



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON
DIRECTOR

Date Mailed: August 28, 2018
MAHS Docket No.: 18-006930
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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; 42 CFR 438.400 to 438.424; 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 August 22, 2018, from Detroit, Michigan. Petitioner appeared and was unrepresented. [REDACTED], Petitioner's boyfriend, testified on behalf of Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by Heather Hill, specialist, and Kelly Hudson, manager.

ISSUE

The issue is whether MDHHS properly denied Petitioner's application for State Emergency Relief (SER).

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 June 26, 2018, Petitioner applied for SER for rent arrearage. (Exhibit A, pp. 6-19)
2. As of June 26, 2018, Petitioner was eligible to receive \$[REDACTED]/month in Retirement, Survivors and Disability Insurance (RSDI) benefits. (Exhibit A, pp. 25-27) Petitioner also reported that her ongoing rent was \$[REDACTED] and that electricity was included in her rent.
3. On June 28, 2018, MDHHS denied Petitioner's SER request for rent arrearage due to her housing not being affordable. (Exhibit A, pp. 34-36)

4. On July 3, 2018, Petitioner requested a hearing to dispute the denial of SER.

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

Petitioner requested a hearing to dispute a denial of an SER request concerning rent arrearage. MDHHS presented a Notice of Case Action (Exhibit A, pp. 34-36) dated June 28, 2018, which informed Petitioner that her request was denied due to her housing not being affordable.

Housing affordability is a condition of eligibility for SER and applies to Relocation Services. ERM 207 (October 2015), p. 1. Relocation services include assistance for a rent arrearage (see ERM 303).

MDHHS is to authorize SER-relocation services only if the SER group has sufficient income to meet ongoing housing expenses. *Id.* 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.* MDHHS is to deny SER if the group does not have sufficient income to meet their total housing obligation. *Id.*

If no utilities are included in the rent obligation, the total housing obligation cannot exceed 75% of the group's total net countable income *Id.* The percentage increases up to 100 percent, depending on which utilities are included in the client's housing obligation (see *Id.*, p. 3). Electrical services included in rent justifies adding 5% to the 75% basic housing cost standard. *Id.*

Petitioner's monthly income was \$[REDACTED]. Petitioner sought SER for a rent obligation of \$[REDACTED] which included the cost of electricity. In determining Petitioner's housing affordability, MDHHS failed to factor that Petitioner's electricity service was included in her rent and improperly applied the basic 75% housing cost standard. Though MDHHS erred in applying the proper housing cost standard, applying the proper standard does not alter the outcome.

MDHHS should have applied an 80% housing cost standard due to Petitioner's electricity service being included in her rent. Multiplying Petitioner's \$[REDACTED] income by an 80% housing cost standard results in an adjusted net countable income of \$[REDACTED]. Petitioner's monthly rent of \$[REDACTED] exceeds the adjusted net countable income. Thus, Petitioner's rent is not affordable and it is found that MDHHS properly denied Petitioner's SER request for rent arrearage.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly denied Petitioner's SER request for rent arrearage dated June 26, 2018. The actions taken by MDHHS are **AFFIRMED**.

CG/



Christian Gardocki

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) 763-0155; 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

Kimberly Kornoelje
MDHHS-Kent-Hearings

Petitioner

[REDACTED]
[REDACTED]
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