

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201247106  
Issue No.: 5026  
Case No.: [REDACTED]  
Hearing Date: August 13, 2012  
County: Wayne DHS (49)

**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 following Claimant's request for a hearing. After due notice, a telephone hearing was held on August 13, 2012 from Detroit, Michigan. Participants included the above named claimant. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Specialist.

**ISSUE**

The issue is whether DHS properly denied Claimant's application for State Emergency Relief (SER) application on the basis of housing affordability.

**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 3/8/12, Claimant applied for SER for help with a rent arrearage.
2. At the time of the SER application, Claimant had \$0/month in income.
3. At the time of the SER application, Claimant's ongoing rent was \$0.
4. Claimant was responsible for the cost of her gas and electricity.
5. On 3/12/12, DHS denied Claimant's application due to Claimant's alleged inability to pay rent.
6. On 4/13/12, Claimant requested a hearing to dispute the SER denial.

## 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. The present case concerned a rent arrearage.

DHS specialists are directed to authorize SER for relocation 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.* 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; the applicable policy 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.

From a common sense standpoint, it would be reasonable to conclude that a gas and electric obligation, even with a \$0/month rent is not affordable. However, DHS regulations set forth the above procedure to determine affordability.

Water is included in Claimant's rent creating a 5% increase in the 75% standard. Multiplying Claimant's \$0/month income by 80% creates a maximum housing obligation of \$0. Claimant's rent is the same as her maximum housing obligation. Based on a literal interpretation of the above policy, this requires a finding that Claimant's housing obligation is affordable. Thus, it is found that DHS erred in denying Claimant's SER application due to inability to afford housing. This finding is further supported by a specific example in DHS policy (see ERM 207 at 2) which cites that zero income results in a potentially eligible SER if the maximum total housing obligation is zero.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly denied Claimant's application for SER benefits. It is ordered that DHS:

- reinstate Claimant's SER application dated 3/8/12; and
- process the application subject to the finding that Claimant's rent was affordable.

The actions taken by DHS are REVERSED.



Christian Gardocki  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: August 17, 2012

Date Mailed: August 17, 2012

**NOTICE:** Michigan Administrative Hearing System (MAHS) 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. MAHS 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. (60 days for FAP cases)

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt 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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
  - misapplication of manual policy or law in the hearing decision,
  - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
  - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at  
Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P. O. Box 30639  
Lansing, Michigan 48909-07322

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cc:

