

TOWN OF SOUTHBRIDGE

CDBG HOUSING REHABILITATION PROGRAM

GUIDELINES AND PROCEDURES

FY 2022-23

Office of Economic Development and Planning
Town Hall
41 Elm Street
Southbridge, MA 01550
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1. INTRODUCTION

The Southbridge Housing Rehabilitation Program is funded through the Massachusetts Community Development Block Grant (CDBG) Program, which is administered by the Town of Southbridge Economic Development and Planning Department. The aim of the program is to upgrade housing conditions and correct safety and building code violations. The program is intended to serve elderly and low to moderate-income residents, helping them to stay safe, warm and dry.

Through the program, the Town will provide up to \$50,000 per unit that is selected. There are no closing costs or additional charges or fees. Loan assistance will be offered to owner occupants who qualify as low- to moderate-income and whose occupants qualify as low- to moderate-income, when applicable.¹

Southbridge's Housing Rehabilitation Program will specifically target owner occupants in this round of funding (FY2022-2023). While previous years' programs may have provided loans to investor owners, the Southbridge Economic Development and Planning Department's current goal is to support home ownership for low- to moderate-income residents. While it is possible that some investor owners may qualify as low- to moderate-income, as owners of multiple properties, they necessarily have access to more funding opportunities through these properties as collateral.

2. GRANT ADMINISTRATION

Economic Development and Planning Department Director

All Community Development Block Grant activities are overseen by the Southbridge Economic Development and Planning Department Director. For the Housing Rehab Program in particular, duties include:

1. Overseeing program staff and financial management
2. Overseeing selection of contractors, including the Housing Rehabilitation Specialist
3. Recording all financial transactions in state grant management system

CDBG Coordinator

All Community Development Block Grant activities are managed by the Southbridge CDBG Coordinator. For the Housing Rehab Program in particular, duties include, but are not limited to:

1. Working directly with the Housing Rehabilitation Specialist on daily program management
2. Grant and program progress tracking to fulfill Massachusetts CDBG requirements

¹. Note: Rents for all rehabilitated units are subject to Massachusetts CDBG rental agreement policies limiting rent increases and requiring affordable rental to low- and moderate-income households for a minimum of fifteen years following completion of rehabilitation

3. Coordinating between other involved Town staff, Housing Rehab Specialist and program participants, along with communicating to interested parties such as Town boards and committees
4. Financial accounting for program activities
5. Title search; monitoring and discharge program lien upon the sale and/or transfer of property or expiration of loan.²

Housing Rehabilitation Specialist

The Housing Rehabilitation Specialist (HRS) functions as a part-time Owner's Project Manager for the Housing Rehab program. They are responsible for inspecting all rehab projects for code and program compliance prior to the creation of a contract between the Town and the Property Owner. The HRS develops construction specifications for each project, taking into consideration inspection reports, and coordinates the contractor bidding process. The HRS will monitor the construction of each project, conduct regular and final inspections, and approve all scopes of work, payment requests, and change orders. The HRS is a contracted position for the Town of Southbridge and is paid based on a negotiated agreement between the HRS and the Department. For the FY22-23 grant, payment has been agreed upon as 11.1% of the total contract award paid after each completed project, with a lump sum of the remaining award upon the completion of the contract.

All financial management of this program will adhere to the same internal controls used for the Town of Southbridge's existing CDBG funds.

3. FINANCIAL ASSISTANCE

The Program will provide property owners with up to \$50,000 per unit and up to \$100,000 per structure.

Based on a budget of \$450,000 for Housing Rehab in our FY22-23 grant, we anticipate that 9 homes can be served with \$50,000 per project. In contrast to previous years of the Southbridge Housing Rehab program, we will not attempt to remedy all housing issues beyond immediate code violations with the total sum of money. If there are concerns beyond initial code violations identified by the HRS, we will ask applicants to identify their top concerns, which \$50,000 could reasonably pay for. If they have secondary pressing concerns that could also be covered by the \$50,000, we will consider these as well.

Payment

The disbursement of funds for construction is initiated by the contractor. When the contractor feels that the work has been completed to a point where a final payment is due, a detailed invoice is submitted to the Department. The HRS inspects the property to confirm that the quality and

² The lien management rests with the Economic Development and Planning Office even after the end of the Housing Rehab Program.

value of the work is acceptable. Payment to the contractor can be issued only after inspection determines that the work has been completed, that it is acceptable and that it has been completed in a workmanship-like manner. The Department reserves the right to make a partial payment should the HRS deem it appropriate. Invoices must detail specific work, noting scope and nature of work completed. All documents will be approved by the HRS, signed and dated.

The Department will withhold 10% of payment as a retainage. This amount is released when the final inspections are complete and following execution of contractor warranties and release of liens. After the final inspection, the contractor is paid in full minus the retainage. The remaining 10% is generally paid to the contractor after a period of 30 - 45 days.

No program assistance will be provided for the purposes of rehabilitating any structure or portion thereof, which is determined by the HRS and CDBG Coordinator to be in a state of structural deterioration such that it would be economically inappropriate to rehabilitate the structure. The cost of rehabilitation should not exceed 75% of the cost of replacement following rehabilitation, and the outstanding mortgages, loans, and liens on a property, including Program funds, should not exceed 90% of the assessed value of a property.

Repayment

Funding for participants in the program will be offered in the form of Deferred Payment Loans (DPL). The Deferred Payment Loan is paid back to the Town of Southbridge if the owner sells or transfers ownership of the property within 15 years of the rehab work. If the property is not sold within fifteen years, the loan is forgiven. The amount of the loan to be repaid decreases by 1/15th every year.

A Uniform Commercial Code (UCC) Lien will be recorded with the Worcester Registry of Deeds on all properties. The lien ensures that if the property is sold, the loan is repaid in the appropriate amount. The repayment schedule will indicate the amount to be repaid at any given time. For deferred payment loans, a schedule included in the agreement determines the percent of the loan due at the time of sale. Transfers of property to a spouse, sibling, or child can be exempt from immediate repayment; the lien will remain on the transferred property and will expire at the end of the fifteen years from the signed date of the contract.

Additionally, per the approval of the Town of Southbridge Town Council on December 19, 2022, all property owners who have received or will receive a deferred payment loan for housing rehabilitation will be eligible for full forgiveness of their loans after reaching the age of eighty-years-old.

Loan Subordination

Occasionally owners who wish can re-negotiate their first mortgages or apply for an equity loan request subordination. Requests are processed on a case-by-case basis ensuring that the Town's position on the loan will remain at least as favorable as is at the time of the request. This assists property owners who are trying to get more advantageous finance terms but discourages additional debt. Through this practice the Town has actually protected property owners from predatory

lenders, when the property owners did not understand what the lenders who had contacted them were actually building into their debt. In refusing to subordinate and explaining our concerns to the property owners, we have been able to put them in contact with lenders at the local banks, who have provided coaching and sometimes financial assistance.

The Department makes a recommendation for each subordination request to the Town Manager based upon the Town's position and any extenuating circumstances.

4. ELIGIBILITY

The intent of the Housing Rehabilitation Program is to serve low and moderate-income residents, and as previously stated, loans are solely reserved for owner occupants.

If a unit to be rehabilitated is vacant, it can be counted as serving a low- or moderate- income resident as long as the property owner agrees in writing to limit rent charged to the Fair Market Rent (FMR) or below for a minimum of fifteen years, with assurance that the property is being developed into housing. The Property Owner must also agree to contact the Town and the Southbridge Housing Authority for availability of vacant units for referral to low/moderate income residents in need of housing.

Income is defined as gross income before taxes and deductions. The income limits are defined by the United States Department of Housing and Urban Development and can be found here: <https://www.hudexchange.info/resource/5334/cdbg-income-limits/>.

The Town of Southbridge has set a goal that 90% of the units to be rehabilitated will be for low or moderate-income residents. The Town may therefore make a limited number of exceptions to the low or moderate-income requirements. These exceptions will be made in order to allow some flexibility in meeting the program's goal of serving low- to moderate-income persons. An exception can only be made if at least half the units in the structure are occupied by persons of low- or moderate-income. Thus, in a two-unit structure, one unit must be occupied by a low or moderate-income person. In a structure of three or more units at least 51% of the units must be occupied by income eligible households. (Residents of a single-family house must be of low/moderate income.)

Conflict of Interest

No member of the governing body of the Town and no other employee or agent of the Town Government who exercises policy, decision-making functions, or responsibilities in connection with the planning and implementation of the Community Development Block Grant Program shall directly or indirectly be eligible for the program. This prohibition shall continue for one year after an individual's relationship with the Town government ends.

5. INCOME DOCUMENTATION

The Town is required to document the income of residents benefiting from housing rehabilitation

programs, and this certification process is the responsibility of the CDBG Coordinator. Gross annual income (before taxes and deductions) at the time of application will be used.

All documentation of income will remain strictly confidential. Documentation of tenants' incomes will not be shared with landlords. Income will be computed and documented for all adult members of a household. Income of dependent children shall be excluded. A dependent child is defined as a child less than eighteen years of age or between eighteen and twenty-three years of age and attending school on a full-time basis.

All payments received by a household on a regular basis shall be included as income, including wages, salaries, social security and SSI payments, other public assistance, pensions, alimony, interest from savings, dividends, etc. Appropriate documentation is defined in EOHLC guidelines and includes, but is not limited to, the following:

1. A statement of wages and earnings during a minimum of 8 weeks (2 months) prior to application signed by the employer upon a form provided by the program or copies of pay stubs for a minimum of 8 weeks (2 months) preceding the date of application.
2. Any electronic payments (PayPal, Venmo, etc.) that make up a significant portion of income.
3. Proof of public assistance.
4. A copy of the most recent IRS Form 1040 Tax Return for residents who are self-employed. If there are employees, a copy of the current Form 941 must also be provided.

The CDBG Coordinator reserves the right to disqualify an application if requested income verification is not provided within a reasonable timeline.

6. APPLICATION PROCEDURES

Property owners interested in a housing rehabilitation loan may apply at the Economic Development and Planning Office, GAR Hall located on the lower level of the Town Hall. The office is open on Monday through Wednesday from 8:00 am to 4:00 pm, Thursday 8:00 am to 8:00 pm, and Friday 8:00 am to 12:00 pm. Applications can also be mailed and addressed to the Town of Southbridge Department of Economic Development and Planning, 41 Elm St, Southbridge, MA 01550, delivered in-person, or emailed at an email address provided on the application. The Office will process applications for the FY22-23 grant from January 1, 2024, onward on an on-going basis. Applications will be processed on a first come first served basis. In the case of two applications received at the same time, preference will be given to seniors, single mothers, and disabled owner occupants.

Applications will be reviewed by the Economic Development and Planning Department to determine eligibility. Applications and accompanying personal information will be held in strict confidence. Confidential notifications of Housing Rehabilitation Program awards (listing properties but not names) are issued to the Town Council, according to recommendations from the Executive Office of Housing and Livable Communities and Town attorneys, KP Law.

The Department may offer referrals to alternative programs such as Worcester Community Action Council, USDA Rural Development, the Get the Lead Out Loan Program, and RCAP Solutions. Loans will not be given for properties in arrears on municipal taxes or fines. The Economic Development and Planning Office will verify with the Tax Collector that properties are clear of municipal liens.

If an application is deemed ineligible at any point in the application process, the Property Owner will be notified in writing with an explanation by the Economic Development and Planning Department.

If an application is deemed eligible, but program funds have been depleted, the Eligible List will become a waiting list. When additional funds become available, applications will be processed from the Waiting List in order of application. The Property Owner will be notified in writing if the application is to be placed on the Waiting List. Applications placed on the Waiting List will receive periodic written notice of their status, including an assessment of the likelihood of available funds.

Application Process

The application process is outlined below:

- a. Initial Application: Application forms will be completed by the Property Owner. Along with the application form, a copy of the current household insurance policy and a copy of the property deed (with the Registry of Deeds book and page numbers) must be submitted. Applications will be recorded in a master log as they are received.
- b. Secondary Application: Forms will be sent to tenants of properties that meet the initial requirements for rehabilitation by the Economic Development and Planning Department. This form requests information on the number of people in a household, income verification, and other demographic information. Once supplemental application forms have been received and an application is deemed eligible, the property will be placed on the Eligible List. (As noted above, if program funds have been depleted the Eligible List becomes a waiting list pending additional funds. Acceptance of applications would stop at this point.)
- c. Initial Inspection: At an agreed upon date, the Housing Rehabilitation Specialist (HRS) will meet with the Property Owner and inspect the property. It is the responsibility of the property owner to ensure access to each dwelling unit and to notify the tenants of the inspection time in advance.
- d. Post-Inspection: The HRS will prepare a preliminary work write-up and cost estimate. For properties on the National Historic Register, or deemed eligible for the Register, this preliminary work write-up will be forwarded to the Southbridge Historical Commission for their review and comment. All projects must also be sent as Project Notification Forms to the Massachusetts Historical Commission for approval.

e. Lead Paint Inspection: A Lead Paint Inspection is required under the law if a child under seven years of age and/or a pregnant woman living in the unit, if there is peeling or chipping paint, or if the home was built before 1978. Rehabilitation that does not disturb a painted surface is exempt from lead inspection, along with properties that have proof of previous inspection and clearance or cases of emergency repair. Inspections must be made by a licensed inspector.

f. First Meeting: A meeting will be held with the Property Owner, the CDBG Coordinator, and the HRS to review the preliminary work write-up. Cost estimates will not be made public until all bids are in.

g. Work Writeup/Cost Estimate: The HRS will then prepare a detailed work write-up and cost estimate. Additional inspections of the property will be required. (Again, it is the responsibility of the Property Owner to ensure access to each dwelling unit and to notify the tenants of the inspection time in advance.) The detailed work write-up will incorporate Energy Star Performance Standards.

h. Second Meeting: A meeting will be held with the Property Owner, the CDBG Coordinator and the HRS to review the following:

1) Work Write-up: The work write-up will be reviewed with the property owner. A scope of work will be agreed upon between the Property Owner and the CDBG Coordinator and the HRS.

2) Financing: The financing available through the Housing Rehabilitation Loan Program will be reviewed with the Property Owner. It will be determined at this point if the cost of the project is more than the funds available under the program.

3) Other Program Requirements: The CDBG Coordinator will review other program requirements such as the grant agreement, fair rent agreement, payback schedule, relocation policy, etc. Copies of these documents will be given to the Property Owner for his/her review.

i. Bidding or Seeking Quotes for Work

The Economic Development and Planning Office will invite contractors to bid or submit quotes for the scope of work, based on the cost estimate determined by the HRS. All contractors will pre-qualified to eligible to participate in work opportunities with the Town. General contractors will be used to perform and oversee the work in cases where the CDBG Coordinator and the HRS determine that the scope of work warrants the use of a general contractor. Otherwise, separate bids or quotes will be issued by trade.

A site visit will be scheduled for a specified date and time for all contractors to visit the property and to review the scope of work with the HRS and the Property Owner. This pre-bid meeting is recommended for any contractor to go forward with bids or quotes. Any amendments to the scope of work made before the time of the bid or quote opening will be sent to all invited contractors.

Projects under \$50,000 require a written solicitation to at least three contractors. In the cases that projects are to be over \$50,000, the Town will administer a qualified bid process. Bids will be opened publicly at the Economic Development and Planning Office in Town Hall at a specified time and place. The HRS will review each bid and determine if it is a responsible bid. The HRS or CDBG Coordinator may reject any bids which are inaccurate or unrealistic.

After the quotes are received or the bids are opened, the CDBG Coordinator, the HRS, and the Property Owner will meet to review. The Property Owner will select the contractor. It is expected that the Property Owner will select the lowest qualified, responsible bid. If for any reason the Property Owner does not select the lowest qualified bid, he/she must pay the difference between the lowest bid and the selected bid.

- j. Loan Closing: A meeting will be scheduled for the closing of the loan. If the Property Owner is providing a portion of the financing, the CDBG Coordinator will work with other parties, such as banks, to coordinate a closing date.

At the time of the loan closing the following documents will be signed:

- Grant Agreement
- Lien, Note
- Fair Rent Agreement (if applicable)

Following loan closing the Property Owner must place the Town of Southbridge as an additional mortgagee on the homeowners insurance policy covering the Property.

- k. Notice To Proceed To Contractor: Once financing is closed, the Contractor will be given written notice to proceed. A contract must be signed within five (5) days of the Notice to Proceed between the Property Owner and the Contractor. The contract form will be provided by the Economic Development and Planning Office. The Work Write-up will be attached to the Contract as well as General Conditions for Residential Rehabilitation signed by the Contractor and Property Owner. The Contractor shall hold a pre-construction conference within five (5) business days of receiving formal Notice to Proceed and prior to any work commencing. This meeting is to permit the Property Owner to choose fixtures, appliances, material patterns, and colors of any material to be used within the limits specified in the Work Write-up.

Contractors may decline contracts without penalty before beginning work—until 7 days after the Notice to Proceed. Contractors who withdraw their proposals or bids later than 7 days after a Notice to Proceed will be excluded from further consideration for CDBG projects.

Within ten (10) business days of the Notice to Proceed, work should commence. Once the work begins, it is expected that workers will be onsite every consecutive day (except for Saturdays, Sundays, and Holidays) until the work is completed for that contract. Except for inclement weather for outside work, any other exception will be on a case-by-case basis. The Economic Development and Planning Office reserves the right to not accept bids from

contractors who habitually "job jump."

Work shall be completed within 120 days from the date of Notice to Proceed. Smaller projects requiring less than 120 days will be assigned completion dates on an individual basis. The Property Owner and the Town may permit an extension of time in writing only if it is determined that there was an unavoidable delay.

Program delays caused by uncooperative applicants at various steps in the CDBG Program process can quickly cause delays in the overall program timeline. These delays are also unfair to other applicants who may be waiting for help. Applicants who impede progress by causing delays of two or more weeks will be removed from the Eligible List. They may be added to the bottom of the Waiting List by submitting a written request. Examples of delays include failing to respond to calls or emails, failure to schedule required meeting, failure to complete required paperwork, failure to select or approve work plans that meet Program requirements.

7. INSPECTION OF REHABILITATION WORK

The HRS is responsible for inspecting the rehabilitation work to ensure contract compliance and quality of work. Inspections will be made throughout the project as follows:

1. Periodic inspections at will by the HRS to determine that the work is being completed in accordance with the contract.
2. A compliance inspection by the HRS to ensure that work is satisfactory will be done for a scheduled progress payment. If the work is being performed under permit(s), the Inspections Department will be consulted as well.
3. Final inspection to determine that the work has been completed in accordance with the contract. Work performed under a permit is to be inspected and approved by the Town Inspections Department prior to this final inspection.

8. PAYMENT TO CONTRACTOR

When a payment is due, an invoice on contractor letterhead and a Request for Payment are to be submitted to the Economic Development and Planning Office. **Signed approval** of this invoice by the Property Owner and the HRS will be required. **Checks are made co-payable to the Contractor and the Property Owner.**

Before final payment is made the following conditions must be met:

- a. Approval of work will be needed by the Property Owner, the HRS, and the Inspections Department when applicable.
- b. A Waiver of Lien by all suppliers and/or sub-contractors or paid in full receipts covering all labor and materials for which a lien could be filed.
- c. A one (1) year Property Owner's warranty signed by the Contractor against defective materials and/or workmanship for non-roofing work, and a five (5) year warranty against defective materials and/or workmanship for roofing work.

- d. A Waiver of Lien signed by the Contractor.

Payments will be made as quickly as possible. Checks will be made co-payable to the Contractor and the Property Owner. Payments are subject to the availability of CDBG funds.

Change Orders

Changes to scope of work, contract amount, or contract completion time will require a change order signed by the HRS, the CDBG Coordinator, the Property Owner, and the Contractor. This order will then become part of the original contract.

Changes requiring immediate attention may be authorized by the HRS. This verbal change order will also be subject to these general conditions and will be reduced to a written form by the following workday.

9. FAIR RENT AGREEMENT

The Town of Southbridge is required to adopt a policy limiting base rent and annual rent increases for units assisted under the housing rehabilitation loan program. This requirement applies to units occupied by low or moderate-income persons or units vacant at the time of the Property Owner's application to the program. Property Owners will be required to sign a Fair Rent/Rent Restriction Agreement agreeing to the above conditions, which is recorded at the Worcester District Registry of Deeds. The rental restriction runs with the land.

Upon completion of housing rehabilitation, rents in housing units for low- and moderate-income persons may not exceed Fair Market Rents as defined by United States Housing and Urban Development (HUD) Section 8 guidelines. Thereafter, rents may only be increased in accordance with the Annual Adjustment Factor under HUD guidelines. Increases are allowed on a yearly basis.

Tenants will be given written notice of the existence of this policy upon completion of rehabilitation. The tenants will be advised of their rights and will be made aware of whom they should contact in the case of infraction. Annual notices will be sent to tenants informing them of the rent limits.

The agreement shall also stipulate the Property Owner's responsibility to report vacancies to the Town and the Housing Authority for referrals of low/moderate residents in need of housing. **In addition, property owners shall not refuse to rent to tenants holding Section 8 Existing Housing Certificates, Chapter 707 Certificates, or any other recognized housing voucher certificate except for good cause.**

This policy shall remain in effect for a period of **fifteen years** from the date of final inspection of the housing unit.

Failure to comply with this policy will result in the Town of Southbridge giving notice to the Property Owner to correct the situation. If corrective action is not taken within a specified time frame (90 days), outstanding loan funds will be recovered.

10. RELOCATION POLICY

The purpose of the housing rehabilitation program is to maintain and preserve units of housing and not permanently relocate residents. Residents are expected to accept some inconvenience and disruption while rehabilitation work is underway. In some cases, health and safety concerns may justify the temporary relocation of residents. Temporary relocation will most likely be necessary in the case of lead paint or asbestos removal, or if the unit will be left without kitchen and/or bathroom facilities. The need for temporary relocation will be identified as part of the work write up prepared by the HRS. Contractors undertaking the rehabilitation work will be required to schedule work to minimize as much as possible the disruption of the daily routine of tenants or occupants. CDBG guidelines will be used for any new or unusual relocation matter.

Notification

Tenants will be notified in writing of the potential requirement for temporary relocation when they discuss the program with the CDBG Coordinator. The CDBG Coordinator will document the notification. They will be required to sign a Temporary Relocation Agreement at the time they sign the Approval of the Final Work Write-Up. They will be given as much advance notice of the dates when they must be excluded from the property when they meet with the Housing Rehab Specialist and the Contractor. The Town will secure accommodations at a permitted lodging establishment in Southbridge or a surrounding town based on room availability. Lodging will begin after check-in time on the date abatement is scheduled to begin and will end when the dwelling is determined to be lead-free by the Lead Inspector. The Town will pay stipends of up to \$35.00 per day per housing unit. No stipends will be paid before the last date of displacement. The property owner is responsible for any other costs incurred.

No tenant shall enter an apartment which is in the process of being abated for lead paint or which was abated until a Certificate of Compliance is signed by a lead paint inspector.

Approval of Relocation Assistance

The CDBG Coordinator must approve all relocation assistance prior to expenditure of funds by the Town or the Property Owner. If a resident does not agree with the CDBG Coordinator's determination of eligibility, the amount of temporary displacement allowance, or any other displacement benefit, an appeal to the Town Manager's Office may be made by filing a written appeal within 30 days after notification of the Economic Development and Planning Office determination. If differences still remain, the Resident may appeal directly to the Relocation Coordinator, Massachusetts CDBG Program, **100 Cambridge Street, Suite 300, Boston, MA 02114.**

11. GRIEVANCE POLICY

A system is in place to handle complaints if they should arise. Complaints will be in written form addressed to the Economic Development and Planning Department. The Department will contact the Applicant to resolve the problem and a response will be made within fifteen working days. In

the event that a dispute between a home owner and the Economic Development and Planning Department cannot be resolved, the matter will be brought to the Town Manager for arbitration. The Town Manager will respond within 15 business days. If the home owner is unhappy with the Town Manager's decision, they can appeal the decision to the Town Council Chair. The Town Council Chair will respond within 1 business days. In the event of a dispute between a property owner and a contractor that cannot be resolved, the Town will be the final authority in determining when the work has been completed satisfactorily.

1. Where the Economic Development and Planning Department concurs with disapproval by the Owner of any work items, payment will be withheld until the Contractor remedies deficiencies arising from failure to conform to the Bid Specifications and/or generally accepted industry standards of goods.
2. Where the Economic Development and Planning Department finds no cause for the Owner's dissatisfaction, the Owner will be notified in writing together with the reasons for the Department's position. The Owner will be asked to authorize payment to the Contractor.
3. Where the Owner refuses to authorize payment, the Economic Development and Planning Department finds no cause for said Disapproval, and the Owner continues to disapprove a payment request, the Department reserves the right to submit the dispute to a Review Board made up of the HRS, the Building Inspector, and the CDBG Coordinator for resolution in the best interests of the Owner and the Town. In all cases, the Department will notify the Owner of a decision to process payment under this paragraph prior to releasing funds;
4. Unless otherwise required under paragraphs above, all payments made by the Town shall be co-payable to the Owner and the Contractor. The Economic Development and Planning Department shall not release any check for payment to the contractor without having obtained the signature of the Owner, unless the full process above has been followed.