grant (CDBG) funds. The Workgroup consisted of seven general members and one youth member. General membership must include at least two professionals with experience in human services e.g., direct service management or volunteer work. This work group received its first update on CDBG in November of 2024. At their December 2024 meeting, the work group approved the CDBG / HOME Community Participation Plan 2026-2027 and opened up a 30-day review and comment which was open from December 5, 2024 to January 5, 2026.

On December 5, 2024, the Lacey City Council established a permanent Human Services Commission (HSC) via ordinance, which would continue the work and oversight begun by the work group. The Commission's makeup is essentially the same as the workgroup's, with similar rules of procedure and three—and four-year terms.

The Human Services Commission receives monthly updates on human services programming and projects including the CDBG Annual Action Plan. They will provide initial review and feedback before the City Council reviews the plan. These are public meetings open to all and are streamed live as well as recorded.

In addition to the HSC and City Council, the City has continued community engagement and outreach for priority setting and developing the Human Services Strategic plan (2027-2031). Staff has conducted 9 additional focus groups with various stakeholders /community members.

As of May 2026, over 300 community members have participated in the formation of Human Services goals.

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Citizen Participation Outreach

Table 4 – Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	11 Human Services Focus Groups	Minorities Persons with disabilities Various Stakeholders	Attached in Appendix	Attached in Appendix	None	
2	News-paper Ad	Non-targeted/broad community	TBD	TBD	none	
3	News-paper Ad	Non-targeted/broad community	TBD	TBD	TBD	
4	Public Hearing	Non-targeted/broad community	TBD	TBD	TBD	
5	Public Hearing	Non-targeted/broad community	TBD	TBD	TBD	
6	Public Meeting	Non-targeted/broad community	TBD	TBD	TBD	
7	Public Meeting	Non-targeted / community	TBD	TBD	TBD	

Expected Resources

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

The amount expected in Year 1 is based on the annual allocation to Lacey from HUD CDBG Entitlement grants

The amount expected to be available in the remaining two years of the Consolidated Plan is based on the 2025 allocation estimate.

Anticipated Resources

Table 5 - Expected Resources – Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	337,498.00	0.00	348,393.00	685,891.00	342,945.00	

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City of Lacey (City) will leverage its CDBG funds with local, private, and state funds.

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If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City owns and operates the public infrastructure and public parks within the City boundaries. These facilities and infrastructure include but are not limited to: Huntamer Park, City Senior Center, City ADA Sidewalk and Pedestrian Crossings, Brooks Park, City Streetlights, Rainier Vista Park and the City Museum and Cultural Center.

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Table 6 – Goals Summary

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Provide Public Facilities and Infrastructure	2025	2027	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development		Public Facilities and Infrastructure Improvements	CDBG: \$303,749.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 5400 Persons Assisted

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Goal Descriptions

1	Goal Name	Provide Public Facilities and Infrastructure
	Goal Description	This goal includes the following priority needs: • Improvements to public facilities and infrastructure that support housing for low-income households • Improvements to public facilities and infrastructure to support low-income neighborhoods • Improvements to low-income neighborhoods to reduce the concentration of poverty • Modifications to provide accessibility

AP-35 Projects - 91.420, 91.220(d)

Introduction

The City has a number of planned facility expansions, park improvements, and infrastructure improvements located in LMI census tract neighborhoods. Growing demand for parks exceeds our capacity at the current levels. The Lacey Senior Center is at maximum capacity and lacks adequate parking and programming space. For more detailed information, see the complete City Parks, Culture and Recreation (LPCR) Strategic Plan at PARKSLPCR_Sections_01-09-ToC_LS.pdf. This plan includes extensive community outreach that was done to prioritize future needs.

The City has emphasized and continues to emphasize a multimodal transportation system. Many of the City's streets include sidewalks and bicycle lanes as well as new standards for pedestrian improvements, making non-motorized travel a viable alternative to cars. Current standards require non-motorized elements on all new or redeveloped portions of roadways, in order to close any gaps in the existing system and expand its network further. Additionally, Transportation Demand Management (TDM) strategies include provisions for bicycle and pedestrian facilities, as well as long-term efforts to promote multimodal transportation options and implement transit-oriented development. Improvements located in the LMI census tract neighborhoods could help meet Consolidated Plan goals and priorities. For more detailed information, see the complete [City's Long Range Transportation Plan](#).

Table 7 – Project Information

#	Project Name
1	City Facility or Infrastructure Project
2	Planning and Administration

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The City has a number of projects planned in LMI Census tract areas. In year-one and two of entitlement status, the City plans to focus leveraging CDBG dollars for capital projects. Due to administrative availability and reporting timelines, the City feels this is the most reasonable path toward utilizing CDBG funds in PY26.

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AP-38 Project Summary Information

#	Project	Goals Supported	Geographic Areas	Needs Addressed	Funding
	City Facility or Infrastructure Project	Provide Public Facilities and Infrastructure		Public Facilities and Infrastructure Improvements	CDBG: \$303,749.00
	Description				
	Target Date for Completion	08/31/2027			
1	Estimate the number and type of families that will benefit from the proposed activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	Huntamer Park is located in Lacey Midtown. The community uses the park for events almost every weekend. The park serves thousands of families from Lacey and beyond. It is difficult to estimate the amount.			
	Location Description (additional information for this discussion may be available on the AP-36 Project Detail screen)	For decades, the City has actively engaged in planning and public projects to transform the Midtown District into a vibrant, community-centered urban core. The “heart” of this area, Huntamer Park, a 1.5-acre civic space, desperately needs updates to meet the growing community's needs. The last significant improvements at Huntamer Park occurred in 2005. Since then, the surrounding Midtown District has grown significantly with new mixed-use and residential (re)developments. This project would strengthen civic engagement, improve equity by increasing park access and amenities in Community Development Block Grant-qualified census tracts, increase environmental resiliency, improve public health and wellness, and expand economic growth and development. The overall project includes adding plaza spaces, a water feature, new landscaping, pathways, pedestrian lighting, and recreational enhancements and			

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		furniture designed for daily use while maintaining civic spaces for important community-wide events. The total project cost is estimated at approximately \$1.6 million, with the CDBG portion used to improve sidewalks and accessibility. Similar to PY 2025, City staff recommends allocating \$303,749 of PY26 CDBG dollars to this project. Contingency Project: Accessibility Improvements to the Virgil S. Clarkson Senior Center parking lot City staff recommends a contingency project for PY26 CDBG dollars to expand the existing parking lot at the Virgil S. Clarkson Senior Center (Senior Center) and improve ADA accessibility. The expansion is necessary to accommodate increased use and attendance at the Senior Center, improve accessibility for older adults, and enhance overall safety during peak hours and special events. The existing lot is often at capacity during regular programming, forcing older adults to park a considerable distance away or to forgo attendance. The expanded parking lot will include approximately 50 additional spaces and improve ADA-accessible parking. The preliminary estimated cost of the project is \$1,000,000 to 2,000,000. This includes environmental review, engineering, demolition, construction, and contingencies. The City has used CDBG funds through the Washington State competitive CDBG Program for both the construction of the Senior Center in 2000 and the Senior Center Expansion Project in 2011.		
Planned Activities (additional information for this discussion may be available on the AP-36 Project Detail screen)				
2	Planning and Administration	Provide Public Facilities and Infrastructure	Public Facilities and Infrastructure Improvements Public Services Housing: Increase and Improve Affordable Housing	CDBG: \$33,749.00

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Description	
Target Date for Completion	08/31/2027
Estimate the number and type of families that will benefit from the proposed activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	The Planning and Administration of the CDBG Program will support the Public Facilities and Infrastructure improvements that will serve thousands of Lacey families.
Location Description (additional information for this discussion may be available on the AP-36 Project Detail screen)	Lacey City Hall 420 College St. SE Lacey WA 98503
Planned Activities (additional information for this discussion may be available on the AP-36 Project Detail screen)	Oversee the environmental review, project oversight, HUD reporting, planning for future CDBG Consolidated Plans and Annual Action Plans.

AP-50 Geographic Distribution - 91.420, 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Census Tract 112 Thurston County, WA and Census Tract 116.25 Thurston County, WA

Geographic Distribution

Table 8 - Geographic Distribution

Target Area	Percentage of Funds

Rationale for the priorities for allocating investments geographically

Based on research, program experience, and administrative capacity, the City plans to designate CDBG funding for City capital project(s) for the first few years. Table B provides a matrix of CDBG funding considerations.

Discussion

AP-75 Barriers to affordable housing -91.420, 91.220(j)

Introduction

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Discussion

AP-85 Other Actions - 91.420, 91.220(k)

Introduction

The City has prioritized human services by investing in programs and staffing to address community needs. The City provides and supports a broad range of efforts. Services include, but are not limited to, direct outreach to our unhoused community members, direct funding to non-profits that provide human services funding, managing the City Veterans Services Hub, and supporting and Enhanced Shelter in City, Maple Court. To learn more about our human services efforts, please visit our Human Services Web Page CityofLacey.org/Human-Services/

Actions planned to address obstacles to meeting underserved needs

The City is in the process of developing a Human Services Strategic Plan (2027-2031) and expects to have this plan finalized and approved by the Lacey City Council in Fall of 2026. The initial draft priorities are:

1. Affordable Housing and Preventing Homelessness
2. Behavioral Health Services (mental health and substance use disorder)
3. Youth Services (including daycare)
4. Senior Services
5. Veteran Services
6. Enhancing Accessibility

The City continues its annual \$300,000 allocation to the Human Services Grant Program, which is available to non-profits in the community that provide direct service and reduce obstacles to meeting underserved needs. Since beginning in 2024, 22 grants have been

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awarded, averaging \$26,000 per grant.

Actions planned to foster and maintain affordable housing

The City aims to build on the strategic directions outlined in its Affordable Housing Strategy [in the updated Comprehensive Plan](#) to continue investing in local and regional plans to create more affordable new rental housing and homeownership opportunities, and to establish broader anti-displacement measures. The City remains committed to all goals outlined in the plan(s) and will pursue those goals through investment in projects through the Human Services Grant Program, Regional Housing Council, HOME Consortium, and other opportunities as they arise.

Actions planned to reduce lead-based paint hazards

Any infrastructure or facility rehabilitation project that falls under EPA and Washington State rules for Lead-Based Paint Risk Assessments will ensure that any hazards are remediated or abated by certified contractors using safe work practices to prevent lead contamination. If lead-based paint hazards are discovered before and during remediation, the community will be educated further.

Actions planned to reduce the number of poverty-level families

The City's strategy for reducing the number of poverty-level families is through direct service, government and public-sector partnerships, and funding community-based organizations that provide critical social services. Examples of these are:

- Direct outreach to unhoused individuals, including individuals in encampments, living in vehicles, or living on the street
- Funding to non-profit agencies that provide emergency financial assistance, job training and placement, youth programs, emergency home repairs, emergency supplies for school, rapid re-housing, homegrown food supplies and gardening classes, home sharing programs, and more.
- Funding and managing the City Veterans Services Hub, which provides emergency financial assistance, rapid rehousing, direct housing vouchers, food and hygiene supplies, job training and placement, education counseling and placement, access to Veterans benefits, wrap-around intensive case management, and more.

Actions planned to develop institutional structure

There is a strong commitment in the community to work on issues affecting low-and moderate-income persons. Housing affordability and human services are a high priority and the institutional delivery system has been modified in recent years to help address these issues.

The changes include:

- Additional local funding to create and preserve affordable housing and mental health
- Coordination and help getting additional state and federal funds for affordable housing and mental health
- Adopting the Affordable Housing Strategy
- Coordination with other local governments and nonprofits
- Participating in the Regional Housing Council
- Convening and working with the Homelessness Work Group
- Convening and working with Human Services Work Group
- Convening and working with Human Services Commission

Actions planned to enhance coordination between public and private housing and social service agencies

The City will continue to partner with social service agencies, and public and private housing initiatives through:

- Funding and maintaining its Human Services Grant Program, which fosters collaboration with non-profits that provide direct services, including housing
- Participation in the Regional Housing Council
- Remaining in the Thurston County HOME Consortium
- Managing the City Veterans Services Hub and acting as a primary site for weekly Helping the Maple Court Enhanced shelter transition to Permanent Supportive Housing with State, County, and other partners.
- Continued work with the Housing Authority of Thurston County and other local non-profits
- Providing local tax incentives for new affordable housing coordinated entry

Discussion

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Program Specific Requirements

AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

Introduction

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

- | | |
|--|----------|
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed | 0 |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. | 0 |
| 3. The amount of surplus funds from urban renewal settlements | 0 |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan | 0 |
| 5. The amount of income from float-funded activities | 0 |
| Total Program Income: | 0 |

Other CDBG Requirements

- | | |
|---|------|
| 1. The amount of urgent need activities | 0 |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 100% |

Discussion

2026 CDBG Annual Action Plan Review

City Council Worksession - 07.14.2026



2026 CDBG Annual Action Plan (AAP)

DRAFT

- AAP required each year
- Requires 2 public hearings – Held June 4 and July 2
- Requires 30 day review and comment period – June 2 to July 1
- Final approval by City Council and submittal to HUD in July
- PY26 September 1, 2026 to August 31, 2027



Community Engagement and Consultation

- 11 Focus Groups
 - 2 Newspaper Ads
 - 2 Public Hearings
 - 2 Public Meetings
- 16 plus agencies / boards consulted
 - 13 other local / regional planning efforts reviewed



2026 Annual Action Plan (AAP) **DRAFT**

Outline

1. Expected Resources
2. Annual Goals and Objectives
3. Projects
4. Geographic Distribution
5. Other Actions
6. Program Specific Requirements



Expected Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	337,498.00	0.00	348,393.00	685,891.00	342,945.00	

Table 1 - Expected Resources – Priority Table



Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Provide Public Facilities and Infrastructure	2025	2027	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development		Public Facilities and Infrastructure Improvements	CDBG: \$303,749.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 5400 Persons Assisted

Table 2 – Goals Summary



2026 CDBG Project Summary Information

- Huntamer Park Infrastructure Improvements - \$303,749
- Virgil S. Clarkson Senior Center (Contingency)
- Planning and Administration -\$33,749



CDBG Project Summary Information



- Huntamer Park Accessibility Improvements
- Strengthen Civic Engagement
- Improve Public Health and Wellness
- Improve Equity by improving access to park resources



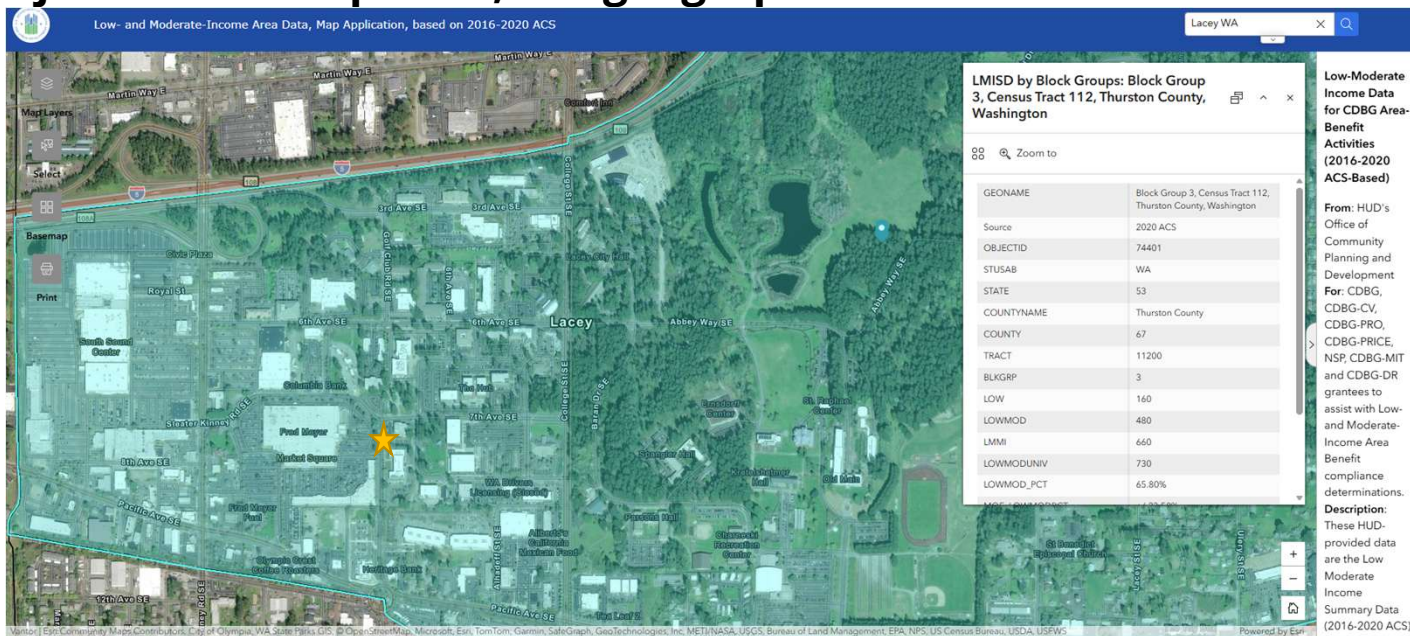
CDBG Administration Dollars

- Recommend 10% of annual allocation for administration (max 20%)
- Reduces impact to city's general fund
- Supports environmental review, planning reporting, data tracking, monitoring and compliance



Geographic Distribution

- Projects are site specific, not geographic



Other Actions

- Outlines obstacles to meeting underserved needs
- Actions to reduce lead based paint hazards
- Actions to reduce the number of poverty-level families
- Actions planned to develop institutional structure
- Actions planned to enhance coordination between public and private housing and social service agencies



Next Steps

- City Council Approval July 21
- Submit the 2026 Annual Action Plan to HUD
- HUD has 45 days to review and approve
- Once approved, sign grant agreement and certifications
- Complete environmental review
- Allocate dollars to project and administration



Questions





STAFF REPORT

Council Worksession
July 14, 2026

Subject: City's Official Newspaper Update LMC 1.08.010
To: Lacey City Council
Prepared by: Elissa Fontaine, City Clerk
Department Director: Shannon Kelley-Fong, Assistant City Manager
Reviewed By: Not Applicable
Final Review: Rick Walk, City Manager

SKF

RW

Purpose: Informational

Recommendation: Review only

Brief: As part of ongoing efforts to reduce expenditures and improve the publication of notice process, a locally owned and operated newspaper has been identified to serve as the City's official legal newspaper in accordance with RCW 35A.21.230.

Alternatives:

1. No change: Continue as is.
2. Some other option not contemplated in the above.

Prior Review:

Not Applicable

Advisory Board Recommendation(s):

Not Applicable

Fiscal Impact: Yes fiscal impact

Budgeted Item: No

Amount: Not Applicable

Project Code: Not Applicable

Funding Source:

Not Applicable

Attachments:

1. Draft Ordinance #####
2. Draft Resolution #####

Policy or Legal Alignment:

1. RCW 35A.21.230
2. RCW 65.16.020

Background:

In 1988, the City designated The Olympian as the official newspaper in accordance with [RCW 35A.21.230](#), which states every code city must designate an official newspaper by resolution, and the official newspaper must be (1) of general circulation, and (2) meet the qualifications of [RCW 65.16](#).

Due to rising costs, publishing barriers such as multiple online submission platforms, multiple time zones, deadline restrictions, and inconsistent reliability, staff began reviewing additional options available for legal newspapers. Pursuant to [RCW 65.16.020](#), a qualifying newspaper must:

- Be published **at least weekly**, in English, for six months or more prior to approval;
- Be compiled in whole or part in an office within its place of publication;
- Contain news of general interest (not limited to a particular organization or group);
- Have a policy to print all statutorily required legal notices; and
- Hold a periodical class mailing permit.

Under [RCW 65.16.030](#) and [65.16.050](#), Superior Court determines which newspapers qualify as “legal newspapers.”

The Thurston County Superior Court has identified the following approved legal newspapers:

1. The Olympian
2. Nisqually Valley News
3. The Tenino Independent

Upon further review, it was determined that all of Lacey and its Urban Growth Area (UGA) are within the Nisqually Valley News print delivery area, qualifying them to serve as the City’s official legal newspaper.

The transition would also offer lower subscription costs to consumers within the community (**Table A**), as well as lower publication costs for the City by nearly 50% (**Table B**). Based on the average annual expenditure of \$39,664 (collected from 2023-2025), the City is projected to save close to \$20,000 per year.



TABLE A		
Cost Estimates for Community Members		
	The Olympian	Nisqually Valley News
6-month subscription	\$191.76 (print and digital) \$76.94 (digital only)	\$30.00 (print and digital)
1-year subscription	\$159.99 (digital only)	\$52.00 (print and digital)

TABLE B		
Cost Comparisons for City Publications		
	The Olympian	Nisqually Valley News
Example Notice of a Public Hearing	\$392.84 + 7% surcharge	\$213.85

Although the Nisqually Valley News publishes only one (1) day a week, compared to The Olympian's seven (7) days, staff don't anticipate any disruption or delays for publishing deadlines and recommend proceeding with designating the Nisqually Valley News as the City's official newspaper.

As part of this update, staff reviewed the City's legal notice publication practices and determined that all legal notices, with the exception of public works bid solicitations, should continue to be published in the City's designated official newspaper.

Public works bid solicitations are governed by RCW 35.23.352, which provides that such notices shall be published either in the official newspaper **or** in a newspaper of general circulation most likely to bring responsive bids. Based on this authority, staff determined that public works bid solicitations may be published in the Seattle Daily Journal of Commerce, as it is a newspaper of general circulation most likely to bring responsive bids.

This approach reduces publication costs by eliminating the need to publish bid solicitations in both the official newspaper and a separate newspaper selected to maximize bid responsiveness. It also provides greater flexibility in meeting publication schedules and deadlines. The process does not preclude publication in the official newspaper when appropriate.

Pending Council review and direction, this item will be scheduled for Council action at a future regular meeting.



ORDINANCE ####

CITY OF LACEY

AN ORDINANCE OF THE CITY OF LACEY, WASHINGTON, RELATED TO THE OFFICIAL NEWSPAPER, REPEALING SECTION 1.08.010 OF THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, RCW 35A.21.230 provides that each code city shall designate an official newspaper by resolution; and

WHEREAS, the City of Lacey currently identifies an official newspaper within Lacey Municipal Code Section 1.08.010; and

WHEREAS, the City of Lacey finds that designating the official newspaper by resolution rather than ordinance provides greater administrative flexibility and consistency with state law;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, as follows:

Section 1. Section 1.08.010 of the Lacey Municipal Code is repealed.

Section 2. SEVERABILITY. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this ordinance.

Section 3. CORRECTIONS. The City Clerk and the codifiers of this ordinance are authorized to make corrections to this ordinance, including, but not limited to, the corrections of scrivener's/clerical errors, references, ordinance numbering, section/subsection number, and any references thereto.

Section 4. The Summary attached is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, this _____, 2026.

CITY COUNCIL

BY: _____
Andy Ryder, Mayor

Attest:

Approved as to form:

Elissa Fontaine, City Clerk

Dave Schneider, City Attorney

Published: _____, 2026

SUMMARY FOR PUBLICATION

ORDINANCE NO. #####

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on _____ 2026,
Ordinance No. _____, entitled "

AN ORDINANCE OF THE CITY OF LACEY, WASHINGTON, RELATED TO
THE OFFICIAL NEWSPAPER, REPEALING SECTION 1.08.010 OF THE
LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR
PUBLICATION.

"

The main points of the Ordinance are described as follows:

1. The Ordinance repeals Section 1.08.010 of the Lacey Municipal Code, relating to the City's official newspaper.
2. The Ordinance approves this summary for Publication.

Published: _____ 2026.

RESOLUTION ####

CITY OF LACEY

**A RESOLUTION OF THE CITY OF LACEY, WASHINGTON, DESIGNATING
THE CITY'S OFFICIAL NEWSPAPER**

WHEREAS, the City is required to designate an official newspaper under RCW 35A.21.230; and

WHEREAS, the City considered official newspapers designated by Thurston County Superior Court that meet the qualifications in Chapter 65.16 RCW; and

WHEREAS, the Nisqually Valley News was confirmed to be a newspaper designated by Thurston County Superior Court in accordance with Chapter 65.16 RCW; and

WHEREAS, the Nisqually Valley News is a newspaper of general circulation in the City of Lacey; and

WHEREAS, the City Council finds that the Nisqually Valley News is locally sourced, provides community-focused reporting and public notice services, and offers a cost-efficient option for both the City and residents seeking access to official publications and notices; and

WHEREAS, the City Council of the City of Lacey wishes to continue to satisfy the legal requirements of the Revised Code of Washington while providing public notice and serving the community;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, as follows:

Section 1. The Nisqually Valley News is designated to be the official newspaper for the City of Lacey.

Section 2. This designation shall be reviewed on an on-going basis by the city clerk to ensure the newspaper maintains the applicable qualifications. Until such time as the qualifications identified in Chapter 65.16 RCW are not met or the city council determines a new official newspaper is warranted, this designation shall remain in effect.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON this _____, 2026.

CITY COUNCIL

BY: _____

Andy Ryder, Mayor

Attest:

Approved as to form:

Elissa Fontaine, City Clerk

Dave Schneider, City Attorney

Published: _____, 2026

Official Newspaper

Council Worksession | July 14, 2026



What to Expect

- Definitions
- Application and Qualifications
- Alternatives
- Cost Comparisons
- Administrative Impacts
- Next Steps
- **Discussion only no action requested**



What is an Official Newspaper?

RCW 35A.21.230 requires every Washington code city to officially choose a newspaper that will serve as its **official newspaper**. The city must make that choice by passing a formal resolution.

The newspaper **must**:

- Meet the state's legal requirements for a legal newspaper under RCW 65.16.
- Be widely available and accessible within the city



How is an Official Newspaper Used?

The City's official newspaper is the **designated place for publishing legal notices**, such as:

- Public Hearing notices
- Ordinances
- Bid advertisements (some exceptions permitted)
- Annexation notices
- Other notices that state law requires the public to be able to see

The designation does not give the newspaper any special editorial authority. It simply makes it the legally recognized publication for official public notices.



Qualifications

To qualify as a legal newspaper under RCW 65.16, the newspaper must:

- Publish at least once a week
- Be published in English
- Have been publishing regularly for at least six months
- Contain general news, not just news for a specific organization or group
- Have a policy of publishing legally required notices



Qualifications

Under RCW 65.16, the Superior Court determines which newspaper qualify as legal newspapers.

Thurston County Superior Court has approved the following as legal newspapers:

- The Olympian
- Nisqually Valley News
- The Tenino Independent



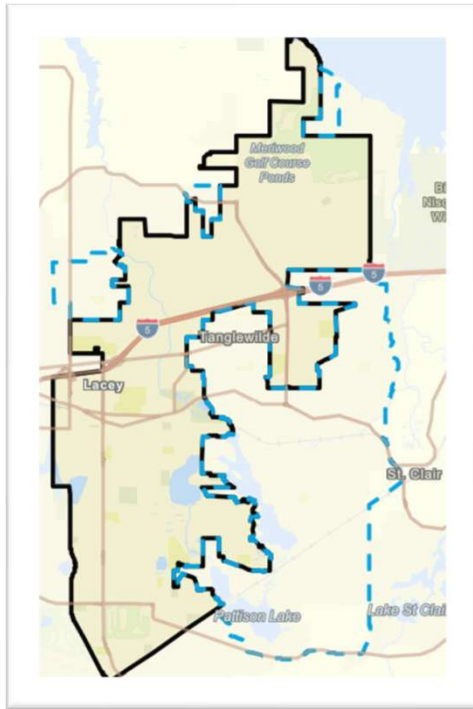
Why Change?



- Rising publication costs
- Publishing barriers such as multiple online submission platforms
- Variable time zones
- Deadline restrictions
- Inconsistent reliability



Nisqually Valley News



Upon review of the Thurston County Superior Court approved legal newspapers, it was determined that **all of Lacey and its Urban Growth Area (UGA) are within the Nisqually Valley News print delivery area**, making them the only qualified alternative to serve as the City's official legal newspaper.



Cost Savings for Community Members

	Current Legal Newspaper	Nisqually Valley News
6-month subscription	\$191.76 (print and digital) \$76.94 (digital only)	\$30.00 (print and digital)
1-year subscription	\$159.99 (digital only)	\$52.00 (print and digital)



Publication Costs

	Current Legal Newspaper	Nisqually Valley News
Example Notice of a Public Hearing	\$392.84 + 7% surcharge	\$213.85

Estimated 50% savings



Administrative Impacts

The Nisqually Valley News publishes only one (1) day a week, compared to the current legal newspaper publishing seven (7) days.

Staff don't anticipate any disruption or delays for publishing deadlines and **recommend proceeding with designating the Nisqually Valley News as the City's official newspaper.**

As part of this update, staff reviewed the City's legal notice publication practices and determined that all legal notices, **with the exception of public works bid solicitations**, should continue to be published in the City's designated official newspaper.



Next Steps → Future Meeting

- Consider an **Ordinance** to remove the official newspaper designation from the Lacey Municipal Code.
- Consider a **Resolution** naming the Nisqually Valley News as the City's official newspaper.
- Schedule for adoption under the **Consent Agenda**?



Questions?

