



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: February 27, 2017
MAHS Docket No.: 17-000857
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

HEARING DECISION

Following Petitioner'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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on February 22, 2017, from Lansing, Michigan. Petitioner appeared and represented herself. [REDACTED] Eligibility Specialist, and [REDACTED] Assistance Payments Supervisor, appeared on behalf of the Department of Health and Human Services (Department).

The Department offered the following exhibits which were marked and admitted into evidence: [**Department's Exhibit 1:** Pre-hearing data record, Request for Hearing, Pre-Hearing Conference Letter, State Emergency Relief Decision Notice, Summons-Landlord/Tenant, Notice to Pay Rent or Quit, Shelter Verification, DTE Energy Summary of Charges, City of Oak Park Water Supply System Disconnect Warning, Consumers Energy Account History, Letters of Guardianship, Summons-Landlord/Tenant, Bridges Case Comments-Summary, Michigan Remittance Notice, Bridges SOLQ, Earnings Statements-Palace Sports & Entertainment, Bridges SER-Affordability Test, Documentation Record and Proof of Service (page 1 through 28)].

Petitioner did not offer any exhibits into evidence.

The record closed at the conclusion of the hearing.

ISSUE

Did the Department properly deny Petitioner's application for State Emergency Relief (SER) due to failure to meet the housing affordability test?

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 27, 2016, Petitioner submitted an application for SER seeking assistance with rent to prevent eviction. Petitioner requested \$ [redacted] [Hearing Testimony].
2. At the relevant time, Petitioner had a group size of 2 (Petitioner and her son). Petitioner's total monthly rental obligation was \$ [redacted] and heat, electric or water/cooking gas is not included in the rent. [Department's Exhibit 1, pp. 9-10].
3. Petitioner's total household net countable monthly income was \$ [redacted] [Dept. Exh. 1, pp. 20-25].
4. The Department determined that Petitioner failed the housing affordability test. [Dept. Exh. 1, p. 26].
5. On December 28, 2016, the Department mailed Petitioner a State Emergency Relief Decision Notice (DHS-1419), which denied Petitioner's application for relocation services because her shelter is not affordable. [Dept. Exh. 1, pp. 5-6].
6. Petitioner requested a hearing to dispute the denial on January 9, 2017. [Dept. Exh. 1, pp. 2-3].

CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and 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 Department of Human Services) pursuant to MCL 400.10 and Mich Admin Code, R 400.7001-.7049.

SER prevents serious harm to individuals and families. SER assists applicants with safe, decent, affordable housing and other essential needs when an emergency situation arises. ERM 101 (3-1-2013), p. 1.

SER assists individuals and families to resolve or prevent homelessness by providing money for rent, security deposits, and moving expenses. SER may cover the following services: (1) first month's rent, rent arrearage (including mobile home lot rent for owners or purchasers is a home ownership service found in ERM 304 and mobile home lot rent

for renters is a relocation service covered by this Item); (2) security deposit (if required); and (3) moving expenses (to relocate household effects). ERM 303 (10-1-2015), p. 1.

The Department will approve SER for relocation services only if the group's rental obligation meets the criteria for housing affordability specified in ERM 207. The Department's computer system known as "Bridges" will determine whether the SER group's rental housing is affordable. ERM 303, p. 4.

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). Housing affordability does not apply to other SER services. ERM 207 (10-1-2015), p. 1.

The Department will 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. The Department will 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, p. 1.

In order to determine whether an SER group meets the Housing Affordability requirement, the Department will (1) multiply the group's total net countable income by 75 percent to determine the maximum total housing obligation the group can have based on their income, and be eligible for SER housing services; (2) refer to the table at the end of [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; and (3) multiply the resulting percentage by the group's total net countable income to find the absolute total housing obligation the group can have and be eligible for SER housing services. ERM 207, p. 2.

In the instant matter, Petitioner requested a hearing because she disputes the Department's decision to deny her application for SER seeking assistance with rent in order to prevent eviction. The Department contends that Petitioner was not eligible because she failed the housing affordability test.

This Administrative Law Judge has carefully considered and weighed the testimony and other evidence in the record. Petitioner did not dispute the amounts nor did she dispute the Department's calculations. Here, Petitioner's total monthly net countable income of \$ [REDACTED] multiplied by 75% indicates that the maximum total housing obligation based on her group's household income is \$ [REDACTED] ($\$ [REDACTED] \times 75\% = \$ [REDACTED]$). See ERM 207, p. 2. Because Petitioner's rent does not include heat, electric or water/cooking gas, the percentage increases from the chart on ERM 207, p. 3, do not apply. Therefore, the maximum total housing obligation Petitioner's group can have and be eligible for SER relocation services is \$ [REDACTED].

Based on the material, competent, and substantial evidence on the whole record, this Administrative Law Judge finds that because Petitioner's \$ [REDACTED] monthly rental

obligation exceeds the group's maximum allowable monthly housing obligation of \$ [REDACTED] her group does not pass the housing affordability test and is not eligible for SER relocation services.

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 Petitioner's December 27, 2016, SER application for relocation services.

DECISION AND ORDER

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

IT IS SO ORDERED.

CAP/mc



C. Adam Purnell
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

NOTICE OF APPEAL: A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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 48909-8139

DHHS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Petitioner

[REDACTED]