



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT  
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March 4, 2026

Christopher Cauley  
Economic and Community Development Director  
City of Fayetteville  
433 Hay Street  
Fayetteville, NC 28301

**SUBJECT:** Fiscal Year 2026 Onsite Technical Assistance (TA)  
HOME Investment Partnerships Program (HOME) and Community Development Block  
Grant (CDBG) Program  
Date TA Provided: February 18, 2026

Dear Mr. Cauley,

On February 18, 2026, the Greensboro CPD field office provided onsite technical assistance to the City of Fayetteville for the HOME-funded affordable housing development program and the CDBG-funded emergency repair program. The purpose of the onsite technical assistance was to resolve open monitoring findings, improve performance, and provide guidance and expertise in program execution and design. This letter summarizes the technical assistance provided, the outcomes achieved, identified issues or opportunities for improvement, and next steps.

### **INTRODUCTION**

Specifics relating to this technical assistance visit are as follows:

HUD Reviewer(s):	Alisha Doulen, CPD Representative Sonya Green, CPD Representative
Key Grantee Staff/Participants:	Christopher Cauley, Economic & Community Development (ECD) Director Michelle Haire, Business Manager Jeffrey Morin, Housing Program Manager

### **SCOPE OF TA**

Greensboro HUD Field Office staff provided targeted TA on HOME written agreements,

subrecipient management practices (CDBG and HOME), and overall financial policies and procedures. HUD staff reviewed the HOME Community Housing Development Organization (CHDO) written agreement between the City of Fayetteville and Fayetteville Area Habitat for Humanity. As a part of the HOME project, HUD also reviewed one homebuyer agreement. Program policies and procedures reviewed included: ECD Finance (Grants) Flowchart and the CDBG and HOME program manuals.

Areas of priority included:

- A review of HOME written agreements, subrecipient management practices, and financial recordkeeping systems. Review included recommendations for enhancements or adjustments.
- HUD staff discussed with City staff current policies and procedures for the HOME homebuyer program and CDBG rehabilitation program.
- HUD staff provided technical assistance for project management and execution of activities where barriers are present.
- A review of select project files to identify any areas that may result in non-compliance.

## **TA OUTCOMES**

### ***Outcomes Achieved***

The focus of the technical assistance was to facilitate the closure of open HOME program findings of non-compliance, improve performance, and provide guidance and expertise in program execution and design. During the TA engagement, the following outcomes were achieved:

#### **Outcome #1:**

**Description of Outcome:** Progress made to resolve open HOME program findings. The City expects to complete the corrective actions by April 30, 2026.

**Accomplishment:** The City completed extensive updates to its HOME written agreements prior to the issuance of HOME program findings. HUD staff reviewed the updates to the written agreements and offered recommendations where areas for improvement were identified. Following discussion with the City, it was recommended that the City submit an extension request to allow additional time to resolve the open findings. The City is in the process of updating many of its policies and procedures with the help of a consultant. The additional time will allow City staff an opportunity to obtain formal authorization to repay the funds.

**Needed Action:** The City will submit a formal request to the HUD Office requesting a short-term extension to complete the repayment process.

#### **Outcome #2:**

**Description of Outcome:** Reviewed policies and procedures to ensure compliance with

program regulations and identified areas for improvement.

**Accomplishment:** HUD staff provided clarity and guidance on HUD requirements related to the City's CDBG emergency repair program, documenting administrative costs, and recordkeeping requirements. HUD reviewed the City's updated policy related to the commitment of HOME funds requirements found at 24 CFR 92.2 and finds them to be consistent with program regulations. The City has developed a flowchart to reflect its procedures on the drawdown of funds and other financial processes. These updated policies and procedures will help to ensure that HOME funds are not drawn before a valid HOME written agreement is executed for a specific local project per 24 CFR 92.502.

**Needed Action:** HUD recommends that the City continue its work in making updates and revisions to existing policies and procedures.

### ***Outstanding Issues/Areas for Improvement***

During the provision of TA, the following issues/areas for improvement were identified that the City is strongly encouraged to address in order to ensure compliance and strengthen program performance. They may be subject to future compliance monitoring.

#### **Recommendation #1:**

**Description of Issue:** The updated HOME policies and procedures did not describe the City's process for amending written agreements. HUD acknowledges that the City may have this written policy in place and it was not reviewed at the time of the site visit.

**Next Steps:** If the City has not developed a written policy regarding its process for amending written agreements, it is recommended that the City includes a process to specify when formal amendments are triggered and how it will go about updating appropriate systems prior to the drawdown of additional HOME funds.

#### **Recommendation #2:**

**Description of Issue:** The HOME period of affordability was not clear in the homebuyer written agreement under the Fayetteville Area Habitat for Humanity CHDO activity.

**Next Steps:** It is recommended that the City include in its written agreement to the homeowner or in a subsequent formal written notice after project completion, the exact dates being referenced. The dates should include the completion date and resulting expiration date of the period of affordability. These dates may impact homeowners that desire to sell their property in future years, and the exact dates should be made clear.

#### **Opportunity for Improvement**

HUD reviewed one activity within the City's CDBG-funded emergency repair program. Based on a review of the project file for Fayetteville Urban Ministry, the following recommendations were noted:

1. The City should ensure that it has a process in place for how it will document the cost allowability of indirect costs charged to the grant by subrecipients. At a minimum, the City should require all subrecipients that plan to charge indirect costs to the grant to submit a cost allocation plan for the City review.
2. The City should have a process in place to ensure that subrecipient staff being paid with grant funds are identified and deemed essential to the project. This can be incorporated into the written agreement or provided by the subrecipient as a separate certifying document.

### **NEXT STEPS**

The Greensboro HUD Field Office will continue to provide technical assistance to the City as needs are identified. Several written policy and procedure updates were ongoing at the time of the site visit. Should the City wish HUD to review additional updates made, please contact the Greensboro field office.

I would like to thank you and your staff for your professionalism and cooperation during this TA engagement. You are supporting valuable programs that are successfully supporting housing and community development activities. Alisha Doulen, CPD Representative, is available to discuss the summary of conclusions from the TA and next steps. She can be reached at [Alisha.W.Doulen@hud.gov](mailto:Alisha.W.Doulen@hud.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Ashley Lowe".

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