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Minn. Stat. § 480A.08, subd. 3 (2008).*

**STATE OF MINNESOTA  
IN COURT OF APPEALS  
A08-0374**

Angela Sandstrom,  
Relator,

vs.

Dakota County Community Development Agency,  
Respondent.

**Filed February 24, 2009  
Affirmed  
Worke, Judge**

Dakota County Community Development Agency

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Considered and decided by Worke, Presiding Judge; Connolly, Judge; and  
Johnson, Judge.

**UNPUBLISHED OPINION**

**WORKE**, Judge

Relator challenges the termination of her Section-8-housing benefits, arguing that  
respondent-agency failed to consider alleged mitigating circumstances. We affirm.

## DECISION

Relator Angela Sandstrom has participated in the Section 8 rental assistance program through respondent Dakota County Community Development Agency since 2005. In October 2007, respondent notified relator that her participation in the program would be terminated for failing to report employment. Relator requested an informal hearing. The hearing officer upheld the termination, concluding that relator's termination was justified because her failure to report three separate places of employment established a pattern of failure to report employment. By writ of certiorari, relator challenges the agency's decision.

By taking evidence and hearing testimony, an agency acts in a quasi-judicial capacity. *Carter v. Olmsted County Hous. & Redev. Auth.*, 574 N.W.2d 725, 729 (Minn. App. 1998). "An agency's quasi-judicial determinations will be upheld unless they are unconstitutional, outside the agency's jurisdiction, procedurally defective, based on an erroneous legal theory, unsupported by substantial evidence, or arbitrary and capricious." *Id.* Agency decisions are presumed correct and a reviewing court must defer to an agency's conclusions regarding conflicts in testimony and the inferences drawn from such testimony. *In re Excess Surplus Status of Blue Cross & Blue Shield of Minn.*, 624 N.W.2d 264, 278 (Minn. 2001). A party challenging agency findings bears the burden of demonstrating that those findings are unsupported in light of the evidence considered as a whole. *In re Petition of Hyman Freightways, Inc.*, 488 N.W.2d 503, 504 (Minn. App. 1992).

Federal regulations allow for the termination of benefits “[i]f the family violates any family obligations under the program.” 24 C.F.R. § 982.552(c)(1)(i) (2006). A public housing authority (PHA) has discretion to determine when termination is an appropriate remedy. *See Dep’t of Hous. & Urban Dev. v. Rucker*, 535 U.S. 125, 136, 122 S. Ct. 1230, 1236 (2002) (upholding discretion to evict tenants for drug-related activities of household members); *Minneapolis Pub. Hous. Auth. v. Lor*, 591 N.W.2d 700, 703 (Minn. 1999) (discussing discretion of a PHA to evict tenants for criminal activity). Respondent has the discretionary authority to terminate Section 8 benefits if the family fails to accurately and completely report income. 24 C.F.R. §§ 982.551(b)(2), .552(c)(1)(i) (2006).

Relator does not contest that she failed to report the income, but argues that she should be able to keep her benefits because she repaid the \$24 overpayment she received prior to the hearing. The repayment agreement states that “[w]hen the full amount owed is paid, the underlying claim shall be discharged, and if applicable, the undersigned’s eligibility shall be reinstated.” Further, the form states that “[i]f you are a current participant in a housing assistance program, your continued assistance is contingent upon your cooperation with this agreement. You will be notified if this agreement is in default and your housing assistance will be terminated.” Relator received a notification letter clearly stating that her benefits were being terminated due to her failure to comply with the rules and regulations of the program—specifically, for her failure to report income. And the form does not guarantee that relator’s benefits will be reinstated or continued. Further, relator testified at the informal hearing regarding her termination that she was

aware of the rule that her benefits could be terminated for failing to report income. Therefore, relator's argument that signing and cooperating with the repayment agreement form would allow her to keep her benefits fails.

Relator also argues that respondent failed to consider relevant mitigating factors in making the termination decision. Relator argues that the hearing officer failed to consider that (1) she provided a doctor's note confirming that she was 33 weeks pregnant and that her pregnancy was high risk; (2) she and her 12-year-old daughter would not have anywhere to go if she was terminated from the program; (3) she took responsibility for her actions and repaid the overpayment prior to the hearing; and (4) this is not a serious case in light of the fact that her failure to report the income resulted in an overpayment of only \$24. But the regulations make no distinction between minor and serious violations. Furthermore, because the record contains substantial evidence in support of respondent's termination of relator's benefits, the decision was not arbitrary or capricious.

An agency's decision must be supported by substantial evidence, defined as "such relevant evidence as a reasonable mind might accept as adequate to support a conclusion." *Carter*, 574 N.W.2d at 730. "Substantial evidence means more than a scintilla of evidence, some evidence, or any evidence." *Id.* (quotation omitted). On appeal, relator must demonstrate that the agency's findings are not supported by the record when considered in its entirety, and this court applies an abuse-of-discretion standard of review. *Id.* This court must take into account contradictory evidence or evidence from which conflicting inferences can be drawn. *Id.* at 730-31.

After considering the testimony and other evidence, the hearing officer concluded that relator's failure to report three separate and distinct jobs in a one-year period demonstrated a pattern of failure to report income. This conclusion is supported by the record, which shows that relator failed to report that she worked for Pro Staff from April 13, 2007 to May 11, 2007, and earned \$772.75 in gross income. Relator also worked for Freelance Professionals from September 6, 2006 to October 2, 2006, and earned \$918 in gross income. Finally, relator worked for IC System, Inc. from October 9 to 31, 2006, and earned \$1,182.50 in gross income.

The hearing officer noted that relator had a responsibility to correctly report household income and that she had signed statements affirming that she understood the consequences of failing to do so. The record demonstrates that the program requires participants to annually recertify. In her July 2007 recertification application relator listed no current or previous work history. Relator also signed the "Applicant/Tenant Certification And Statement of Tenant Responsibilities" form, which provides:

I certify that I will notify [respondent] of all changes in my household income and composition within 10 days of the change. All changes must be reported in writing. . . .

Regarding Changes in my household, I understand that:

- 1) Employment income must be reported within 10 days of being hired.

. . . .

I understand that if I fail to report changes in my household composition (who lives in my unit) and all increases in my household income, my housing assistance may be terminated. I also understand that I will be required to pay back benefits that were overpaid on my behalf due to untimely reporting or non-cooperation with information requests.

Relator had signed this form with her 2005 and 2006 reapplications. Nonetheless, the only income relator reported on her applications was the child support she received for her 12-year-old daughter.

The hearing officer stated that relator's health concerns as set forth in the doctor's letter did not negate her obligation to report her income sources. Based on the record, the hearing officer articulated a "rational connection between the facts found and the choice made." *In re Blue Cross*, 624 N.W.2d at 277 (quotation omitted). Therefore, relator has failed to meet her burden of demonstrating that the hearing officer's decision is unsupported in light of the record considered as a whole.

**Affirmed.**