



STAFF REPORT

City of Dripping Springs

PO Box 384

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Dripping Springs, TX 78620

Submitted By: Chad Gilpin, City Engineer

Council Meeting Date: October 20, 2026

Agenda Item Wording: Discuss and consider approval of a resolution authorizing the submission of an application to the Texas Department of Agriculture for the 2027–2028 Texas Community Development Block Grant Program Community Development Fund; committing \$75,000 in City matching funds; and designating the Deputy City Administrator II as the City’s Authorized Official to sign and submit the application and related documents.

Agenda Item Sponsor: Mayor Bill Foulds, Jr.

A. Requested action

Adopt the attached resolution authorizing the City’s application for the 2027–2028 TxCDBG Community Development Fund, committing \$75,000 in City matching funds, and designating the Deputy City Administrator II to execute and submit the application and related application materials. The resolution also permits that officer to execute routine grant-administration documents within the scope of a grant agreement subsequently approved by the Council.

B. Background

City Staff recommends pursuing Texas Community Development Block Grant (TxCDBG) funding for roadway and drainage improvements within the North 40 neighborhood. The proposed application would compete for Community Development Fund funding through the Texas Department of Agriculture. The resolution includes the commitment to dedicate no less than 51% of grant funds to activities identified by the state planning region as First Priority and to use grant funds in accordance with applicable requirements. The grant amount would be \$750,000. The scope of work that will be proposed is roadway and drainage improvements.

During the development of the City’s Five-Year Road Improvement Plan (2027-2031), City Staff proposed a priority list of streets for consideration. The North 40 neighborhood streets were identified as streets needing improvements but this work was deferred from inclusion in the Five-Year Road Improvement Plan.

The primary consideration for deferring the North 40 streets is the additional drainage work needed to comprehensively address the roadway improvements. Staff recognizes that simply repairing or improving the pavement without addressing the associated drainage deficiencies will not provide a sustainable long-term improvement. As a result, a more comprehensive project approach including drainage improvements is being considered.

Because of the drainage improvements and associated financial cost, City Staff believes it would be beneficial to pursue grant funding to assist with the cost of the North 40 improvements. The intent is to seek grant funding to help address the drainage and roadway improvements together and reduce the amount of City funding required to complete the work.

Based on the scoring element breakdown provided by TxCDBG, staff believes the City has a high likelihood of being awarded a grant in the 2026-2027 cycle. It is Staff's intent to apply the grant money to address street and drainage improvements on Craig Street (Phase 1 of the North 40 Improvements). It is unlikely that the \$750,000 grant will be enough to complete the full scope of Phase 1. It is Staff's intent to return to Council with an amendment to the Five-Year Roadway Improvement Plan once more detailed design and cost estimates are complete and request moving adequate dollars to facilitate the completion of the Phase 1 scope of work.

Based on the scoring element breakdown provided by TxCDBG there is low likelihood of receiving back-to-back grant funding for the project during the next three grant cycles. While grant scoring and funding availability can and does change from cycle to cycle, the current scores indicate that relying solely on CDBG grant funding for the entirety of the North 40 improvements in the near term is not feasible.

For future phases of the North 40 Improvements Staff will continue to monitor and pursue future grant opportunities as well as consider bringing an amendment to the Five-Year Road Improvement Plan before Council to allocate some of the City's Roadway Maintenance Budget to the North 40. After the anticipated three grant cycles have passed, the City will consider submitting another CDBG application with the goal of completing the remaining North 40 improvements as a final phase.

C. Fiscal impact

The resolution commits \$75,000 in City matching funds toward the application's activities. The specific use and funding source are to be determined before any grant award. No higher match or separately unapproved expenditure is authorized by this resolution.

D. Recommended motion

I move to approve a resolution authorizing submission of the City's application for the 2027–2028 TxCDBG Community Development Fund, committing \$75,000 in matching funds, and designating the Deputy City Administrator II as the Authorized Official as provided in the resolution.

E. Attachments

- (a) Draft Resolution
- (b) North 40 Roadway and Drainage Improvements Phasing Plan

F. Next Steps/Schedule

- Oct 20, 2026 – City Council consider resolution to pursue TxCDBG Grant Funds
- Nov 19, 2026 – City will complete online Community Application (Preliminary App)
- Nov 2026 – City will advertise RFP for Grant Writer Services
- Dec 2026 – TDA Invites High Scoring Communities to submit Project Application (Detailed App).
At this point the \$750,000 grant is reserved for the Community but a detailed and thorough application must be submitted.
- Dec 2026 – Recommendation for Award of Grant Writer Service to Council
- Jun 1, 2027 – Submit Project Application
- Fall 2027 – Project Application approvals are posted
- Feb 2028 to Aug 2028 – Project Design and Engineering
- Fall 2028 - Construction