

Exhibit 2 APPLICANT SCREENING PROCEDURE

1. All applicants for public housing and Piney Creek North will be screened according to the criteria set forth in the PHA's Admission and Continued Occupancy Policy (ACOP). These criteria, which are based on those set forth in the HUD Regulations (**24 CFR Part 960.205**), relate to the individual behavior of each applicant. Screening criteria to be used in public housing and Piney Creek include:
 - A. Past performance in meeting financial obligations, particularly rent, is satisfactory
 - B. No record of disturbance of neighbors, destruction of property, or living or housekeeping habits at prior residences which adversely affect the health, safety or welfare of other residents (*this includes alcohol abuse where the abuse results in behavior which interferes with the health, safety, or right to peaceful enjoyment of premises by other residents*)
 - C. No history of criminal activity involving crimes of physical violence to persons or property; possession, sale or use of illegal substances; or any other criminal acts that adversely affect the health, safety or welfare of themselves or other residents
 - D. Past performance demonstrates the Applicant's ability and willingness to comply with the terms of the Lease Agreement, either alone or with assistance.
 - E. No history of misrepresentation or omission of Information
 - F. If history of criminal activity is related to domestic violence situations, this will not be a basis for denying assistance.
2. The PHA will be the final judge of what constitutes adequate and credible documentation. If staff have doubts about the veracity or reliability of information received, they should pursue alternative methods until they are satisfied that their documentation is the best available.
3. Staff should be prepared to explain to landlords and other housing providers what the obligations of public housing tenancy entail to help these verification sources provide informed references about an applicant's future ability to comply with lease requirements.
4. If an applicant is disabled or speaks a language other than English, PHA staff will be sensitive to the special needs he/she might have in carrying out the interview. Where appropriate, the PHA will provide a person to explain the process and ask the questions in sign language, or in some other language.
5. All documentation and copies will be dated and signed and placed in family file.

How Each Applicant's History Will be Checked

1. **Past performance meeting financial obligations, especially rent: (24 CFR 960.205(b)(1))**
 - A. This will be checked first by contacting the current landlord (if applicable) and at least one prior landlord (more are better). The **Landlord Verification Form** will be used to gather information about past performance meeting rental obligations.

If the landlord or housing provider verification forms are not returned in a timely manner, the PHA staff will attempt to contact the landlords or housing providers by telephone to obtain the information. When telephone verification is employed, PHA staff should ask the questions from the appropriate verification form, should write the

name of the individual interviewed, the date and time of the call and the exact responses to the questions and staff shall sign the form.

If telephone verifications with landlords are impossible or of limited value (applicants living with family or friends) the PHA staff will obtain a credit report on the applicant.

The PHA will also check their former tenant files to determine whether the applicant has been evicted from the PHA, has had Section 8 assistance terminated, or owes the PHA any money.

- B. The reason for checking with prior landlords is that current landlords of dangerous, destructive or costly applicants may misrepresent or not report information about them to get the PHA to take over their problem. Contacts with all prior landlords for at least the past three years (five years is better, but not always possible) are to be pursued.
- C. If verified records of timely rental payments are received from current and one prior landlord(s), no further documentation of past performance meeting financial obligations, especially rent, need be collected for determining eligibility except to verify information provided by the applicant.
- D. The PHA will take into account extenuating circumstances, such as family deaths, loss of job, etc., if poor payment or nonpayment shows up for a given period of time.
- E. A former PHA tenant or Section 8 participant (otherwise eligible) who applies owing a balance consisting of uncollected rent and/or miscellaneous charges in either Public Housing or Section 8 may not be placed on the Waiting List until that balance is paid.
 - In this case, the PHA makes no distinction between an outstanding balance carried as a current receivable and an outstanding balance which has been written off as a collection loss.
 - Otherwise eligible families who, when they apply for housing have outstanding balances owed to a PHA, shall be rejected if they fail to pay these amounts in full.
- F. If the PHA staff has questions about information received, they may contact the housing provider in order to get reliable and credible documentation.
- G. If the applicant has no landlord reference (e.g. because of living with friends or family or in an institution or shelter) or if the landlord reference is ambiguous or not credible or could not be verified, the PHA will run a credit check. Only the credit accounts of the applicant and co-applicant shall be considered.
- H. If PHA is unsuccessful at obtaining landlord verifications and the is determined eligible based on credit history; in addition, an interview with the family will be conducted using the form **Ability to Comply with Lease Terms** during the personal interview in addition to the credit check.
- I. Examples of an applicant's failure to meet financial obligations include:
 - (1) Landlord references evidence chronic late payment (3 or more occasions) of rent or termination of lease (eviction) for non-payment of rent.
 - (2) Landlord references evidence skip or left owing a balance.
 - (3) Applicant owes rent or other amounts to any housing authority in connection with federal housing assistance programs.

(4) Credit report evidences unfavorable credit history (if PHA is unsuccessful at obtaining landlord references) including:

Five (5) or more non-rent related accounts rated 120 days or more past due or placed for collection in the past two years. (Accounts involving medical expenses incurred by the applicant or prospective household members shall not be included in the determination of unfavorable credit history.)

Two (2) or more terminations or disconnection of utility service within the past two years

One (1) or more rent related accounts placed for collection or evidence of eviction or judgment.

2. Disturbance of neighbors, destruction of property, or living or housekeeping habits that would pose a threat to the health, safety or right to peaceful enjoyment of the premises by other tenants (See 24 CFR § 960.206)

A. Staff will check for these potential problems with the current landlord and at least one former landlord using the **Landlord Verification Form**.

B. If there are no references to check or references cannot be obtained in writing or by telephone, a PHA staff person will make a Home Visit if the home is within a 20 mile radius of the PHA. The purpose of the home visit is to guard against admitting an applicant whose living or housekeeping habits would create a threat to the health or safety of others. Applicants will be notified of home visits at least two days in advance. The PHA staff will use the **Home Visit Form**.

All staff performing inspections shall be trained to recognize what constitutes an unacceptable condition. The purpose of the home visit is not to perform a "white glove" check of the applicant's housekeeping but rather to determine whether the applicant is capable of caring for a PHA unit in a way that will not create health and safety hazards or contribute to infestation, whether the applicant is likely to damage a PHA unit, and whether the applicant is currently engaged in behavior or practices that would violate the PHA's lease.

To help overcome individual differences in inspectors, the form asks for a description of unacceptable conditions. The inspector shall give a succinct but complete report of exactly what conditions triggered the unsatisfactory rating. (For example, "Used pampers on the floor, dirty laundry in a puddle in front of the commode, bathroom fixtures very dirty with human waste).

Applicants who are sharing housing either with family members or friends must be advised that the PHA will also inspect the common areas if the unit, not just their rooms. The PHA must be able to document any cases where the home visit results in rejection.

C. If the applicant is not currently living under a lease with a landlord, the current housing provider will be asked to verify the applicant's ability to comply with PHA Lease terms as it relates to this criterion. Any area for which the applicant has upkeep responsibility will be inspected.

D. Staff will check criminal history through the Bastrop Police Department, Bastrop County Sheriff's Department and Department of Public Safety. The criminal history will be used to check for any evidence of disturbance of neighbors or destruction of property that might have resulted in arrest.

- E. Applicant's behavior toward PHA staff will be considered in relation to future behavior toward neighbors. Physical or verbal abuse or threats by an applicant toward PHA staff will be noted in the file.
- F. Examples of applicant's failure to meet rental obligations include:
 - (1) Landlord reference evidences one substantial violation of lease or repeated (3 or more) minor violations of lease
 - (2) Landlord reference/Home Visit evidences that the applicant was residing with someone in an unauthorized capacity (not on lease) or allowed unauthorized persons to reside with the applicant.
 - (3) Landlord reference/Home Visit evidences that the applicant or members of the household engaged in or threatened abusive or violent behavior towards landlord or other residents.
 - (4) Landlord reference/Home Visit evidences disturbance of neighbors, destruction of property or living or housekeeping habits that would pose a threat to the health, safety or right to peaceful enjoyment by other residents.
 - (5) Landlord Reference/Home Visit evidences the family is willing to live in unsanitary or infested conditions created by applicant or others. The PHA will consider mitigating circumstances concerning the living conditions.
 - (6) Landlord reference/Home Visit evidences the applicant was engaged in criminal activity or a pattern of alcohol abuse within the past three (3) years that results in behavior which interferes with the health, safety or right to peaceful enjoyment of the premises by residents
 - (7) Landlord reference/Home Visit evidences the applicant displayed some other situation that was inconsistent with the information presented on the application.

3. Involvement in criminal activity or other activity on the part of any applicant family member that would adversely affect the health, safety or welfare of other tenants: (See 24 CFR § 960.205(b)(3))

- A. PHA will perform a criminal check on all adult family members according to the PHA's **Criminal Screening Policy**.
- B. PHA will check with the Bastrop County Sheriff's Department, including Jail Arrest Records to obtain local criminal activity information.
- C. PHA will check with Bastrop Police Department to obtain local criminal activity information.
- D. PHA will check with the Department of Public Safety Crime Records Data Base and Sex Offender Registration Data Base to see if any family members have criminal histories or are registered as sex offenders.
- E. Examples of an applicant's involvement in criminal activity or other activity that would adversely affect the health, safety or welfare of other tenants include:
 - (1) History of criminal activity involving crimes of physical violence to persons or property; possession, sale or use of illegal substances; or any other criminal acts within the past ten (10) years which may be reasonably expected to adversely affect:
 - (a) the health, safety or welfare of themselves or other residents
 - (b) the physical environment and fiscal stability of the development or neighborhood

- (c) the safety of Authority employees or representatives
 - (d) the peaceful enjoyment of other residents
- (2) Persons who have been evicted from any federally-assisted housing because of drug-related criminal activity are ineligible for admission or continued occupancy for a minimum three (3) year period beginning on the date of such eviction.
- (3) Persons engaging in illegal use of a drug will be denied admission or continued occupancy if:
- (a) The Authority determines that any household member is currently engaging in illegal use of a drug. (A household member shall be determined “currently engaging in” if the person has engaged in the behavior recently enough to justify a reasonable belief that the behavior is current.)
 - (b) If the Authority determines that it has reasonable cause to believe that a household member’s illegal use or pattern of illegal use of a drug may threaten the health, safety or right to peaceful enjoyment of the premises by other residents.
- (4) Persons convicted of drug-related criminal activity for manufacture or production of methamphetamines on the premises of federally assisted housing are permanently prohibited from admission.
- (5) Persons subject to a lifetime registration requirement under a State sex offender registration program are permanently prohibited from admission.
- (6) Persons whose pattern of alcohol abuse where the abuse results in behavior which interferes with the health, safety, or right to peaceful enjoyment of premises by other residents within the past three years will be denied admission or continued occupancy.

The existence of any of the above-referenced behavior by the applicant, resident or any household member or guest, regardless of applicant’s/ resident’s knowledge of household member or guest’s behavior, shall be grounds for rejection or non-renewal at the time of annual re-certification. In order to deny assistance or terminate tenancy, it is not necessary that the resident, family member or guest be convicted or arrested.

4. Applicant’s ability and willingness to comply with the terms of the Lease Agreement.

A. Applicants and household members must be able to demonstrate the ability and willingness to comply with the terms of the Lease, either alone or with assistance which he or she can demonstrate that he or she have or will have at the time of admission.

5. Misrepresentation

A. If misrepresentations on the Application for Admission are determined before the family is housed, the family will be denied housing and required to wait a period of one (1) year before the family can reapply. If misrepresentations result in housing an ineligible or unsuitable family, the family may be required to vacate even though currently eligible. If misrepresentation or failure to provide facts has resulted in payment of a lower Total Tenant Payment than should have been paid, the family will be required to pay the difference between the Total Tenant Payment paid and the amount which should have been paid. In justifiable cases, the Authority may take such other action as deemed reasonable.

B. Persons who have committed fraud, bribery or any other corruption within any federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived there from shall be denied admission or continued occupancy.

Explaining the Screening Process

Applicants will be told what the PHA's applicant selection policy is and what aspects of their background will be checked. Some applicants might voluntarily withdraw their applications when they understand the screening process because, with their knowledge of their own tenant history they believe it would be fruitless to continue. This is their prerogative.

Applicants with Disabilities

It is illegal to deny an applicant because he or she has a disability, or for reasons that could be overcome by the PHA's reasonable accommodation of the applicant's disability. If, even with reasonable accommodation, applicants with disabilities cannot meet essential program requirements, it is permissible to deny them. Such insurmountable problems might arise because of behavior or performance in past housing, inability to comply with the terms of the PHA's lease, or needed services from PHA staff that represent an alteration in the fundamental nature of the PHA's program. (Required, 24 CFR 100.202)

There are three possible stages of processing the applications of persons with disabilities under the Regulations.

Eligibility Review

- The first stage of processing is the determination of program eligibility. At this point it is necessary to document that each single applicant who is less than 62 years of age is disabled as defined in HUD's Part 5 regulations. The question must be asked to determine whether the applicant qualifies as a Disabled Family.
- Elderly/disabled Family status qualifies the member for a special deduction in rent computation and confers a preference in assigning units in buildings for the disabled. Once an applicant has been determined to have a disability, no further reference should be made to that fact unless the application reaches the third stage of processing.

Applying the Applicant Selection Criteria

- The second stage of processing is applying the applicant selection criteria contained in this procedure. Neither mitigating circumstances nor reasonable accommodations will be an issue for any applicant who passes the applicant selection criteria.
- An applicant who happened to have a disability but was able to demonstrate a history of meeting financial obligations, caring for a rental unit, avoiding disturbing neighbors and destroying property, eschewing criminal behavior, and, if necessary, ability to comply with the PHA's lease, would be recommended for admission with no further reference to or consideration of any disability.

Seeking Mitigating Circumstances

- This stage of processing would only come into play if an applicant could not meet one or more of the applicant selection criteria. At this point, applicants with disabilities are entitled to considerations to accommodate their special needs in addition to those afforded to all other applicants.

- Staff should hold a second interview with any applicant known to have a disability who cannot meet one or more of the applicant screening criteria. The purpose of this interview is to determine whether it is possible to admit the applicant through consideration of mitigating circumstances or by applying reasonable accommodation.
- Mitigating circumstances would be facts (that can be verified) that would overcome or outweigh information already gathered in the tenant screening process. For example, if an applicant's previous history of disturbing neighbors was very poor, but his recent behavior was much improved, the PHA could consider this a mitigating circumstance. PHA staff must document the improvement if the file contained only data about the former problems.
- If the evidence of mitigating circumstances presented by the applicant relates to a change in medical condition or course of treatment, the PHA shall have the right to refer such information to persons qualified to evaluate the evidence and verify the mitigating circumstance.
- The PHA shall also have the right to request further information reasonably needed to verify the facts the applicant claims directly related to mitigating circumstance, even if such information is of a medically confidential nature.
- If the applicant refuses to provide or give access to such further information, the PHA will give no further consideration to the mitigating circumstance.
- Screening staff must keep in mind that an applicant with a disability who may, for example, be unable to care for a current apartment alone, may still qualify as able to comply with the lease if he or she can demonstrate that assistance with caring for the unit has been secured. Such assistance could be in the form of a Live-in Aide, or it could be a friend, family member, chore service or employee of the applicant. It is not the province of the PHA to make judgments about the best way to provide assistance, but simply to determine whether the assistance will enable the applicant to meet the screening criteria.
- If the applicant needs help to comply fully with the lease terms, screening staff should obtain verifications that such assistance is available to the applicant.

Seeking Reasonable Accommodation

- If no mitigating circumstances exist that satisfy the PHA's applicant selection criteria, the PHA must consider reasonable accommodations the PHA could make to eliminate barriers to housing the applicant. Reasonable accommodations may take the form of either physical modifications made to the unit, building, development or grounds, or policy or procedural changes.
- An example of a reasonable accommodation might be approving an applicant for a larger unit (waiving the unit occupancy standards) to permit occupancy by a live-in aide who would assist the applicant with some aspect of lease compliance the applicant could not otherwise achieve.
- Accommodations, to be considered reasonable, must not cause undue financial or administrative burden or an alteration in the fundamental nature of the PHA's public housing program.

- If a service is necessary for compliance with the lease, the PHA cannot be required to provide it to an applicant with a disability if it is not provided to other tenants, but the PHA must consider admitting that applicant if he or she can document that the service will be provided by others at no cost to the PHA.

Any applicant with a disability who cannot meet the applicant screening criteria taking into account possible mitigating circumstances, reasonable accommodations by the PHA, or services needed for lease compliance verified to be provided to the applicant by others, must be denied.

Supervisor Review

If, at any point in the screening process (including landlord references, home visit, police check, or verification of ability to comply with lease terms), it becomes clear to staff that an applicant will not meet the screening criteria, the file should be sent to the appropriate Supervisor for review. The first step in this review is a determination of the file's completeness. If any information is missing or the case for rejection or acceptance is not compelling, the file will be returned to the staff for further work.

Preliminary Recommendation of Admission or Rejection

When a preliminary determination of eligibility and qualification for Federal Preferences has been made and either the verification forms have been returned or telephone verifications obtained, the Home Visit has been completed (if applicable), the staff will make a preliminary recommendation of Admission or Rejection. The preliminary determination would be based on the following:

1. Responses from current and at least one former landlord – A positive or neutral response would mean the applicant family could be recommended for admission;
2. Responses from Criminal History Reports – No member of the applicant family should be involved in relevant criminal activity for a recommendation of admission.
3. Response from a housing provider other than a private landlord (if applicable) – The applicant must be considered capable of and willing to comply with the PHA lease terms for a recommendation of admission;
4. Credit Report (if applicable) – The applicant must have a neutral or good record for a recommendation of admission. This would include no recent evictions or no history of non-payment of rent.
5. Home Visit Report (if applicable) – To be recommended for admission, the applicant must receive a satisfactory or better rating on the Home Visit.

Unfavorable Information

In the event of receipt of any unfavorable information regarding the conduct of the applicant or a household member of an applicant family, the Authority will give consideration to the time, nature and extent of applicant's conduct and to factors that might indicate a reasonable probability of favorable future conduct or financial prospects in determining eligibility of the applicant. Factors to be considered will include:

1. Evidence of rehabilitation

Examples:

Verification from a probation or parole officer that the applicant has met or is meeting the terms of probation or parole with respect to illegal use of a controlled substance.

Verification from a reliable drug treatment counselor or program administrator indicating that the applicant is/has been in treatment and that there is a reasonable probability of success in refraining from use of illegal drugs, is complying with the requirements of the treatment program, and that the applicant is not currently a user of illegal drugs;

2. Evidence of applicant family's participation or willingness to participate in social service or other appropriate counseling service programs and the availability of such program;

Examples:

Verification from a self-help program indicating that the applicant is/has been participating in their program, that there is a reasonable probability that the applicant will be successful in refraining from the use of illegal drugs, and that the applicant is not currently a user of illegal drugs.

3. Evidence of the applicant's willingness to attempt to increase family income and the availability of training or employment programs in the locality.

4. Evidence of the applicant's willingness to resolve any outstanding collections or judgments related to rent or utilities.

Examples:

Verification from the landlord or utility company evidencing that the applicant has paid the debt in full. If the applicant is not able to pay the debt in full, the applicant may be permitted to remain on the waiting list upon verification from the landlord or utility company evidencing that the applicant has entered into a Repayment Agreement and has a history of paying the debt as agreed.

5. Willingness to exclude a family member who falls into one of the categories that caused the applicant to be denied.

6. Evidence that criminal activity relates to a domestic violence situation.

Bastrop Housing Authority does not discriminate against persons on the basis of disability status in the admission or access to, or treatment or employment in, its federally assisted programs and activities.