

**STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES**

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2011-31881
Issue No.: 5026
Case No.: [REDACTED]
Hearing Date: June 29, 2011
DHS County: Wayne (82-76)

ADMINISTRATIVE LAW JUDGE: Andrea J. Bradley

HEARING DECISION

This matter is before the undersigned Administrative Law Judge upon the Claimant's request for a hearing made pursuant to Michigan Compiled Laws 400.9 and Michigan Compiled Laws 400.37, which govern the administrative hearing and appeal process. After due notice, a telephone hearing was held in Detroit, MI, on June 29, 2011. The Claimant appeared and testified. [REDACTED]

[REDACTED], appeared and testified on behalf of the Department of Human Services (Department).

ISSUE

Whether the Department properly denied Claimant's request for State Emergency Relief (SER) benefits for rent assistance.

FINDINGS OF FACT

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

1. On April 13, 2011, Claimant applied for SER assistance based on a March 8, 2011, Summons and Complaint for Nonpayment of Rent (Complaint) for the Subject Premises.
2. Claimant sought \$3,000 in SER assistance for relocation services for a rent arrearage from October of 2010 through March of 2011.
3. According to the Complaint, the total amount of rent due to prevent eviction was \$3,400 for rent, plus \$150 for late fees.

4. A court date was set for March 21, 2011, at which time an order of eviction could have issued evicting Claimant from the Subject Premises.
5. The rent for the Subject Premises is \$600 per month.
6. The Claimant receives \$694 per month in Family Independence Program (FIP) cash assistance and is considered to have a group size of four for SER benefits.
7. On April 21, 2011, the Department denied Claimant's SER application, and in doing so, cited to ERM 301, 302, 303, and 304, and gave the reasoning that the amount requested was equal to or greater than the amount needed to resolve the emergency.
8. On April 23, 2011, the Department received the Claimant's written request for hearing.

CONCLUSIONS OF LAW

The 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 policies are found in the State Emergency Relief Manual (ERM).

SER prevents serious harm to individual and families to resolve or prevent homelessness by providing money for rent, among other things. ERM 303, p. 1. The Department was authorized to issue SER rent assistance in this case if the following conditions were met: (1) the SER payment requested would have resolved the emergency (ERM 103, p.3); (2) the Claimant cannot be found to have caused the emergency (ERM 204, p. 1); (3) if the Claimant caused the emergency, then good cause must exist for the Claimant's failure to meet her shelter obligations (ERM 204, p.1); and (4) the Claimant is able to meet the housing affordability requirement set forth in ERM 207.

As an initial matter, ERM 103 requires that in order for SER assistance to be issued, the amount requested by the claimant must be an amount that would resolve the emergency. In this case, the Claimant testified that she submitted a SER application seeking \$3,000 in relocation assistance. The Complaint clearly states that \$3,400 is due for rent and \$150 is owing in late fees. Therefore, the SER assistance would not resolve the emergency for which the Claimant is seeking assistance. Further, the maximum amount that the Department is authorized to issue for relocation services for a group size of four is \$740. ERM 303, p. 6. The amount needed to resolve the emergency far exceeds the maximum assistance allowed.

Moreover, pursuant to ERM 204, p. 1, the Department will not issue SER assistance if the SER group failed to use their available money to prevent a shelter, energy or utility emergency. ERM 204, p.1. The Department, therefore, considers a client-caused emergency to exist when a SER group fails to pay required payments for the six-month period prior to the month of application. ERM 204, p.1. Nevertheless, the Department will find that good cause exists when a claimant with a group size of four fails to meet her/his rent obligations if the income from all sources during each month the SER group failed to pay its rent was less than \$270. ERM 204 pp 1, 2.

The evidence in this case, specifically the Bridges case summary attached as Exhibit 1, shows that Claimant receives \$694 per month in FIP cash assistance. Claimant testified that the actual shelter cost (rent) in this case is \$600 per month. Despite the income, Claimant failed to pay rent for the six-month period prior to the March application. Pursuant to Department policy, the income of \$694 is considered available money that could have prevented the emergency, and good cause does not exist in this case because the monthly FIP assistance exceeds the \$270 good cause limit.

Finally, the Department may only issue SER relocation rent assistance if the SER group has sufficient income to meet ongoing housing expenses. ERM 207, p.1. All countable earned and unearned income is used to determine the group's financial eligibility. ERM 206. Housing affordability is a condition of eligibility for SER and applies only to Relocation Services and Home Ownership Services and Repairs. ERM 207; ERM 304. In order to determine whether the Claimant meets the Housing Affordability Requirement (HAR), the Department must multiply the group's net income by seventy-five percent. ERM 207, pp. 1, 2. The result is the maximum total rent the Claimant can have and be eligible to receive SER rent assistance. ERM 207, p. 2. A SER application must be denied if the group does not have sufficient income to meet the total housing obligation. ERM 207

During the Administrative Hearing, Claimant testified contrary to the Bridges summary, and stated that she only receives \$563 per month in FIP assistance. Assuming, *arguendo*, that this were true, the Claimant would not be barred from receiving benefits based on a client-caused emergency as discussed above; however, the SER application would still be denied based on the HAR. This discrepancy is inconsequential because, if Claimant was in fact receiving \$694 per month in FIP assistance, she would still be denied SER benefits based on the HAR, because there is not sufficient income to meet the \$600 monthly housing obligation. Since the Claimant was unable to afford the monthly shelter obligation, there was no emergency regarding the rent arrearage.


Based on the reasoning set forth above, the testimony on the record, and the record documents, the Claimant was not entitled to receive SER relocation services and the Department acted in accordance with Department policy when it denied the Claimant's SER application. Accordingly, the Department's actions are upheld.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds that the Department established it acted in accordance with Department policy when it denied the Claimant's SER application.

Accordingly, it is ORDERED:

The Department's denial of the SER application is AFFIRMED.



Andrea J. Bradley
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: July 13, 2011

Date Mailed: July 14, 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.

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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.

AJB/pf

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