

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2010-47104
Issue No.: 5025
Case No.: [REDACTED]
Hearing Date: January 10, 2010
Wayne County DHS (35)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the claimant's request for a hearing. After due notice, a telephone hearing was held on January 10, 2010. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, and [REDACTED], Manager, appeared and testified.

ISSUE

Whether DHS properly denied Claimant's application for State Emergency Relief (SER) for assistance with property taxes based on Claimant's failure to afford his housing obligations.

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On 3/15/10, Claimant applied for SER (see Exhibit 1) for assistance with property taxes.
2. Claimant verified a monthly employment income of \$30/month (see Exhibit 6).
3. Claimant is an owner and resident of a property which has no mortgage.
4. Claimant is responsible for a \$1,000/year obligation on his residence for property taxes.
5. On 3/19/10, DHS denied Claimant's application for SER benefits on the basis that Claimant's home was not affordable.

6. On 5/28/10, Claimant requested a hearing disputing the denial of his SER request for help with property taxes.

CONCLUSIONS OF LAW

The State Emergency Relief (SER) program is established by 2004 PA 344. The SER program is administered pursuant to MCL 400.10, *et seq.*, and by final administrative rules filed with the Secretary of State on October 28, 1993. MAC R 400.7001-400.7049. Department of Human Services (formerly known as the Family Independence Agency) policies are found in the Emergency Relief Manual (ERM).

SER is a program which offers assistance for various client emergencies. Clients may seek assistance through SER for any of the following: heat or gas bills, water bills, electricity bills, home repairs, rent or mortgage arrearages, relocation expenses including rent and security deposit, food, burials or migrant hospitalization.

Housing affordability is a condition of eligibility for SER assistance with home ownership services. ERM 207 at 1. Property tax arrearage is a subsection of home ownership services. ERM 304 at 1.

DHS specialists are directed to authorize SER for home ownership services only if the SER group has sufficient income to meet ongoing housing expenses. ERM 207 at 1. An SER group that cannot afford to pay their ongoing housing costs plus any utility obligations will not be able to retain their housing, even if SER is authorized. *Id.*

DHS specialists are directed to deny SER applications if the group does not have sufficient income to meet their total housing obligation. *Id.* The total housing obligation cannot exceed 75% of the group's total net countable income. *Id.* ERM 207 provides instruction on how to calculate housing affordability. It states:

Multiply the group's total net countable income by 75%. The result is the maximum "total housing obligation" the group can have, based on their income, and be eligible for SER housing services; and refer to the table at the end of this item for any increases in the basic 75% test if the group is renting and heat, electric or water/ cooking gas is included in the rent. Multiply the resulting percentage by the group's total net countable income. The result is the absolute "total housing obligation" the group can have and be eligible for SER housing services.

In the present case, DHS properly determined Claimant's monthly income to be \$30/month. DHS calculated the income based on receipts (Exhibit 6) submitted by Claimant from his odd-job employment. Multiplying the income by 75% results in a maximum total housing obligation of \$22.50. Note that Claimant is a homeowner and is responsible for all utilities and is not entitled to a higher multiplier of his income than 75%.

As Claimant has no mortgage payment on his home, Claimant's only expense in his housing obligation is his property taxes. Claimant testified that his annual taxes are approximately \$1,000/year. Dividing the \$1,000/year obligation by 12 calculates Claimant's monthly housing obligation of \$83.33. Claimant's housing obligation exceeds Claimant's maximum total housing obligation. Though DHS did not appear to use the above calculations in determining Claimant's SER eligibility, the result is the same, Claimant is not eligible for SER assistance for property taxes because Claimant's housing obligation is not affordable.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly denied Claimant's application for SER assistance concerning property taxes. The actions taken by DHS are AFFIRMED.



Christian Gardocki
Administrative Law Judge
For Duane Berger, Director
Department of Human Services

Date Signed: 1/13/2011

Date Mailed: 1/13/2011

NOTICE: Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

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