



STATE OF MICHIGAN

GRETCHEN WHITMER  
GOVERNOR

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
SUZANNE SONNEBORN  
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA  
DIRECTOR



Date Mailed: July 1, 2024  
MOAHR Docket No.: 24-003950  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun**

### **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, an in-person hearing was held on June 13, 2024, from Detroit, Michigan. Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Kimberly Owens, Assistance Payments Supervisor and Lutrina Webster, Eligibility Specialist.

### **ISSUE**

Did the Department properly deny Petitioner'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 or around [REDACTED] 2024, Petitioner submitted an application requesting SER assistance with heat and electric services, as well as past due property taxes. (Exhibit A, pp.6-11)
2. On the application, Petitioner indicated that she was requesting assistance with her property taxes in the amount of \$1,452. Petitioner also reported that she is not employed and does not have any income. (Exhibit A, pp. 6-11)
3. On or around March 20, 2024, the Department sent Petitioner a State Emergency Relief Decision Notice (SER Decision Notice) approving her request for assistance with heat services in the amount of \$425 and electricity services in the amount of \$425. The SER Decision Notice also advised Petitioner that her request for

assistance with property taxes in the amount of \$1,452 was denied because the Department determined that her shelter was not affordable according to SER requirements. (Exhibit A, pp.12-14)

4. On or around April 7, 2024, Petitioner requested a hearing disputing the Department's actions with respect to her SER application for assistance with property taxes. In her request for hearing, Petitioner asserts that she is entitled to Emergency Services Funding. (Exhibit A, p.5; Exhibit 1)

### **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.

In this case, Petitioner disputed the Department's denial of her [REDACTED] 2024, request for SER assistance with property taxes in the amount of \$1,452, as notified in the March 20, 2024, SER Decision Notice.

SER helps to prevent loss of a home if no other resources are available and the home will be available to provide a safe shelter for the SER group in the foreseeable future. ERM 304 (October 2021), p. 1. Home ownership services payments can be issued to save a home threatened with loss due to tax foreclosure or sale. The lifetime home ownership services maximum is \$2,000. The ongoing cost of maintaining the home must be affordable to the SER group. (See ERM 207, Housing Affordability). ERM 301, pp. 1, 4-5.

Housing affordability is a condition of SER eligibility and applies to home ownership services such as assistance with property taxes. ERM 207 (October 2020), p. 1. SER is only approved if the group has sufficient income to meet its ongoing housing obligation, which includes 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, 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. The Department will deny the SER if the group does not have sufficient income to meet their total housing obligation, which cannot exceed 75% of the group's total net countable income. ERM 207, pp. 1-3. To determine whether an SER group meets the housing affordability requirement, the Department will 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. ERM 207, pp. 1-3.

At the hearing, the Department representative testified that Petitioner's [REDACTED] 2024, application for SER assistance with property taxes in the amount of \$1,452 was denied because Petitioner's housing was not affordable according to the SER requirements identified above. The Department sent Petitioner a SER Decision Notice on March 20, 2024, advising her of the denial decision. The Department representative testified that because Petitioner has no income, she is unable to meet her ongoing housing obligations. The Department representative testified that Petitioner's housing obligation includes her property taxes, as well as any mortgage and monthly utility expenses for heat, electric, and water services. Therefore, the Department asserted that Petitioner would be unable to retain her housing even if SER assistance was to be authorized.

Petitioner did not dispute that she has no income. Petitioner also did not dispute that her housing obligation includes property taxes and monthly heat, electric, and water services at her home. With respect to her monthly mortgage, Petitioner testified that she is currently not responsible for making payments, as the mortgage is in deferment. Petitioner's testimony as to her mortgage obligation was unclear and inconsistent. Petitioner testified that she got far behind on payment of her property taxes because she lost her job due to the COVID-19 pandemic and subsequently, her Unemployment Compensation Benefits (UBC) and federal Pandemic Unemployment Assistance (PUA) benefits were interrupted. She testified that her savings were used to purchase food because the Department had terminated her Food Assistance Program (FAP) benefits. There was some testimony that Petitioner's FAP case was closed in June 2020; however, Petitioner was informed that the closure of her FAP case will not be addressed with the current Hearing Decision, as Petitioner's current request for hearing does not identify the FAP as a program in dispute.

Petitioner argued that the Department should have authorized payment of Emergency Services (ES) funding, as homelessness prevention, which includes back taxes to avoid foreclosure, is a covered ES service. The Department representative argued that because Petitioner's housing is not affordable, she is ineligible for ES funding.

ES funds are allocated to each local office to provide assistance when SER will not cover the requested service, or the SER payment will not resolve the emergency. A SER application must be submitted and eligibility must be determined prior to any service or cost being paid using ES funds when the service is covered under SER. SER should be authorized whenever the household qualifies for a benefit through the SER program. ERM 209 (February 2024), pp. 1-2.

Petitioner disputed the Department's denial of ES funding, asserting that because authorization to approve ES funding is discretionary, the Department should have used its discretion and considered that her circumstances were caused by the COVID-19 pandemic, which resulted in her being unable to afford her property tax payments.

Petitioner argued that she has extenuating circumstances which warrant the use of ES funds. While Petitioner is correct that ES funds may be used to assist with payment of back property taxes to avoid foreclosure, ERM 209 provides that the housing must be affordable in order for the Department to authorize ES funding payments. See ERM 209, p.3.


Notwithstanding Petitioner's arguments, the Department established that Petitioner does not have sufficient income to meet her total housing obligation. Thus, Petitioner's housing is not affordable according to the SER requirements. Because Petitioner's housing is not affordable, she is ineligible for ES funding.

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 [REDACTED] 2024, SER application for assistance with property taxes and when it determined that Petitioner was ineligible for ES funding.

#### **DECISION AND ORDER**

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

ZB/ml

  
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**Zainab A. Baydoun**  
Administrative Law Judge

**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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

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

Michigan Office of Administrative Hearings and Rules  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

**Via Electronic Mail:**

**Respondent**

Richard Latimore  
Wayne-Conner-DHHS  
4733 Conner  
Detroit, MI 48215

**MDHHS-Wayne-57-Hearings@michigan.gov**

**Interested Party**

BSC4  
E Holzhausen  
J McLaughlin  
MOAHR

**Via First Class Mail:**

**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED] MI [REDACTED]