

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

IN THE MATTER OF:

████████████████████
██
████████████████████

Reg. No.: 2014-18934
Issue No(s): 5001
Case No.: ██████████
Hearing Date: February 27, 2014
County: Wayne (15)

ADMINISTRATIVE LAW JUDGE: Eric Feldman

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 February 27, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department or DHS) included ██████████, Eligibility Specialist.

ISSUE

Did the Department properly process Claimant's request for State Emergency Relief (SER) assistance with property taxes?

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 December 5, 2013, Claimant applied for SER assistance with property taxes. See Exhibit 1.
2. On December 6, 2013, the Department sent Claimant a SER Decision Notice. See Exhibit 1.
3. On December 13, 2013, Claimant filed a hearing request, protesting the Department's SER decision. See Exhibit 1.

CONCLUSIONS OF LAW

The State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1-.119b. The SER program is administered by the Department (formerly

known as the Family Independence Agency) pursuant to MCL 400.10 and by Mich Admin Code, R 400.7001 through R 400.7049. Department policies are found in the Department of Human Services State Emergency Relief Manual (ERM).

In this case, on December 5, 2013, Claimant applied for SER assistance with property taxes. See Exhibit 1. On December 6, 2013, the Department sent Claimant a SER Decision Notice, which denied Claimant's property tax request in the amount of \$3,090.37 due to her shelter not being affordable. See Exhibit 1.

SER helps to prevent loss of a home if no other resources are available and the home will be available to provide safe shelter for the SER group in the foreseeable future. ERM 304 (October 2013), p. 1. Property taxes and fees are covered by home ownership services. See ERM 304, p. 1.

Housing affordability is a condition of eligibility for SER and applies only to Relocation Services (ERM 303) and Home Ownership Services and Home Repairs (ERM 304). ERM 207 (March 2013), p. 1. Total housing obligation means the total amount the SER group must pay for rent, house payment, mobile home lot rent, property taxes and required insurance premiums. ERM 207, p. 1.

The Department will authorize SER for services only if the SER group has sufficient income to meet ongoing housing expenses. ERM 207, p. 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. ERM 207, p. 1.

The Department will deny SER if the group does not have sufficient income to meet their total housing obligation. ERM 207, p. 1. The total housing obligation cannot exceed 75 percent of the group's total net countable income. ERM 207, p. 1.

The Department determines whether a SER group meets the Housing Affordability requirement by multiplying the group's total net countable income by 75 percent. ERM 207, p. 2. The result is the maximum total housing obligation the group can have based on their income, and be eligible for SER housing services, and the Department will refer to a table in ERM 207 for any increases in the basic 75 percent test if the group is renting and heat, electric or water/cooking gas is included in the rent. ERM 207, pp. 2-3.

In this case, the Department testified that Claimant's net income is \$812, which Claimant did not dispute. Claimant's application indicated her income is \$800 and it consists of SSI Supplemental Security Income (SSI) income. See Exhibit 1. It appears that Claimant is responsible for paying her own heat, electric, and water bills. For the affordability calculation, the Department multiplies the \$812 by 75 percent for a total of \$609. The maximum total housing obligation this group can have and be eligible for SER relocation, home ownership or home repair is \$609. Claimant did not dispute that her need amount is \$3,090.37. The Department presented the notice of property tax delinquency for the tax year 2011, which indicated if paid in August 2012, her amount would be \$3,090.37. See Exhibit 1. Based on this information, Claimant's total housing

obligation amount of \$3,090.37 exceeded 75 percent of the group's total net countable income. ERM 207, p. 1.

It should be noted that even if her rent included heat, electricity, and water. The Department would still multiply the net income by 100% for a total of \$812. Claimant's total housing obligation amount of \$3,090.37 would still exceed 100 percent of the group's total net countable income. ERM 207, p. 1.

It should also be noted that it appears that Claimant's property tax amount request exceeds the \$2,000 amount. The total amount of tax arrearage for all years does not exceed \$2,000 (this only applies to home ownership for taxes). ERM 304, p. 4. The Department pays only the minimum amount required to resolve the tax emergency. ERM 304, pp. 4-5. The total tax arrearage amount is the total for every year combined, not just for the tax years which assistance is being requested. ERM 304, p. 5. Thus, it also appears that Claimant did not meet the eligibility requirements for home ownership services as well due to her property tax being in excess of \$2,000. See ERM 304, pp. 4-5.

Nevertheless, it is found that Claimant does not have sufficient income to meet her total housing obligation. The total housing obligation (\$3,090.37) exceeds both the 75 percent to 100 percent of the group's total net countable income. See ERM 207, pp. 1-3.

DECISION AND ORDER

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it properly denied Claimant's SER assistance with property taxes effective December 6, 2013.

Accordingly, the Department's SER decision is AFFIRMED REVERSED.



Eric Feldman
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: March 14, 2014

Date Mailed: March 14, 2014

NOTICE OF APPEAL: 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

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).

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-07322

EJF/tm

cc: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]