

09-4517

## Conflict Resolution Policy

It is the intent of Staff to assist the homeowner in every way with the loan and construction process. The following is in place to establish a policy and procedures for conflict resolution between the homeowner and their selected contractor and subcontractors, if any, to resolve disputed issues.

At the time of the loan closing the homeowner shall receive and sign a copy of the conflict resolution policy, acknowledging receipt and explanation of the policy.

- At the time of the award of the job, the contractor will be asked to review and sign a copy of the conflict resolution policy, acknowledging receipt and explanation of the policy.
- At closing, staff will advise homeowner that it is their responsibility to communicate with the contractor about any job related concerns and, in addition, to relay the concerns to city staff.
- At the first sign of dispute with the contractor, the homeowner shall contact City staff about the issue and make staff aware of the concern or potential problem.
- If the concern is not resolved by the homeowner and the contractor, city staff will set up a mediation meeting with Conflict Resolution to discuss the problem and resolution with both parties. A determination will be made at that time as to what a reasonable resolution is and both parties will sign an agreement indicating what, if any, corrective action will be taken.
- In the event the homeowner and contractor cannot or will not come to terms, the homeowner can choose to terminate the contract and seek out another contractor from the approved list of contractors to finish the job. City staff will mediate remuneration for work that has been completed to that point and both parties will sign an agreement for payment and release of contract.
- Staff will assist homeowner with securing a new contractor to complete the job.

In the event that either party fails to make a good faith effort to resolve the conflict, in a time frame specified by said agreement, the following may occur. The homeowner may be subject to immediate repayment of the loan, which could result in foreclosure action. The contractor may be terminated from the job and subject to suspension from future city contracts.