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Jennifer Cherry and her fiance, Jeff Crist, stand outside their home. Their sons, Tucker and Deeshawn, play ball in the background. Both are on disability and qualify for Section 8 rental assistance, but have been trimmed from the program because of a shortage at their housing authority.

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obstacle course of waiting lists, paperwork requirements, landlord discrimination rights, affordability, and economic flux. All of which were in play in the months leading up to the termination letters from NOHA.

Like all housing authorities, NOHA distributes Section 8 rental assistance based on the funding support provided by the federal Department of Housing and Urban Development. NOHA is approved to support 1,077 housing units across Clatsop, Columbia and Tillamook counties, and funding for those units is determined by HUD according to a formula based on the housing authority's previous year's success at meeting 100 percent of the unit goal.

In mid-2008, NOHA realized it was under-leasing, falling short at 96 percent, according to HUD. It needed to fill more units. So it did, going beyond its federally allotted 1,077.

But, despite the financial assistance, people couldn't find affordable places to rent. To even use their Section 8 vouchers, renters needed more financial aid. So at the start of 2009, NOHA raised its payment rates to landlords, all the while continuing to exceed its 1,077 allotted units.

It also started dipping into its reserves to pay the higher rates – reserves that had exceeded $1 million, according to HUD, accrued from money not spent from its Section 8 voucher budget. (However, reserves, by law, cannot be spent on new vouchers beyond the housing authority's limit.)

By March, NOHA was expecting its funding notice from HUD for budgeting. It didn't arrive until May. Still, NOHA is receiving more HUD housing assistance money than it had last year – $300,000 for a total of $5.33 million.

And by May, NOHA was over-leased, exceeding its voucher limit, and paying more in rents.

At the same time, people were not leaving the program at the normal attrition rate. Typically, about 15 people per month leave the Section 8 program, but because of the economy and the rise in unemployment, more people were staying on the program. Only about four or five were leaving each month, according to NOHA.

Columbia County's unemployment rate is 15.4 percent, more than double what it was one year ago. The self-employed, such as builders and carpenters, make up a large portion of the region's work force, and those jobs have slowed, stifling income if not generating unemployment figures. The bulk of remaining work is in lower-wage service jobs.

"People aren't moving," says Teresa Sims, second in command at NOHA. Sims runs the tenant-based assistance programs in conjunction with other agencies. "They're not earning the income to actually move off the program by earning a living wage. They're hanging onto the program as long as possible."

(Carol Snell, NOHA's executive director, was not available to return Street Roots' calls.)

When the funding from HUD finally was determined, it was $600,000 short of the obligations already assumed by NOHA – a conclusion weighted heavily on the majority of the year when NOHA was under-leased.

And soon thereafter, Jennifer, and hundreds of other people like her, received their letters.

"HUD is looking at us, saying, 'you should have all the money in your net asset reserve,'" Sims said. "And by May we had already spent that on the higher rent standard."

"For a housing authority like NOHA, it is basically a forecasting issue," said Lee Jones, a spokesman for HUD's Northwest region, based in Seattle. "It's a life of forecasting; over and under."

When HUD looked at NOHA's books, NOHA was still under-leased. By HUD's assessment, NOHA hadn't "earned" $600,000 in vouchers, as Jones' puts it.

"What unfortunately happened in this incidence, when all is said and done, is NOHA didn't hit right on its forecast; on leasing patterns, when and where it was leasing, when and where it was putting families on to the program," Jones said.

Essentially, he said, over-leasing, timing and the economy dug them a hole. "The die was cast," he said. "It was a perfect storm."

State Sen. Betsy Johnson, who represents Northwest Oregon, doesn't give a damn about the appropriate metaphor.

"At the end of the day, she says, "families are out in the streets because of somebody's bureaucratic error."

This isn't the first time this has happened to NOHA. In 2004, the housing authority found itself in a similar shortfall - although with about a third the number of terminations. At that time, the state rustled up funding to bridge the gap, with Oregon Housing and Community Services, the umbrella agency for housing and homeless programs in Oregon, kicking in about $38,000 to help 23 families. This year, the state is dealing with its own billion-dollar deficit, but Oregon Housing and Community Services says it has earmarked $50,000 in discretionary resources to stabilize housing for the most vulnerable families. In a letter to Johnson, OHCS Deputy Director Rick Crager says that, "the management of NOHA remains a concern to OHCS."

"Right now I don't see a clear path to a complete safety net," says Johnson, who is in discussions with local, state and federal lawmakers to address the situation. "I don't want to extinguish hope, but I don't see an easy path to an immediate solution. The bottom line for me is I want to find out how this happened, where the vulnerabilities are in this system, and why it is that the burden of whatever occurred rests on the back of these displaced families. We owe them better than this."

Given a 30-day notice, people who received the letters began calling agencies and knocking on doors. The Community Action Team is the umbrella

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