

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2014-8089
Issue No(s): 5001
Case No.: [REDACTED]
Hearing Date: February 5, 2014
County: Kent County DHS

ADMINISTRATIVE LAW JUDGE: Colleen Lack

HEARING DECISION

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99. 1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on February 5, 2014, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] [REDACTED] the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED] [REDACTED] Eligibility Specialist, and [REDACTED] [REDACTED] Family Independence Manager.

ISSUE

Did the Department properly deny the Claimant's State Emergency Relief (SER) application for rent to prevent eviction because the shelter was not affordable according to program requirements?

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 October 10, 2013, the Claimant applied for SER for rent to prevent eviction and an interview was completed.
2. On October 10, 2013, a SER Decision Notice was issued to the Claimant stating the SER request for rent to prevent eviction was denied because the shelter was not affordable according to SER requirements.
3. On October 17, 2013, the Claimant filed a request for hearing contesting the Department's determination.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

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 Michigan Admin Code, R 400.7001 through R 400.7049.

SER for relocation services assists individuals and families to resolve or prevent homelessness by providing money for rent, security deposits, and moving expenses. SER for relocation services can only be approved if the group's rental obligation meets the criteria for housing affordability specified in ERM 207. ERM 303.

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. Renters can have a higher total housing obligation if heat, electricity and/or water/cooking gas are included. ERM 207.

Authorize SER for services only if the SER group has sufficient income to meet ongoing housing expenses. 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.

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

Pursuant to ERM 207, to determine whether an SER group meets the Housing Affordability requirement:

- Multiply the group's total net countable income by 75 percent. 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 ¹ at the end of this item 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. 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.

Under the ERM 207 policy, when utilities are included in rent, up to 100% of income can be considered for the maximum total housing obligation.

¹ When heat is included in the rent add 15% to the basic 75% housing cost standard. When electric is included in the rent add 5% to the basic 75% housing cost standard. When water or cooking gas or both are included in the rent add 5% to the basic 75% housing cost standard. ERM 207.

The Claimant credibly testified she paid her rent faithfully for 20 years until she lost her job. The Claimant is in a training program and is trying to get a higher paying job. However, the Department and this ALJ must review the Claimant's October 10, 2013 application for SER for rent to prevent eviction under the applicable policies, including determining if the housing is affordable under ERM 207.

In this case, the Claimant's rent was reported as \$ [REDACTED] (Exhibit A, page 7). The Claimant did not list any other persons in her home. (Exhibit A, page 5). Accordingly, the SER group size is one, composed of only the Claimant. Therefore, the Claimant's monthly income was the only income for the SER group. During the October 10, 2013 interview, the Claimant reported she was still working 18 hours per week. (Exhibit A, page 17). The Department budgeted the income on the previous verification from paystubs of \$ [REDACTED] every two weeks for 36 hours per pay period. This corresponds with the monthly income of \$ [REDACTED] the Department budgeted for the October 10, 2013 SER application. (Exhibit A, pages 17-18)

If no utilities are included in the Claimant's rent, the housing would not be affordable because reported rent of \$ [REDACTED] was more than \$ [REDACTED] which is 75% her monthly income of \$ [REDACTED]. The Claimant reported heat and water are included in her rent. (Exhibit A, page 7). Accordingly, up to 95% of the Claimant's income, \$ [REDACTED] can be considered for the total maximum housing obligation. However, reported rent of \$ [REDACTED] was still more than \$ [REDACTED]. Further, even if all utilities were included in Claimant's rent, the housing would not be affordable because reported rent of \$ [REDACTED] was more than 100% of her monthly income of \$ [REDACTED].

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 denied the Claimant's application for SER for rent to prevent eviction.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.



Colleen Lack
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: February 14, 2014

Date Mailed: February 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

CL/hj

cc:

