



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Community Planning & Development
Greensboro Field Office
1500 Pinecroft Road, 401, Asheville Building
Greensboro, NC 27407-3838
(336) 547-4000
www.hud.gov

January 8, 2026

Douglas J. Hewett, City Manager
City of Fayetteville
433 Hay Street
Fayetteville, NC 28301-5537

SUBJECT: Issuance of Findings for IDIS Activity Numbers 1356, 1371, and 1425

Dear Mr. Hewett:

HUD appreciates your patience during our review of the events surrounding Integrated Disbursement and Information System (IDIS) activity #1356, 1371, and 1425. HUD blocked activity #1356 in IDIS on November 20, 2021, and activity# 1425 on July 1, 2023, for failing to meet the HOME Investment Partnerships Program's (HOME) 4-year project completion deadline. We thank you for promptly supplying documentation and answering questions to assist with our review. For the purposes of this letter, the terms "City" and "Participating Jurisdiction (PJ)" are used interchangeably with the City of Fayetteville.

After reviewing additional documentation for the activities, HUD made a determination of noncompliance and concluded that the City will have to repay a portion of the HOME funds committed to each activity. The determination was made based on the City's failure to execute HOME written agreements or amendments to existing agreements in compliance with the HOME requirements at [24 CFR 92.504\(c\)\(3\)](#), which requires that the project written agreement include the specific amount and use of the HOME funds and other funds for the project.

FINDING 1

CONDITION: The PJ did not amend the written agreement for activity 1356 to reduce the amount of HOME funding by \$109,500 to then have that amount applied to 1371. As a result, the PJ lacked the authority to use the \$109,500 in grant funds for costs attributed to activity 1371 based upon the HOME requirements at [24 CFR 92.504\(c\)\(3\)](#) stating that the project written agreement must include the specific amount and use of the HOME funds and other funds for the project.

The HOME written agreement for activity 1425 was for \$500,000. The PJ expended \$513,937.07.

CRITERIA: [24 CFR 92.504\(c\)\(3\)](#)

CAUSE: Fayetteville funded HOME activity 1356 for \$455,500 through two written agreements and drew the activity for this amount in IDIS. However, the City asserts that this



activity was overfunded by \$109,500 and the City desired to revise te overfunded amount in IDIS and apply it to HOME activity 1371 (the next year’s homebuyer construction activity). The PJ attributes this error to having accidentally drawn extra funds that were intended to have been drawn for 1371. Activity 1371 was funded for \$474,500 but was amended to increase the project cost to \$650,000. This increase was due to the PJ asserting that activity 1371 was originally underfunded. However, the PJ did not amend their written agreement for activity 1356 to reduce the amount of HOME funding by \$109,500 to then have that amount applied to 1371.

For activity 1425, the PJ expended funds while no amendments were made to the written agreement to support increased costs.

EFFECT: The City was not compliant with the HOME commitment requirements found at [24 CFR 92.2](#) for activities #1356, #1371, and #1425 by not having written agreements, specifically written agreement amendments, in place specifying the amount and form of HOME assistance.

REQUIRED CORRECTIVE ACTIONS:

1. The City must repay a total of \$109,500.00 of HOME funds expended for the subject activity (\$109,500.00 for IDIS Activity #1356). This repayment must be made with non-federal funds and must occur in accordance with the requirements found at [24 CFR 92.503\(b\)](#). For guidance and instructions for the repayment process, please refer [to HOME FACTS - Vol. 7 No. 1, January 2016 \(Revised February 2019\) \(hud.gov\)](#); under “Repayments to the Local Account.” The repayment should be made to the City’s local HOME program account. Supporting documentation evidencing the return of funds must be provided to this Office within 30 days of receipt of this letter. See further instructions on pg. 4 of this letter.
2. The City must repay a total of \$13,937.07 of HOME funds expended for the subject activity (\$13,937.07 for IDIS Activity #1425). This repayment must be made with non-federal funds and must occur in accordance with the requirements found at [24 CFR 92.503\(b\)](#). For guidance and instructions for the repayment process, please refer [to HOME FACTS - Vol. 7 No. 1, January 2016 \(Revised February 2019\) \(hud.gov\)](#).
3. The City must develop policies and procedures to ensure compliance with the HOME written agreement requirements for including the specific amount and use of the HOME funds as stated by [24 CFR 92.504\(c\)\(3\)](#). A copy of the updated policies and procedures must be provided to this Office within 30 days of receipt of this letter.



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We thank you for your cooperation and assistance in attempting to resolve this open finding. If the City disagrees with any of HUD's determinations or conclusions in this letter, please address the issues by writing to the Department within 30 days of receipt of this notification. Please contact Alisha Doulen at (336) 851-8042 or Alisha.W.Doulen@hud.gov, if we can be of any assistance regarding this matter.

Sincerely,

A handwritten signature in blue ink that reads "Ashley Lowe".

Ashley Lowe, Acting Director
Greensboro Field Office
Office of Community Planning & Development

Cc: Christopher Cauley
Albert Baker
Michelle Haire



INSTRUCTIONS ON REPAYING HOME PROGRAM INCOME FUNDS TO THE PJ'S LOCAL HOME ACCOUNT:

- 1. For repayment, the PJ should follow the section of the [HOME FACTS - Vol. 7 No. 1, January 2016 \(Revised February 2019\)](#) under "Repayments to the Local Account (IU) Receipts".**

Repayments to the Local Account (IU) Receipts

When the PJ selects "IU Repayment to the Local Account," the data entry requirements for the screen change in a number of ways.

Recipient	Source Name	Source Type	Grant Year	Fund Type	Drawn Amount	Previous Local Account Repayments	Remaining Balance	Local Account Repayment - Receipt Amount	Grantee Receipt #
HAMMOND	HUD	MC	2013	PI	\$825.00	\$0.00	\$825.00	\$ 625	
HAMMOND	HUD	MC	2009	EN	\$175.91	\$0.00	\$175.91	\$ 175.91	
Total:								\$1,000.91	

1. In the "IDIS Activity ID" field, input the IDIS activity number for the activity that is in need of repayment and click the "Show Activity Funds" button.
 2. The system will refresh the screen and provide a table displaying the amounts drawn against the activity. Each combination of grant year and fund type is displayed on a separate line item.
 3. Review the information in the table provided, including "Drawn Amount," "Previous Local Account Repayments," and "Remaining Balance" (B). These amounts will determine the maximum amount to enter in the "Local Account Repayment - Receipt Amount" field (C) for each line item.
 4. Input the amount of funds that will be repaid in the "Local Account Repayment - Receipt Amount" field (C). PJs may optionally input a distinct "Grantee Receipt #" (D) for each line item.
 5. "Total Amount" field (E) is calculated by the system based on the total entered in the "Local Account Repayment - Receipt Amount" fields (C).
 6. If the repayment receipt will include more than one activity, click the "Add Activity" button (F) to input data for another activity.
 7. Provide a detailed comment in the "Comments" field (G), including the reason for the repayment, the amount required to be repaid, whether the repayment entered is a full or partial amount, and if additional repayments are necessary. Please note that the "Comments" field is required for IU receipts.
- 2. For verification, the PJ should submit to HUD a copy of the general ledger entry showing the repayment was made using non-federal funds to the PJ's local HOME program account.**