



Military Housing Privatization Initiative Program Evaluation Report

Reporting Periods:
October 1, 2014 – September 30, 2015
and
October 1, 2015 – September 30, 2016

Department of Defense
Office of the Assistant Secretary of Defense
for Energy, Installations, and Environment

The estimated cost of this report or study for the Department of Defense is approximately \$604,000 in Fiscal Years 2016 - 2018. This includes \$490,000 in expenses and \$114,000 in DoD labor.

Generated on 2018Aug13 RefID: D-3339B2A

Reference: [D-3339BA2](#)



Executive Summary

Military Housing Privatization Initiative (MHPI)

Office of the Assistant Secretary of Defense
(Energy, Installations, and Environment)

MHPI Program Evaluation Report

Consolidated Report Covering:
October 1, 2014 – September 30, 2015 and
October 1, 2015 – September 30, 2016

Overview

This Military Housing Privatization Initiative (MHPI) Program Evaluation Report (PER) covers the reporting periods: October 1, 2014, through September 30, 2015 (FY 2015), and October 1, 2015, through September 30, 2016 (FY 2016). It includes information on MHPI project implementation, operations, and long-term financial stability. In addition, this report provides information on overall tenant satisfaction, as requested in House Report (H.R.) 114-92, accompanying H.R. 2029, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2016; and as requested in H.R. 114-497, accompanying H.R. 4974, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2017. In addition, this PER provides supplemental FY 2015 and FY 2016 information in response to an annual reporting requirement contained in section 2884(c) of title 10, United States Code (U.S.C.), which requests the status of six oversight and accountability measures for military housing privatization projects.

The Office of Secretary of Defense (OSD) designed the PER as a tool to document and evaluate the performance of MHPI projects, with emphasis on the ongoing and long-term operations and financial health of privatized housing, as well as program management of the overall MHPI portfolio.

This report is based on information provided to OSD by the Military Departments.

Program Status Summary

	Oct 2014 through Sep 2015	Oct 2015 through Sep 2016
Privatized Family Housing (FH) Units	203,000	203,000
Privatized Unaccompanied Housing (UH) Apartment Units / Bedrooms	4,700 / 8,500	4,700 / 8,500
Privatized Lodging Guestrooms	12,500	12,500
Inadequate FH Units Eliminated	141,000	141,000
Deficit Reduction FH Units Constructed	17,000	17,000
Deficit Reduction UH Units / Rooms	3,700 / 6,600	3,700 / 6,600
Deficit Reduction Lodging Constructed	725	725
Project Initial Development Period Completed	58 of 81	63 of 81
Planned FH New Construction Completed (%)	99%	99%
Planned FH Renovation Completed (%)	97%	99%
Planned UH New Construction Completed (%)	100%	100%
Planned UH Renovation Completed (%)	100%	100%
FH Occupancy (%)	93%	93%
FH Waterfall Tenants as a % of Available Rental Units	8%	9%
UH Occupancy (%)	95%	94%
Lodging Occupancy (%)	65%	69%
Projects Making Scheduled Debt Payments	100%	100%
Projects Making 100% of Scheduled Reinvestment Deposits	72%	67%

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MHPI PROGRAM EVALUATION REPORT

REPORTING PERIODS: OCTOBER 1, 2014 - SEPTEMBER 30, 2015 AND OCTOBER 1, 2015 - SEPTEMBER 30, 2016

I. INTRODUCTION

The Office of the Secretary of Defense (OSD) Program Evaluation Report (PER) includes detailed information submitted by each of the Military Departments regarding the performance of their Military Housing Privatization Initiative (MHPI) project portfolios. OSD uses this information to monitor program progress, conduct financial and performance oversight, and implement program improvements. This executive report provides contextual information and summary statistics about the MHPI program's health and status, based on information submitted by the Military Departments for the reporting period October 1, 2014, through September 30, 2015 (FY 2015), and for the reporting period October 1, 2015, through September 30, 2016 (FY 2016).

Appendix A includes eleven (11) attachments (**Attachments A1** through **A11**) that contain graphs and tables to provide additional detail about the MHPI program for FY 2015. **Appendix B** includes eleven (11) attachments (**Attachments B1** through **B11**) that contain graphs and tables to provide additional detail about the MHPI program for FY 2016. The Reports in Response to Section 2884(c) of Title 10, U.S.C. are provided as **Attachment A1** for FY 2015 and **Attachment B1** for FY 2016.

II. FAMILY HOUSING DEVELOPMENT PROGRESS

The initial development scope (construction and renovation) required by MHPI project owners to bring homes to adequate condition is executed during the Initial Development Period (IDP). During the IDP, the project owners eliminate inadequate housing and the projects are right-sized by either eliminating excess housing or by constructing additional homes to ensure the current housing requirement for each installation is met. The term of the IDP is generally 5 to 10 years, depending upon the number of required new homes, the existing condition of homes to be renovated, and the amount of resources available to fund the development. As of September 30, 2015, 58 out of 81 privatized family housing projects had completed their IDPs, and an additional 5 projects (63 total) completed their IDPs by September 30, 2016.

Attachments A4 and **B4** identify, on a project basis, the original approved and current project scope as a result of changes during the IDP, as of the end of FYs 2015 and 2016, respectively. **Attachments A5** and **B5** contain tables that graphically illustrate how completed IDP construction and renovation for the last several reporting periods compares to IDP construction and renovation scheduled for delivery through the end of FYs 2015 and 2016, respectively. As demonstrated in the table, the MHPI program has been very successful at achieving development goals on time.

Now that most of the Department of Defense's (DoD) family housing in the U.S. has been privatized, the MHPI program focus is shifting to the ongoing task of managing and monitoring the Government's long-term interests in the portfolio. For the remaining term of each MHPI project agreement/ground lease, homes will continue to be maintained, renovated and replaced, and project scopes may be adjusted to meet changing requirements and market conditions.

DEVELOPMENT PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2015

As of September 30, 2015, cumulative MHPI program development in the family housing portfolio included approximately 73,600 new or replacement homes and about 51,000 major/medium renovations to existing homes. On a portfolio level, actual deliveries of new homes through September 2015 totaled 99 percent of pro forma (scheduled/planned) deliveries, and completed major/medium home renovations totaled 97 percent of pro forma (scheduled/planned) completions. (Refer to **Attachment A5** for more information.)

DEVELOPMENT PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2016

As of September 30, 2016, cumulative MHPI program development in the family housing portfolio included approximately 74,800 new or replacement homes and about 51,300 major/medium renovations to existing homes. On a portfolio level, actual deliveries of new homes through September 3016 totaled 99 percent of pro forma (scheduled/planned) deliveries, and completed major/medium home renovations totaled 99 percent of pro forma (scheduled/planned) completions. (Refer to **Attachment B5** for more information.)

III. FAMILY HOUSING OPERATIONS AND FINANCIAL PERFORMANCE

As more MHPI projects complete their IDPs, the OSD's focus is shifting from monitoring construction and renovations to an increased emphasis on monitoring project viability over the typical 50-year lease term, to include project financial indicators, operational performance, and long-term recapitalization. The primary tasks for OSD and the Military Departments for the next 40 years are ensuring that:

- ✓ Project owners meet their financial and operational obligations
- ✓ Projects remain financially viable and provide adequate funds for long-term recapitalization
- ✓ Projects continue to address changing requirements and market conditions
- ✓ Military members and their families have access to quality, affordable housing in which they choose to live

MHPI projects are market-driven private ventures that utilize a mix of government and private financing for project development and rental income to fund project maintenance, operations (including debt payments) and recapitalization. Private financing of MHPI projects is subject to similar covenants as a typical large-scale private-sector development project, and the MHPI projects are affected by the same cyclical economic trends as other multifamily projects. Most MHPI projects perform as expected; however, like the private sector, some experience financial challenges that result from unfavorable economic fluctuations. MHPI project owners/partners work with the Military Departments in a true public private partnership to minimize any potential adverse impacts from the cyclical housing market and/or military changes to ensure the financial viability of the projects.

BASIC ALLOWANCE FOR HOUSING (BAH)

Variations in housing rental rates in the local community influence Service members' BAH at a given installation. Since rents charged to military tenants of privatized housing are generally based on the Service member's BAH at that installation, and changes in rental rates in the surrounding community affect BAH levels, changes in local rents also indirectly but significantly affect MHPI project cash flows. In recent years, several installations have experienced slower rates of BAH growth, and some have experienced decreases in BAH levels due to decreases in local housing costs. In addition to market changes impacts on BAH, DoD-level decisions also influence BAH. For example, DoD requested and received congressional authorization to reinstate a Service member out-of-pocket cost-sharing element as part of BAH starting with the 2015 calendar year. The BAH out-of-pocket amount was 1% in the 2015 calendar year and increases 1 percent annually until it reaches a maximum 5 percent in CY 2019. Implementation of the out-of-pocket amount results in slightly lower revenue growth (compounded over time) than the future revenue growth projected at project closing, but is just one factor impacting BAH calculations.

While a moderate one or two-year BAH decrease may not result in an overwhelming financial impact on an individual project, each project must still develop short- and long-term strategies if BAH rates decline. The short-term corrective action plans developed by most MHPI projects typically involve (i) an increase in marketing efforts to improve occupancy; and (ii) a reduction in operating costs by deferring maintenance, eliminating non-critical services to residents, and/or reducing labor costs. Key stakeholders (e.g., private developer/property manager) continuously evaluate financial impacts

to their privatization project and determine how to balance current operational expenditures against future financial stability, with a focus on ensuring that funds will be available to maintain homes to competitive market standard.

OCCUPANCY

The Military Departments monitor the current financial health and performance of housing privatization projects primarily based on two performance metrics: occupancy rates and the debt service coverage ratio (DSCR). Occupancy rates in a residential project serve as an indicator of both the financial stability of the project and the desirability of the homes. Because occupancy directly affects financial performance and serves as an indicator of tenant satisfaction, project owners must aggressively focus on occupancy to maintain strong performance or reverse negative trends.

At installations with privatized housing, Service members receive BAH and they choose where to reside, whether in privatized housing or another private sector housing. The fact that occupancy rates remain greater than 93 percent program-wide demonstrates a high level of Service member satisfaction and overall success in providing suitable and desirable housing. (Refer to **Attachments A6** and **B6** for more information on MHPI occupancy and **Attachments A8** and **B8** for more information on tenant satisfaction.)

The economic risk for each MHPI project is borne by the private-sector developers and lenders. If the project cannot attract a sufficient number of military families due to changing circumstances or factors beyond their control (such as extended deployments, force realignments, market fluctuations, etc.), they use the alternative tenant waterfall (a priority listing of who may lease the homes) to help ensure the project has sufficient ongoing occupancy. **Attachments A6** and **B6** shows the degree to which the alternative tenant waterfall was used and the additional tenant groups residing as of September 30, 2015, and September 30, 2016, respectively. The percentage of alternative tenants remains small compared to the number of military families the program serves.

OPERATIONAL PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2015

As of September 30, 2015, MHPI tenants occupied 93 percent of homes available to be leased, a decrease of about 1 percent over the previous year. Military families comprise 92 percent of those MHPI tenants; the remaining 8 percent are military unaccompanied and other waterfall tenant groups. (Refer to **Attachment A6** for more information.)

OPERATIONAL PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2016

As of September 30, 2016, MHPI tenants occupied 93 percent of homes available to be leased, approximately the same level as the previous year. Military families comprise 91 percent of those MHPI tenants; the remaining 9 percent are military unaccompanied and other waterfall tenant groups. (Refer to **Attachment B6** for more information.)

DEBT SERVICE COVERAGE RATIO

The second primary metric that the Military Departments use to monitor financial performance of housing projects is the debt service coverage ratio (DSCR, also referred to as the debt coverage ratio, or DCR). The exact calculation of DSCR varies slightly from project to project, depending on the private-sector lender's requirements and transaction-specific circumstances such as the priority of payment in the cash flow waterfall. The DSCR calculation specifies a measurement of a project's cash available to pay principal and/or interest on a debt obligation over a specified period. A DSCR of 1.25 implies that a project's available cash is 25 percent greater than its debt service requirements. A DSCR below 1.0 ratio implies that a project's cash flow is insufficient to cover the project's debt service requirements (principal and/or interest).

To ensure the financial safety of their debt, commercial lenders commonly require a minimum DSCR for any loan. Lender DSCR minimum requirements range from 1.10 to 1.25, depending on the project's risk profile; when the DSCR falls below

the minimum requirement over a period, the lender may require budget approval rights and/or can require that additional project cash flow be diverted to a special debt service reserve account. Alternatively, MHPI project Government Direct Loans (typically in a subordinate position to a project's private senior debt) normally are typically sized to provide, a minimum 1.05 project combined DSCR (i.e., a project's cash flow in relation to the combined debt service of the senior and junior debt equals at least 1.05). The lower DSCR implies additional risk to the Government lender. **Attachments A7 and B7** identify the actual average DSCRs and minimum project loan DSCRs required to avoid default for those projects that have completed their IDPs at the end of FYs 2015 and 2016, respectively.

PROJECTS WITH PERFORMANCE CHALLENGES

The Military Departments continually collaborate with the MHPI project owners/partners in a public private partnership to create and revise plans to resolve outstanding project issues and improve performance. This includes the MHPI private sector owners conducting re-forecasting analyses to ascertain the project's long-term ability to complete its targeted revitalization scope, remain competitive and sustain MHPI program success over its 45- to 50-year life span. The Military Departments work with the project owners in collaboration to pursue solutions with the goal of protecting the Government investment and ensuring MHPI program success over the long term.

The Military Departments assess the financial outlook for each MHPI project using the following assessment ratings:

Green – Project has no operating or capital challenges that could adversely impact performance. All facilities are expected to remain adequate over the life of the project.

Yellow – Project has some operating and/or capital challenges that could adversely impact performance. Certain adjustments have been and/or will be made to original plans to enhance the likelihood that all facilities remain adequate.

Red – Project has significant operating and/or capital challenges that threaten project performance and long-term viability. Corrective actions have been and/or are being taken to improve project viability, but it is unlikely that the housing will remain adequate without restructure, additional funding support and/or other intervention.

HIGHLIGHTS FOR FISCAL YEARS 2015 AND 2016

The respective Military Departments assessed their respective projects based on their interpretation of the categories above. The following MHPI projects were rated Red in the short term as of the end of respective fiscal year:

Military Department	Project	Primary Near-Term Performance Issue	FY 2015	FY 2016
Army	Fort Benning	Lower-than-projected occupancy due to reductions in force.	X	X
Army	Fort Hood	Lower-than-projected occupancy due to reductions in force.	X	X
Army	Fort Irwin / Moffett / Parks	Sustained low BAH growth rates due to local economic conditions.	-	X
Army	Fort Knox	Lower-than-projected occupancy due to reductions in force.	X	X
Army	Fort Rucker	Occupancy is persistently lower than projected.	X	-

Air Force	Scott AFB	Capital Repair and Replacement funding shortfalls are projected.	X	X
Air Force	Nellis AFB	Revenue and operating expense challenges.	X	X
Air Force	ACC Group II	Revenue and operating expense challenges.	X	X
Air Force	BLB Group	Capital Repair and Replacement funding shortfalls are projected.	-	X
Air Force	Robins AFB II	Capital Repair and Replacement funding shortfalls are projected.	X	-

GOVERNMENT CONTRIBUTIONS

GOVERNMENT EQUITY INVESTMENTS

As of the end of FY 2015, Government equity investments totaling approximately \$3.4 billion had been made to 45 family housing projects and approximately \$80 million had been made to 2 unaccompanied housing projects.

As of the end of FY 2016, Government equity investments totaling approximately \$3.4 billion had been made to 45 family housing projects and approximately \$80 million had been made to 2 unaccompanied housing projects.

DIFFERENTIAL LEASE PAYMENTS

As of the end of FY 2015, Government differential lease payment commitments totaling approximately \$32.8 million had been made to 4 family housing projects.

As of the end of FY 2016, Government differential lease payment commitments totaling approximately \$32.8 million had been made to 4 family housing projects.

The remaining balance of the differential lease payments to be paid to the projects in future fiscal years is \$1.2 million.

GOVERNMENT DIRECT LOANS

As of the end of FY 2015, outstanding Government direct loan balances at 26 family housing projects totaled approximately \$1.6 billion.

As of the end of FY 2016, outstanding Government direct loan balances at 26 family housing projects totaled approximately \$1.7 billion.

The remaining balance of the direct loans available to be disbursed to the projects in future fiscal years is approximately \$0.3 billion.

GOVERNMENT LOAN GUARANTEES

As of the end of FY 2015, outstanding Government guaranteed loan balances at 9 family housing projects totaled approximately \$820 million.

As of the end of FY 2016, outstanding Government guaranteed loan balances at 9 family housing projects totaled approximately \$930 million.

The remaining balance of the guaranteed loans expected to be disbursed by the private sector to the projects in future fiscal years is \$0.2 billion.

Further information on the type(s) of Government contribution(s) received by each MHPI project can be found in **Attachments A10** and **B10**.

ACQUISITION, DIVESTMENT AND OTHER TRANSACTIONS

HIGHLIGHTS FOR FISCAL YEAR 2015

Military Department	Project	Description
Army	n/a	n/a
Navy	Hawaii Regional	During FY 2015, the Navy closed the Hawaii Regional Phase VI transaction, which provides for the conveyance and demolition of 276 existing inadequate “801 housing” units, and the construction of 260 new homes at Marine Corps Base Hawaii (MCBH). The Navy contributed an OMB approved government equity investment of \$95.6 million as part of the Phase VI financing.
	Camp Pendleton II	During the FY 2015, the Navy closed the Marine Corps Base (MCB) Camp Pendleton and Quantico Housing project, Phase IX, which provides for the conveyance and demolition of 368 homes, and the construction of 250 new homes. Phase IX will also include construction of a community center and other neighborhood amenities to serve housing at MCB Camp Pendleton. The Navy contributed an OMB-approved government equity investment of \$54.14 million as part of the Phase IX financing.
Air Force	n/a	n/a

HIGHLIGHTS FOR FISCAL YEAR 2016

Military Department	Project	Description
Army	n/a	n/a
Navy	Naval Air Station (NAS) Corpus Christi/NAS Kingsville I	During FY 2016, the Navy completed the sale/divestiture of the Naval Air Station (NAS) Corpus Christi/NAS Kingsville I, Texas, project; as such, this project is no longer part of the Navy’s privatized housing portfolio. As one of the DoD’s pilot projects awarded in 1996, this project, comprising 404 homes located outside the installation and managed by Landmark Residential LLC, was originally envisioned to have a 10-15-year project term.
	Mid-Atlantic Regional	The Navy’s Mid-Atlantic Regional MHPI project experienced an 82-home decrease in inventory during FY 2016 due to the closure (and planned sale) of 80 homes at Navy Information Operations Command (NIOC) Sugar Grove, WV, and the return of Quarters I and K at Norfolk Naval Shipyard (NSY), VA, to the installation.
Air Force	n/a	n/a

Navy and Air Force	Multiple	Also during FY 2016, Forest City Enterprises Inc. sold its ownership interest in the MHPI portfolio to the Hunt Companies' military housing affiliate. Hunt is an MHPI project owner with existing projects in each Military Department's MHPI portfolio. The sale included Forest City's ownership interests in the Naval Station (NS) Everett I, WA; Hawaii Regional, HI; Midwest Regional (IL, IN, TN) and Northwest Regional, WA, privatized housing projects in the Navy portfolio; and the United States Air Force Academy, CO; and Southern Group (SC, TN, MS) privatized housing projects in the Air Force portfolio. These projects will continue to be managed, operated and reported as part of the Navy and Air Force MHPI portfolios.
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IV. UNACCOMPANIED HOUSING

The Army's unaccompanied housing (UH) program includes privatized UH assets at five installations (Forts Irwin, Bragg, Stewart, Drum, and Meade), with a combined end state of 1,590 privatized apartments (2,408 rooms) after the IDPs are completed. The Navy has executed two UH projects – one in Naval Station San Diego, California, and another in Hampton Roads, Virginia – with a combined end state of 3,112 privatized apartments (6,596 rooms). The Navy's pilot projects were authorized under the National Defense Authorization Act of FY 2003 that provided the Navy additional UH authorities. At installations with privatized housing, DoD provides unaccompanied military with BAH and allows them to choose where to reside. Occupancy rates that are consistently high across the program demonstrate a high level of Service member satisfaction and overall success in providing suitable and desirable housing.

DEVELOPMENT PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2015

As of September 30, 2015, cumulative MHPI program development in the unaccompanied housing (UH) portfolio includes 3,651 new or replacement UH units and 39 major/medium renovations to existing UH units. On a portfolio level, actual deliveries of units to date totaled 100 percent of pro forma (scheduled/planned) deliveries, and completed major/medium home renovations to date totaled 100 percent of pro forma (scheduled/planned) completions. Completed UH unit/bedroom development by Military Department can be found in **Attachment A8**.

DEVELOPMENT PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2016

As of September 30, 2016, cumulative MHPI program development in the unaccompanied housing (UH) portfolio includes 3,651 new or replacement UH units and 39 major/medium renovations to existing UH units. On a portfolio level, actual deliveries of units to date totaled 100 percent of pro forma (scheduled/planned) deliveries, and completed major/medium home renovations to date totaled 100 percent of pro forma (scheduled/planned) completions. Completed UH unit/bedroom development by Military Department can be found in **Attachment B8**.

OPERATIONAL PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2015

As of September 30, 2015, MHPI tenants occupied almost 95 percent of UH units available to be leased, approximately the same occupancy rate as the previous year. UH unit and occupancies by Military Department can be found in **Attachment A8**.

OPERATIONAL PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2016

As of September 30, 2016, MHPI tenants occupied nearly 94 percent of UH units available to be leased, just below the occupancy rate of the previous year. UH unit and room occupancies by Military Department can be found in **Attachment B8**.

V. TENANT SATISFACTION WITH PRIVATIZED HOUSING

Given the DoD's objective of improving the quality of life for its Service members, the degree of satisfaction military families experience in privatized housing is a critical indicator of overall program success. The Military Departments and project managers conduct tenant surveys to help assess the quality of privatized housing. To help interpret results, the Military Departments and project managers code surveys based on whether the respondent resides in a newly constructed or renovated home, or in an unrenovated home. **Attachments A9** and **B9** summarize the satisfaction results collected for the program for FYs 2015 and 2016, respectively. Tenant satisfaction survey results by project for FYs 2015 and 2016 can also be found in **Attachments A9** and **B9**.

VI. LODGING

Using the same MHPI authorities, the Privatization of Army Lodging (PAL) program is the Army's chosen approach to recapitalize and sustain its on-post transient lodging facilities in the U.S. The PAL program is critical to the Army's mission as the lodging source for institutional trainees and other official travelers. The PAL program capitalizes on the success of the Army's privatized family and unaccompanied housing programs and was initiated to improve the quality of life for Service members and their families, develop new and renovated hotel facilities with superior hotel amenities and services, provide for the long-term sustainment of the facilities and maintain a weighted official traveler rate not to exceed 75% of lodging per diem. PAL is designed as a portfolio-based program where installation operations are financially cross-collateralized and jointly-leveraged. The portfolio based approach creates a financially-balanced and diversified installation mix with uniform service and amenity standards. Unlike the Army's family and unaccompanied housing programs, the Army is not a partner in the underlying operating entity with the developer and its contracted hotelier.

PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2015

The 12,492-room PAL project closed its final phase on September 30, 2015, resulting in the addition of two new PAL locations at Fort Benning and Fort Lee. During FY 2015, PAL opened new Candlewood Suites hotels at Fort Hood and Joint Base San Antonio, and branded Holiday Inn Express hotels at Fort Leavenworth, Fort Bliss, Joint Base San Antonio, and Fort Belvoir.

Portfolio average daily occupancy of 65 percent was moderately impacted by the government travel restrictions and lack of government funding for training throughout FY 2015. Guest satisfaction during FY 2015 increased to 4.04 on a scale of 5.00, an "Excellent" rating, which reflects the ongoing efforts to provide high-quality service as well as delivering measurable improvements to the PAL facilities.

PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2016

On September 30, 2016, the hotel operation at B.T. Collins Army Reserve Center in Sacramento, California, was terminated due to a reduction in demand and the number of PAL locations was reduced to 40 installations. During this fiscal year, PAL opened new Candlewood Suites hotels at Fort Meade, Fort Leonard Wood, and Redstone Arsenal, and branded a Holiday Inn Express hotel at Fort Gordon. The program also expanded the Holiday Inn Express at Fort Sill by 75 rooms.

Portfolio occupancy averaged 69.0 percent compared to pro forma projections of 68.6 percent. PAL revenue was also above pro forma expectations. The PAL average daily rate (ADR) for official travelers during FY 2016 was \$75.16 which equated to 74.9 percent of the lodging per diem, resulting in \$81.2 million in annual cost avoidance. Assisted by the strong revenue performance, the PAL project was able to significantly exceed net operating income targets for FY 2016. Guest satisfaction rose to 4.07 in FY 2016, which indicates that the PAL program continues to provide excellent service while delivering measurable improvements to the PAL facilities.



Appendix A: Program Evaluation Report for Fiscal Year 2015

This **Appendix A** includes eleven (11) attachments that summarize the MHPI program's health and status based on information submitted for the reporting period October 1, 2014, through September 30, 2015.

Attachment A1 presents the Report in Response to Section 2884(c) of title 10 United States Code: the Military Departments have responded to six key questions regarding the financial and operational health of their respective MHPI portfolios as of the end of the PER reporting period.

Attachment A2 provides a list of helpful acronyms.

Attachment A3 contains a list of privatization projects awarded since program inception through the end of the PER reporting period.

Attachment A4 identifies, on a project basis, the MHPI project scope and existing inventory as of the end of the PER reporting period.

Attachment A5 graphically displays the scheduled and completed new construction and renovation portfolio totals for MHPI family housing as of the end of the PER reporting period.

Attachment A6 provides informational tables on MHPI family housing occupancy rates by Military Department and a summary of MHPI tenants by demographic category as of the end of the PER reporting period.

Attachment A7 lists the debt service coverage ratios for MHPI projects that have completed their initial development period as of the end of the PER reporting period.

Attachment A8 provides informational tables showing the scheduled and completed new construction and renovation portfolio totals for MHPI unaccompanied housing and the MHPI unaccompanied housing occupancy rates by Military Department as of the end of the PER reporting period.

Attachment A9 displays the tenant satisfaction results by housing condition and by MHPI project as of end of the PER reporting period.

Attachment A10 displays the type(s) of Government contribution(s) received by MHPI project as of end of the PER reporting period.

Attachment A11 provides detailed information on the active government loan guarantees on MHPI projects as of end of the PER reporting period.



Attachment A1: Report in Response to Section 2884(c) of Title 10, United States Code

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

Background on Legislative Requirement

Section 2884(c) of title 10, United States Code requires a report on privatized housing, subject to the extent each Secretary concerned has the right to attain the specifically-requested information. Because this report is subject to the extent each Secretary concerned has the right to attain the information, clarification of the legislative request and standardization of requested data formats was made to facilitate reporting. Since each project may have slightly different legal agreements or definitions, these clarifications are based on industry standards, standards associated with the Military Housing Privatization Initiative (MHPI), and readily available and currently reported data, to ensure a consistent interpretation of the requirements and a standard format for Military Department use. These reporting items, as noted in the legislation, represent the minimum required information. The specific language from the applicable section of the statute is set out below, followed by clarifying instructions provided by the Office of the Secretary of Defense (OSD) to facilitate reporting by the Military Departments:

(1) An assessment of the backlog of maintenance and repair at each military housing privatization project where a significant backlog exists, including an estimation of the cost of eliminating the maintenance and repair backlog.

Instructions: For those projects that have a 20% or greater backlog of the number of maintenance and repair items as of the end of the reporting period, provide the name of the project and give an estimate of the cost to eliminate their outstanding maintenance and repair backlog. For the purpose of this report, a backlog of maintenance and repair items is defined as the number of items which have not been responded to or completed within a project's specific maintenance time standards.

(2) If the debt associated with a privatization project exceeds net operating income or the occupancy rates for the housing units are below 75 percent for more than one year, the plan developed to mitigate the financial risk of the project.

Instructions: For all projects which have completed their initial development periods (IDPs), provide a list of those projects that have an average monthly debt service coverage ratio (DCR), for either the senior loan or the combined first and second mortgages, that has been less than 1.0 for more than one year or has had an average monthly occupancy of below 75% for more than one year. For each of those projects listed, provide the relevant DCR and occupancy at the end of the current reporting period and describe the plan developed to mitigate the financial risk of the project.

(3) An assessment of any significant project variances between the actual and pro forma deposits in the recapitalization account, to specifically include any unique variances associated with litigation costs.

Instructions: The amount of anticipated deposits in the recapitalization account is quantified in the project's latest agreed to pro forma. For those projects that have completed their IDPs, list the projects that have a negative variance in their current reporting period's deposits of greater than 25% from its pro forma. For those projects listed, provide the %age variance from pro forma and a detailed explanation for the cause of the negative variance (to specifically include any unique variances associated with litigation costs).



Attachment A1: Report in Response to Section 2884(c) of Title 10, United States Code

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(4) The details of any significant withdrawals from a recapitalization account, including the purpose and rationale of the withdrawal and, if the withdrawal occurs before the normal recapitalization period, the impact of the early withdrawal on the financial health of the project.

Instructions: List all projects where a withdrawal of 20% or greater of the current recapitalization account balance was made for a single purpose (e.g. whole house renovations, deficit deduction units, etc.) this reporting period. Provide the details of any such withdrawal, including the purpose and rationale of the withdrawal and, if the withdrawal occurs before the planned recapitalization period, the impact of the early withdrawal on the financial health of the project.

(5) An assessment of the extent to which the information required to comply with paragraphs (1) through (4) has been requested by the Secretaries, but has not been made available.

Instructions: If the information requested of the Military Department Secretaries in items (1) through (4) cannot or will not be provided for the requested timeframe, please explain the reasons why.

(6) An assessment of cost assessed to members of the armed forces for utilities compared to utility rates in the local area.

Instructions: Describe in one or two paragraphs how tenants, once the privatized units are individually metered, are assessed their individual unit utility usage and cost. Also include how any utility reimbursement or additional costs that accrue to the individual tenant are handled.

Military Department Reports

Attachment A1, Sections A1.1, A1.2 and A1.3 contain the required reports from the Departments of the Army, Navy and Air Force, respectively.



Attachment A1: Report in Response to Section 2884(c) of Title 10, United States Code

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Section A1.1: Department of the Army (Army) 10 U.S.C. 2884 (c) Semi-Annual Report on Privatized Housing

(1) An assessment of the backlog of maintenance and repair at each military housing privatization project where a significant backlog exists, including an estimation of the cost of eliminating the maintenance and repair backlog.

ARMY RESPONSE:

As of 30 September 2015, no RCI projects have a backlog of maintenance and repair items that exceeds 20% of the project's maintenance and repair items for fiscal year 2015.

(2) If the debt associated with a privatization project exceeds net operating income or the occupancy rates for the housing units are below 75 percent for more than one year, the plan developed to mitigate the financial risk of the project.

ARMY RESPONSE:

For the fiscal year 2015, no RCI projects that have completed their Initial Development Periods had debt service that exceeded net operating income or had housing occupancy rates below 75% for more than one year.

(3) An assessment of any significant project variances between the actual and pro forma deposits in the recapitalization account, to specifically include any unique variances associated with litigation costs.

ARMY RESPONSE:

As of 30 September 2015, the recapitalization account for the Fort Jackson RCI Family Housing project has 67% of its anticipated balance. The Fort Jackson project has experienced challenges in achieving its 95% occupancy target, ostensibly due to comparable off-post housing offered at rates under BAH, necessitating rental concessions which hinder the Project's ability to fund the recapitalization account at pro forma levels. To date the recapitalization account balance trails pro forma expectations by \$1.9M. The Project completed its IDP in February 2015 and the Army worked with the Partner to reset expectations for occupied units and near-term recapitalization account spending in the out-year development pro forma that was finalized just weeks after the end of the PER reporting period. For the next five years, the Project will bank its recapitalization account deposits to build up the balance.

As explained in the FY14 2884(c) report, the lower-than-expected balance in the Fort Meade FH recapitalization account balance is due to using excess funds at the end of the IDP to pay out the Partner's full equity position and the timing of the deposit into the recapitalization account of excess cash flow generated. Buying out the Partner's equity position at the end of the IDP eliminated all future cash flow splits to partner, which allows 100% of Project net cash flow to be deposited to the recapitalization account for the remainder of the Project term. The Project is still finalizing an out-year development plan which would account for the Partner buyout in recapitalization account balance projections. To date the recapitalization account balance trails pro forma expectations by \$11.3M, or 25%.

(4) The details of any significant withdrawals from a recapitalization account, including the purpose and rationale of the withdrawal and, if the withdrawal occurs before the normal recapitalization period, the impact of the early withdrawal on the financial health of the project.



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ARMY RESPONSE:

During fiscal year 2015, the Army approved Major Decisions for out-year development using some or all of the net cash flow of two post-IDP projects that would otherwise be deposited to the Project's recapitalization account: Fort Carson and Fort Detrick. The Army grants approval only if proposed recapitalization account uses are determined to be the best course of action to protect and preserve the financial health of the Project.

Rationale for Fort Carson withdrawal: Renovation of homes in the Cherokee Village neighborhood in accordance with out-year development plan timing and costs.

Rationale for Fort Detrick withdrawal: Renovation of homes in the Butterworth neighborhood in accordance with out-year development plan timing and costs.

(5) An assessment of the extent to which the information required to comply with paragraphs (1) through (4) has been requested by the Secretaries, but has not been made available.

ARMY RESPONSE:

The Army has provided responses to fulfill the 2884(c) information requirements.

(6) An assessment of cost assessed to members of the armed forces for utilities compared to utility rates in the local area.

ARMY RESPONSE:

As of 30 September 2015, over 82% of occupied, privatized homes are in the RCI Energy Conservation Program (RECP), either in mock or live billing. Residents are billed for excess usage and receive rebates for decreased consumption of their electric and natural gas utilities.

The utility baseline is carefully measured and based on an average cost of energy consumption for electricity and natural gas for like-type homes within the Project. A buffer of normally 5% to 10%, contingent on the RCI partner's business case analysis, may be added to the baseline. In accordance with RECP policy, if a buffer is in use either above or below the baseline, billing and rebates are calculated from usage above and below the buffer limits, respectively. Residents who are above the baseline plus buffer pay the difference out of pocket; residents below the baseline plus buffer receive a rebate. Normally, about 30% of residents are above the baseline, 30% are below and receive a rebate, and 40% have no impact. All projects adjust the monthly baseline by using a calculation which includes historical consumption as well as commodity costs. Vacant/unoccupied homes are not included in the calculation.

No resident is unduly treated because of the condition or size of their home since their usage is compared to other residents' usage in similar, like-type homes. For installations where large numbers of spouses stay home, some of that generally higher usage will translate into a higher overall average for the baseline. RCI partners provide specialized attention to those residents whose bills are significantly higher than average, regularly assisting residents by providing in-home energy audits and technical information. Dispute resolution and analysis of utility charges is available for all residents through the Project's community management office. In addition, residents may qualify for exceptions to the policy where warranted (e.g., exceptional family members, special equipment, non-standard homes, etc.).



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Section A1.2: Department of the Navy (Navy) 10 U.S.C. 2884 (c) Semi-Annual Report on Privatized Housing

(1) An assessment of the backlog of maintenance and repair at each military housing privatization project where a significant backlog exists, including an estimation of the cost of eliminating the maintenance and repair backlog.

NAVY RESPONSE:

N/A.

(2) If the debt associated with a privatization project exceeds net operating income or the occupancy rates for the housing units are below 75 percent for more than one year, the plan developed to mitigate the financial risk of the project.

NAVY RESPONSE:

N/A.

(3) An assessment of any significant project variances between the actual and pro forma deposits in the recapitalization account, to specifically include any unique variances associated with litigation costs.

NAVY RESPONSE:

Ohana Military Communities, LLC (Navy): 48% negative variation from pro forma deposits due to reduced revenue (lower occupancy, market rent) and higher expenses, primarily utility (electric, sewer and water) rates greater than projected and only partially offset by revenue increase due to BAH rates during this reporting period. Total deposits to date exceed pro forma deposits, primarily due to construction savings.

Hampton Roads PPV, LLC: 93% negative variation from pro forma deposits due primarily to reduced revenue resulting from 6% lower BAH and lower occupancy than projected.

Mid Atlantic Military Family Communities LLC (Navy): 75% negative variation from pro forma deposits due to higher than anticipated ongoing capital expenditures, as well as maintenance and legal expenses (~\$5M) related to mold. Legal expenses represent over 40% of the negative variance.

Northeast Housing, LLC: 64% negative variation from pro forma deposits due to the negative impact of average rents approximately \$200/month less than projected. Several factors contribute to low average rent, including lower than anticipated BAH increases, tenant mix, lack of demand, and therefore non-targeted residents, market rents and concessions.

Pacific Beacon, LLC: 100% negative variation from pro forma deposits is due to the need to pay down approved Member Loan and deferred Fees. Net Cash flow is sufficient to cover debt payment and the gradual repayment of these obligations, which are superior to PRA/LTRA and ORA in cash flow disbursements. These repayments are projected to be repaid in full before CY 2018, after which PRA/PTRA and ORA will accrue.



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New Orleans Navy Housing, LLC: 48% negative variation from pro forma deposits is attributed to lower than projected revenues resulting from lower than projected BAH rates and occupancy.

(4) The details of any significant withdrawals from a recapitalization account, including the purpose and rationale of the withdrawal and, if the withdrawal occurs before the normal recapitalization period, the impact of the early withdrawal on the financial health of the project.

NAVY RESPONSE:

N/A.

(5) An assessment of the extent to which the information required to comply with paragraphs (1) through (4) has been requested by the Secretaries, but has not been made available.

NAVY RESPONSE:

N/A.

(6) An assessment of cost assessed to members of the armed forces for utilities compared to utility rates in the local area.

NAVY RESPONSE:

a. All privatized housing units are combined into like type groups based on key criteria that affect energy usage such as location, size, and construction and component characteristics.

b. Each month the average usage for the like type group is calculated based on the reported usage of individually metered homes. The average usage is based on fully occupied homes and the calculation excludes the top and bottom 5% of users (except for like type groups of less than 20 homes when all occupied homes are included in the average).

c. A buffer of 10% above and below is applied to the average to create a Normal Usage Band. Residents with usage under the normal usage band receive a credit for their conservation, and those over the normal usage pay for their excess consumption. Residents who earn a credit will be paid by check when their accumulated credit balance is greater than \$25.00. Residents may elect to roll over their utility credits to bank the money or to offset costs if future monthly usage is above the normal usage band. Conversely residents over the normal usage band must pay when their accumulated amount owed exceeds \$25.



Attachment A1: Report in Response to Section 2884(c) of Title 10, United States Code

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Section A1.3: Department of the Air Force (Air Force) 10 U.S.C. 2884 (c) Semi-Annual Report on Privatized Housing

(1) An assessment of the backlog of maintenance and repair at each military housing privatization project where a significant backlog exists, including an estimation of the cost of eliminating the maintenance and repair backlog.

AIR FORCE RESPONSE:

None of the 32 projects in the Air Force portfolio had a maintenance backlog of 20% or greater as of 30 Sep 2015.

(2) If the debt associated with a privatization project exceeds net operating income or the occupancy rates for the housing units are below 75 percent for more than one year, the plan developed to mitigate the financial risk of the project.

AIR FORCE RESPONSE:

Two projects in the Air Force portfolio had average monthly DCRs for the combined first and second mortgages that were less than 1.00 for more than one year (Nellis AFB: Jul-2014 through Sep-2015; and Robins AFB I: Jan-2014 through Dec-2014). None of the projects in the Air Force portfolio had an average monthly occupancy of below 75% for more than one year.

Nellis: At the end of the reporting period, the Nellis AFB project had a DCR for the combined first and second mortgages of 0.74 and a 97.8% occupancy rate. The project achieved an average 0.88 DCR during the twelve-month period, which prompted the Project Owner's parent company (Hunt Companies) to contribute \$1.6M of equity to meet debt service obligations. These equity contributions will be reimbursed by the project in future periods as funds are available. The Air Force approved the Project Owner's proposed 2015 operating budget with revenue assumptions that resulted in a DCR of less than 1.00 for the year. The Project Owner's parent company proposed to loan funds to the project to cover any monthly shortfalls in debt service, with the loans reimbursed by the project in future periods. The Air Force's 2015 reforecast indicated the project's DCR will fall below 1.00 in 2015 and consistently stay below 1.00 through 2020. The reforecast identified six years during which budget adjustments will probably not be able to absorb the monthly shortfalls. From 2015 through 2020, the project will likely be short \$2.7M relative to debt service requirements at current operating expense levels. However, if the project fully funded operating expenses (i.e. +\$1.4M of operating expenses in 2016), the DCR shortfall would increase to nearly \$15.0M. This forecasted shortfall is more significant than the Project Owner's parent company would fund, so the Air Force and Project Owner are working to finalize a project restructure that includes a reduction of GDL payments in exchange for a reduction in the outstanding balance of the project's preferred return.

Robins I: At the end of the reporting period, the Robins I project had a DCR for the combined first and second mortgages of 1.03 and a 91% occupancy rate. Of the 610 occupied homes, 378 are occupied by Other Eligible Tenants (62%), including 273 members of the General Public (45%). During the period between Q1 2014 through Q4 2014 the project experienced four consecutive quarters of combined DCR below 1.00 (two non-consecutive quarters during the period of this report). The Project Owner (Hunt Companies) elected to make voluntary capital contributions (a total of \$246.6K during the period of this report) to cover these debt service shortfalls. The Air Force approved an amendment to the Lockbox Agreement in 2015 which formalized the process by which the Project Owner will make additional capital contributions if necessary and be reimbursed by the project in the future as funds become available. Occupancy below expectations, 91.0% at the end



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of the period of this report, coupled with historically higher than projected operating expenses have contributed to the project experiencing intermittent debt service shortfalls. The Air Force's 2015 reforecast indicates the project's DCR will remain above 1.00 going forward. The Air Force is closely monitoring this project's cash flow and expects the Project Owner will make additional voluntary capital contributions, if necessary, to ensure the project does not default.

(3) An assessment of any significant project variances between the actual and pro forma deposits in the recapitalization account.

AIR FORCE RESPONSE:

ACC Group II

100% VARIANCE FROM PRO FORMA

EXPLANATION: The Reinvestment Account has not been funded because cash flow has been below expectations, despite 98.6% project occupancy. The project is not forecasted to make deposits to the Reinvestment Account until 2023 due to the requirement to fund \$6.0M for deferred demolition of 350 units. Once the deferred demolition scope has been funded there will be a preferred return and Reinvestment Account cash flow split of 25%/75%.

AETC Group II

100% VARIANCE FROM PRO FORMA

EXPLANATION: The Reinvestment Account has not been funded and is behind the pro forma plan by \$2.6M because of a \$6.1M outstanding Preferred Return Balance which must first be eliminated. AETC Group II reduced the outstanding Preferred Return from \$8.8M at the end of Q3 2014 to \$6.1M at the end of Q3 2015. The project made its first payment toward the Preferred Return in November 2014 and has continued to make significant monthly payments toward the Preferred Return throughout 2015.

Buckley

73% VARIANCE FROM PRO FORMA

EXPLANATION: The Reinvestment Account is behind the pro forma plan by \$951K because of a \$12.2M outstanding Deferred Fee which must first be eliminated.

Dover

100% VARIANCE FROM PRO FORMA

EXPLANATION: The Reinvestment Account has not been funded and is behind the pro forma plan by \$417K because of a \$12.3M outstanding Deferred Fee which must first be eliminated.

Lackland

76% VARIANCE FROM PRO FORMA

EXPLANATION: The Reinvestment Account is behind the pro forma plan by \$3.9M because an approved scope change to build new rather than renovate 40 homes extended the IDP and delayed the commencement of cash flow splits to the Reinvestment Account, average occupancy during the period of 92.8% was low, and operating expenses have exceeded pro forma projections (the utility allowance (UA) has not yet been implemented so there has been no conservation,



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electricity rates have inflated faster than expected, and the cost of maintaining older homes at the project has been greater than originally forecasted).

Nellis

100% VARIANCE FROM PRO FORMA

EXPLANATION: The Reinvestment Account has not been funded and is behind the pro forma plan by \$310K because of a \$21.6M outstanding Preferred Return Balance which must first be eliminated.

Offutt

100% VARIANCE FROM PRO FORMA

EXPLANATION: The Reinvestment Account has not been funded and is behind the pro forma plan by \$2.2M due to cash flow shortfalls that have hindered the project's ability to complete IDP demolition requirements and because of a \$1.2M Deferred Fee which must first be eliminated.

Scott

100% VARIANCE FROM PRO FORMA

EXPLANATION: The Reinvestment Account has not been funded and is behind the pro forma plan by \$522K because of a \$71.2M outstanding Deferred Fee and Preferred Return Balance which must first be eliminated.

* Deferred Fee and Preferred Return Balances are as of 30 Sep 2015.

(4) The details of any significant withdrawals from a recapitalization account, including the purpose and rationale of the withdrawal and, if the withdrawal occurs before the normal recapitalization period, the impact of the early withdrawal on the financial health of the project.

AIR FORCE RESPONSE:

None of the projects in the Air Force portfolio had a withdrawal of 20% or greater from the recapitalization account.

(5) An assessment of the extent to which the information required to comply with paragraphs (1) through (4) has been requested by the Secretaries, but has not been made available.

AIR FORCE RESPONSE:

N/A.

(6) An assessment of cost assessed to members of the armed forces for utilities compared to utility rates in the local area.

AIR FORCE RESPONSE:

Each unit currently receives a monthly Utility Allowance (UA), which is calculated as the 5-year rolling-average consumption for like-type homes multiplied by the appropriate utility rate plus a 10% buffer (UA = average consumption * average utility rate * 110%). Similar homes are grouped together to form the like-type groups (e.g., new 3-bedroom single-story homes are grouped together, renovated 4-bedroom two-story homes are grouped together, historic 4-



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bedroom two-story homes are grouped together, etc.). The 10% buffer is applied to protect residents from changes in utility rates and consumption variances due to weather.

Most POs retain the UA portion of the Basic Allowance for Housing (BAH) and pay the utility provider directly because the utility provider invoices the project based on readings from one master meter (or a series of master meters). If the resident consumes more electricity or natural gas than the UA, the PO sends a bill to the resident once the cumulative amount owed exceeds \$50. Similarly, if the resident consumes less than the UA, the PO sends the resident a check once the refund due exceeds \$50. At installations where the residents have a direct relationship with the utility provider, residents retain the UA portion of their BAH and pay the utility provider directly based on the utility provider's monthly bill. Most utility providers offer budget billing, level billing, quarterly adjustments, etc. identical to the payment arrangements they offer their "off base" customers.



Attachment A2: Acronyms

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Below is an alphabetical list of acronyms that appear in this report:

Acronym	Definition
ACC	Air Combat Command
AETC	Air Education and Training Command
AFB	Air Force Base
AFS	Air Force Station
AMC	Air Mobility Command
AMCC	Atlantic Marine Corps Communities (aka CLCPS)
ANGB	Air National Guard Base
ARB	Air Reserve Base
BAH	Basic Allowance for Housing
BLB	Barksdale AFB, Langley AFB, Bolling AFB
BRAC	Base Realignment and Closure
CR&R	Capital Repair and Replacement
DSCR	Debt Service Coverage Ratio
DoD	Department of Defense
FY	Fiscal Year
IDP	Initial Development Period
JB	Joint Base
JBER	Joint Base Elmendorf-Richardson
JBSA	Joint Base San Antonio
JEB	Joint Expeditionary Base
MC	Marine Corps
MCAGCC	Marine Corps Air Ground Combat Center
MCAS	Marine Corps Air Station
MCB	Marine Corps Base
MCBH	Marine Corps Base Hawaii
MCLB	Marine Corps Logistics Base
MCRD	Marine Corps Recruiting Depot
MHPI	Military Housing Privatization Initiative
MILDEP	Military Department
MOBCOM	Mobilization Command
NAB	Naval Amphibious Base
NAES	Naval Air Engineering Station
NAF	Naval Air Facility
NAS	Naval Air Station
NAS JRB	Naval Air Station – Joint Reserve Base



Attachment A2: Acronyms

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(Table continued)

Acronym	Definition
NAWS	Naval Air Weapons Station
NB	Naval Base
NC	Naval Complex
NCBC	Naval Construction Battalion Center
NH	Naval Hospital
NIOC	Navy Information Operations Command
NOI	Net Operating Income
NPS	Naval Post Graduate School
NRD	Navy Recruiting District
NS	Naval Station
NSA	Naval Support Activity
NSF	Naval Support Facility
NSS	Naval Sea Systems
NSY	Naval Shipyard
NWS	Naval Weapons Station
OMB	Office of Management and Budget
OSD	Office of the Secretary of Defense
PAL	Privatization of Army Lodging
PEP	Program Evaluation Plan
PMRF	Pacific Missile Range Facility
PE/QU/YU	MCB Pendleton/MCB Quantico/MCAS Yuma
PPV	Public Private Venture
RCI	Residential Communities Initiative
RECP	RCI Energy Conservation Program
RFTA	Reserve Forces Training Area
SB	Submarine Base
UA	Utility Allowance
UOQ/USEQ	Unaccompanied Officer Quarters/Unaccompanied Senior Enlisted Quarters
UH	Unaccompanied Housing
WPNSTA	Weapons Station



Attachment A3: Privatized Projects Awarded

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The following is a chronological list of partial and full base housing privatization project phases awarded by the Military Departments from 1996 through September 30, 2015.

MilDep	Project Name [Locations]
Department of Navy (Navy)	Naval Air Station (NAS) Corpus Christi/NAS Kingsville I, TX
Navy	Naval Station (NS) Everett I, WA
Department of Air Force (Air Force)	Joint Base (JB) San Antonio – Lackland Air Force Base (AFB), TX
Department of Army (Army)	Fort Carson, CO
Air Force	Dyess AFB, TX
Air Force	Robins AFB I, GA
Navy	NAS Kingsville II, TX
Navy/United States Marine Corps (USMC)	Marine Corps Base (MCB) Camp Pendleton I, CA
Navy	NS Everett II, WA
Air Force	JB Elmendorf-Richardson (JBER) I [JB Elmendorf-Richardson – Elmendorf AFB, AK]
Navy	San Diego Naval Complex (Phase I) ¹ [NS San Diego, CA]
Navy	NAS Joint Reserve Base (JRB) New Orleans, LA
Army	Fort Hood, TX
Navy	South Texas [NAS Corpus Christi, TX; and NS Ingleside, TX]
Army	JB Lewis-McChord [JB Lewis-McChord – Fort Lewis, WA; and JB Lewis-McChord – McChord AFB, WA]
Army	Fort Meade, MD
Air Force	Wright-Patterson AFB, OH
Navy/USMC	Tri-Command Military Housing ¹ [Marine Corps Air Station (MCAS) Beaufort, SC; Marine Corps Recruit Depot (MCRD) Parris Island, SC; and Naval Hospital (NH) Beaufort, SC]
Air Force	Kirtland AFB, NM
Navy	San Diego Naval Complex (Phase II) ¹ [NS San Diego, CA]
Army	Fort Bragg, NC
Navy/USMC	MCB Camp Pendleton (Phase II), CA/MCB Quantico, VA ¹
Army	Presidio of Monterey, CA/Naval Postgraduate School (NPS), CA
Army	Fort Stewart, GA/Hunter Army Airfield, GA
Army	Fort Belvoir, VA
Army	Fort Campbell, KY
Army	Fort Irwin, CA/Moffett Field, CA/Parks Reserve Forces Training Area (RFTA), CA
Navy	Hawaii Regional (Phase I) ¹ [JB Pearl Harbor-Hickam – NS Pearl Harbor, HI]
Army	Fort Hamilton, NY
Army	Fort Detrick, MD/Walter Reed Army Medical Center, DC
Air Force	Buckley AFB, CO
Air Force	JBER II [JB Elmendorf-Richardson – Elmendorf AFB, AK]



Attachment A3: Privatized Projects Awarded

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(Table continued)

MilDep	Project Name [Locations]
Army	Fort Polk, LA
Navy/USMC	MCAS Yuma, AZ/MCB Camp Pendleton (Phase III), CA ¹
Army	Fort Shafter, HI/Schofield Barracks, HI
Navy	Northeast Regional [JB McGuire-Dix-Lakehurst – Naval Air Engineering Station (NAES) Lakehurst, NJ; Submarine Base (SB) New London, CT; NS Newport, RI; Naval Shipyard (NSY) BOS Portsmouth, NH; Naval Support Activity (NSA) Saratoga Springs, NY; Mitchel Complex Navy Recruiting District (NRD), NY; and Weapons Station (WPNSTA) Earle, NJ]
Army	Fort Eustis/Fort Story [JB Langley-Eustis – Fort Eustis, VA; and Joint Expeditionary Base (JEB) Little Creek-Fort Story – Fort Story, VA]
Air Force	JB Pearl Harbor-Hickam – Hickam AFB (Phase I), HI ¹
Navy	Northwest Regional [Naval Base (NB) Kitsap, WA; NAS Whidbey Island, WA; and NS Everett, WA]
Army	JB San Antonio – Fort Sam Houston, TX
Army	Fort Leonard Wood, MO
Army	Fort Drum, NY
Army	Fort Bliss, TX/White Sands Missile Range, NM
Navy	Mid-Atlantic Regional (Phase I) ¹ [Naval Sea Systems (NSS) Norfolk Naval Shipyard, VA; JEB Little Creek-Fort Story – Naval Amphibious Base (NAB) Little Creek, VA; NSA Hampton Roads, VA; NAS Oceana, VA; NS Norfolk, VA; WPNSTA Yorktown, VA; NSA Annapolis, MD-United States Naval Academy, MD; NSA South Potomac-Dahlgren, VA; NSA South Potomac-Indian Head, MD; NAS Patuxent River, MD; Navy Information Operations Command (NIOC) Sugar Grove, WV; and NSA Washington-Tingey House, DC]
Air Force	Offutt AFB, NE
Air Force	Hill AFB, UT
Air Force	Dover AFB, DE
Navy/USMC	Marine Corps Air Ground Combat Center (MCAGCC) Twentynine Palms, CA/Marine Corps Mobilization Command (MOBCOM) Kansas City, MO ¹
Navy/USMC	MCB Camp Lejeune/MCAS Cherry Point (Phase I) ¹ [MCB Camp Lejeune, NC; MCAS Cherry Point, NC; MCAS New River, NC; and Stewart Air National Guard Base (ANGB), NY]
Navy	Midwest Regional (Phase I) ¹ [NS Great Lakes, IL; and NSA Crane, IN]
Air Force	Scott AFB, IL
Army	Fort Benning, GA
Army	Fort Leavenworth, KS
Army	Fort Rucker, AL
Army	Fort Gordon, GA
Air Force	Nellis AFB, NV
Navy	San Diego Naval Complex (Phase III) ¹ [NS San Diego, CA; NB Coronado, CA; NB Point Loma, CA; and MCAS Miramar, CA]
Army	Carlisle Barracks, PA/Picatinny Arsenal, NJ
Army	Fort Riley, KS



Attachment A3: Privatized Projects Awarded

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

(Table continued)

MilDep	Project Name [Locations]
Navy/USMC	MCB Camp Lejeune/MCAS Cherry Point (Phase II) ¹ [MCB Camp Lejeune, NC; MCAS Cherry Point, NC; and MCAS New River, NC]
Navy/USMC	MCB Camp Pendleton (Phase IV), CA ¹
Navy	Hawaii Regional (Phase II) ¹ [MCB Hawaii (MCBH) Kaneohe Bay, HI]
Navy	Hawaii Regional (Phase III) ¹ [JB Pearl Harbor-Hickam – NS Pearl Harbor, HI; and Pacific Missile Range Facility (PMRF) Barking Sands, HI]
Air Force	McGuire AFB/Fort Dix [JB McGuire-Dix-Lakehurst – McGuire AFB, NJ; and JB McGuire-Dix-Lakehurst – Fort Dix, NJ]
Army	Redstone Arsenal, AL
Army	Fort Knox, KY
Air Force	Air Education and Training Command (AETC) Group I [Altus AFB, OK; Luke AFB, AZ; Sheppard AFB, TX; and Tyndall AFB, FL]
Air Force	United States Air Force Academy, CO
Air Force	Air Combat Command (ACC) Group II [Davis-Monthan AFB, AZ; and Holloman AFB, NM]
Air Force	JB Pearl Harbor-Hickam – Hickam AFB (Phase II), HI ¹
Army	Fort Lee, VA
Air Force	Tri-Group [Peterson AFB, CO; Schriever AFB, CO; and Los Angeles AFB, CA]
Air Force	BLB Group [Barksdale AFB, LA; Langley AFB, VA; and Bolling AFB, DC]
Navy	Southeast Regional [NAS Pensacola, FL; NAS Whiting Field, FL; NSA Panama City, FL; JB Charleston – Naval Weapons Station (NWS) Charleston, SC; NS Mayport, FL; NAS Jacksonville, FL; SB Kings Bay, GA; NAS Key West, FL; NAS JRB Fort Worth, TX; NAS Meridian, MS; and Naval Construction Battalion Center (NCBC) Gulfport, MS]
Navy	Midwest Regional (Phase II) ¹ [NSA Mid-South, TN]
Navy	San Diego Naval Complex (Phase IV) ¹ [Naval Air Weapons Station (NAWS) China Lake, CA; NAS Lemoore, CA; NB Ventura County, CA; Naval Air Facility (NAF) El Centro, CA; WPNSTA Seal Beach, CA; and NAS Fallon, NV]
Navy	Hawaii Regional (Phase IV) ¹ [MCBH Kaneohe Bay, HI]
Navy/USMC	MCB Camp Lejeune/Cherry Point (Phase III) ¹ [MCB Camp Lejeune, NC; MCAS Cherry Point, NC; MCAS New River, NC; and Westover Air Reserve Base (ARB), MA]
Navy/USMC	MCB Camp Pendleton (Phase V), CA/Marine Corps Logistics Base (MCLB) Albany, GA ¹
Air Force	Robins AFB II, GA
Air Force	AETC Group II [Columbus AFB, MS; Goodfellow AFB, TX; Laughlin AFB, TX; Maxwell AFB, AL; JB San Antonio – Randolph AFB, TX; and Vance AFB, OK]
Air Force	Vandenberg AFB, CA
Air Force	Air Mobility Command (AMC) East [Andrews AFB, MD; and MacDill AFB, FL]
Air Force	AMC West [Tinker AFB, OK; Travis AFB, CA; and Fairchild AFB, WA]
Army	United States Military Academy at West Point, NY
Army	Fort Jackson, SC



Attachment A3: Privatized Projects Awarded

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

(Table continued)

MilDep	Project Name [Locations]
Army	Fort Sill, OK
Air Force	Falcon Group [Patrick AFB, FL; Moody AFB, GA; Little Rock AFB, AR; and Hanscom AFB, MA]
Army	Fort Huachuca, AZ/Yuma Proving Ground, AZ
Army	Fort Wainwright, AK/Fort Greely, AK
Navy/USMC	Mid-Atlantic Regional (Phase II) ¹ [NSA Mechanicsburg, PA]
Army	Aberdeen Proving Ground, MD
Navy/USMC	Mid-Atlantic Regional (Phase III) ¹ [MCB Camp Lejeune (Phase IV), NC]
Navy	San Diego Naval Complex (Phase V) ¹ [NSA Washington, DC; JB Anacostia-Bolling – Naval Support Facility (NSF) Anacostia, DC; NSA Annapolis-Buchanan House, MD; NSA Bethesda, MD; and NSF Thurmont-Camp David, MD]
Navy/USMC	MCB Camp Pendleton (Phase VI), CA ¹
Navy	Hawaii Regional (Phase V) ¹ [MCBH Kaneohe Bay, HI]
Air Force	JBER III [JB Elmendorf-Richardson – Richardson AFB, AK]
Air Force	Southern Group [Shaw AFB, SC; Arnold AFB, TN; JB Charleston – Charleston AFB, SC; and Keesler AFB, MS]
Air Force	Western Group [Beale AFB, CA; FE Warren AFB, WY; Malmstrom AFB, MT; and Whiteman AFB, MO]
Air Force	Northern Group [Cannon AFB, NM; Cavalier Air Force Station (AFS), ND; Ellsworth AFB, SD; Grand Forks AFB, ND; Minot AFB, ND; and Mountain Home AFB, ID]
Air Force	Continental Group [Edwards AFB, CA; Eglin AFB, FL; Hurlburt Field, FL; Eielson AFB, AK; McConnell AFB, KS; and Seymour-Johnson AFB, NC]
Air Force	ACC Group III [Dyess AFB, TX; and Moody AFB, GA]
Navy	San Diego Naval Complex (Phase VI) ¹ [NB Ventura County, CA]
Navy	Hawaii Regional (Phase VI) ¹ [MCBH Kaneohe Bay, HI]

1. For reporting purposes, the following project phases are combined and reported as single projects:

- A. San Diego Naval Complex Overview: San Diego Phases I, II, III, IV, V and VI.
- B. Cherry Point/Camp Lejeune Overview (Atlantic Marine Corps Communities - AMCC): MCB Camp Lejeune/MCAS Cherry Point Phases I, II and III; and Tri-Command.
- C. PE/QU/YU (Camp Pendleton II): MCB Camp Pendleton Phase II/MCB Quantico; MCAS Yuma/MCB Camp Pendleton Phase III; MCAGCC Twentynine Palms/MOBCOM Kansas City; MCB Camp Pendleton Phase IV; MCB Camp Pendleton Phase V/MCLB Albany; and MCB Camp Pendleton Phase VI.
- D. Hawaii Regional: Hawaii Regional Phases I, II, III, IV, V and VI.
- E. Hickam AFB: Hickam AFB Phases I and II.
- F. Mid-Atlantic Regional: Mid-Atlantic Regional Phases I, II and III.
- G. Midwest Regional: Midwest Regional Phases I and II.



Attachment A4: MHPI Project Scope

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

Throughout this report, the expressed size of the individual privatized projects is the IDP scope that was approved by the OSD and OMB. During the development of a major residential project, particularly a project that is built over an extended number of years, the actual scope may change a small amount. Reasons for these changes vary, and include local market and base operational transformations and unforeseen construction costs. Unless the ultimate project size changes and the resulting investment requires re-approval by OSD and OMB, the individual project scope in this report remains the currently approved number. Actual project scope is monitored by the Military Department portfolio managers through various other reports.

This appendix is provided to identify, on a project by project basis, the most recent scope modifications, if any, that have occurred subsequent to the last OSD and OMB approval, as well as total existing inventory (in terms of family homes or unaccompanied units, as applicable) as of September 30, 2015.

MHPI Project Scope and Existing Inventory (Online + Offline) at September 30, 2015

Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope	Actual Unit Scope	Existing Inventory
FAMILY HOUSING					
Army	Aberdeen Proving Ground	Corvias Military Living	372	372	1,126
Army	Fort Belvoir	Clark Pinnacle Family Communities	2,106	2,106	2,154
Army	Fort Benning	Clark Pinnacle Family Communities	4,000	4,000	4,214
Army	Fort Bliss / White Sands Missile Range	Balfour Beatty Communities	4,843	4,843	4,865
Army	Fort Bragg	Corvias Military Living	6,238	6,238	6,452
Army	Fort Campbell	Lendlease	4,457	4,457	4,458
Army	Carlisle Barracks / Picatinny Arsenal	Balfour Beatty Communities	348	348	348
Army	Fort Carson	Balfour Beatty Communities	3,368	3,368	3,254
Army	Fort Detrick / Walter Reed Army Medical Center	Balfour Beatty Communities	590	590	596
Army	Fort Drum	Lendlease	3,835	3,835	3,835
Army	JB Langley-Eustis – Fort Eustis / JEB Little Creek-Fort Story --Fort Story	Balfour Beatty Communities	1,131	1,131	1,131
Army	Fort Gordon	Balfour Beatty Communities	1,080	1,080	1,080
Army	Fort Hamilton	Balfour Beatty Communities	228	228	228
Army	Fort Hood	Lendlease	5,912	5,912	5,549



Attachment A4: MHPI Project Scope

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

(Table continued)

MHPI Project Scope and Existing Inventory (Online + Offline) at September 30, 2015

Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope	Actual Unit Scope	Existing Inventory
FAMILY HOUSING (continued)					
Army	Fort Huachuca / Yuma Proving Ground	Michaels Military Housing	1,169	1,169	1,342
Army	Fort Irwin / Moffett Field / Parks RFTA	Clark Pinnacle Family Communities	3,180	3,180	2,897
Army	Fort Jackson	Balfour Beatty Communities	850	850	850
Army	Fort Knox	Lendlease	2,563	2,563	2,386
Army	Fort Leavenworth	Michaels Military Housing	1,583	1,583	1,688
Army	Fort Lee	Hunt Companies/Falcon Properties	1,508	1,508	1,508
Army	Fort Leonard Wood	Balfour Beatty Communities	1,806	1,806	1,806
Army	Fort Meade	Corvias Military Living	2,627	2,627	2,628
Army	Fort Polk	Corvias Military Living	3,661	3,661	3,661
Army	JB Lewis-McChord	Equity Residential	4,994	4,994	5,103
Army	Presidio of Monterey / Naval Postgraduate School	Clark Pinnacle Family Communities	1,565	1,565	2,580
Army	Redstone Arsenal	Hunt Companies	230	230	352
Army	Fort Riley	Corvias Military Living	3,514	3,514	4,404
Army	Fort Rucker	Corvias Military Living	1,476	1,476	1,476
Army	JB San Antonio – Fort Sam Houston	Lincoln Property Company	925	925	925
Army	Fort Shafter/Schofield Barracks	Lendlease	7,240	7,240	7,878
Army	Fort Sill	Corvias Military Living	1,728	1,728	1,842
Army	Fort Stewart / Hunter Army Airfield	Balfour Beatty Communities	3,629	3,404	3,630
Army	Fort Wainwright / Fort Greely	Lendlease	1,815	1,815	1,883
Army	West Point	Balfour Beatty Communities	824	824	838
Army Family Housing Total			85,395	85,170	88,967



Attachment A4: MHPI Project Scope

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

(Table continued)

MHPI Project Scope and Existing Inventory (Online + Offline) at September 30, 2015

Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope	Actual Unit Scope	Existing Inventory
FAMILY HOUSING (continued)					
Navy/USMC	Marine Corps Base (MCB) Camp Pendleton I	Hunt Companies	712	712	712
Navy/USMC	Cherry Point/Camp Lejeune Overview (Atlantic Marines)	Lendlease	8,060	7,973	7,923
Navy/USMC	Corpus Christi/Kingsville I	Landmark Residential, LLC	404	404	404
Navy/USMC	Naval Station (NS) Everett I ²	Forest City Enterprises Inc.	185	185	0
Navy/USMC	NS Everett II	Gateway Development Group and CED Military Group	288	288	288
Navy/USMC	Hawaii Regional	Forest City Enterprises Inc.	6,802	6,781	6,884
Navy/USMC	Naval Air Station (NAS) Kingsville II	Hunt Building Corp	150	150	150
Navy/USMC	Mid-Atlantic Regional	Lincoln Family Communities, LLC	6,702	6,417	6,464
Navy/USMC	Midwest Regional	Forest City Enterprises Inc.	1,719	1,719	2,199
Navy/USMC	NAS Joint Reserve Base New Orleans	Patrician Development	941	936	936
Navy/USMC	Northeast Regional	Balfour Beatty Communities	4,264	2,950	3,451
Navy/USMC	Northwest Regional	Forest City Enterprises Inc.	3,370	3,369	3,811
Navy/USMC	PE/QU/YU (Camp Pendleton II)	Hunt/Lincoln/Clark	11,127	11,127	11,126
Navy/USMC	San Diego Naval Complex Overview	Lincoln/Clark San Diego LLC	14,524	14,513	14,513
Navy/USMC	South Texas	Landmark Organization (Faulkner USA)	665	417	417
Navy/USMC	Southeast Regional	Balfour Beatty Communities	4,468	4,673	5,261
Navy / Marine Corps Family Housing Total			64,381	62,614	62,539



Attachment A4: MHPI Project Scope

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

(Table continued)

MHPI Project Scope and Existing Inventory (Online + Offline) at September 30, 2015

Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope	Actual Unit Scope	Existing Inventory
FAMILY HOUSING (continued)					
Air Force	Air Combat Command (ACC) Group II	Lendlease	1,838	1,884	2,232
Air Force	ACC Group III	Balfour Beatty Communities	858	775	674
Air Force	Air Education & Training Command (AETC) Group I	BBC AF Management / Development LLC	2,607	2,607	2,661
Air Force	AETC Group II	Pinnacle Hunt Communities	2,257	2,205	2,217
Air Force	Air Force Academy	Hunt ELP / Forest City Military Communities	427	427	671
Air Force	Air Mobility Command (AMC) East	Clark Realty Builders / Clark DOC Builders	1,458	1,505	1,715
Air Force	AMC West	AMC West Housing, LP	2,435	2,435	2,587
Air Force	BLB Group	Hunt ELP, Ltd.	3,189	3,192	3,370
Air Force	Buckley Air Force Base (AFB)	Investment Builders Inc / Hunt Building Corporation	351	351	351
Air Force	Continental Group	Corvias Military Living	3,862	3,840	3,794
Air Force	Dover AFB	Hunt Building Company	980	980	980
Air Force	Dyess AFB	Hunt Building Company	402	402	402
Air Force	JB Elmendorf-Richardson (JBER I) - Elmendorf AFB	JL Properties	828	828	828
Air Force	JB Elmendorf-Richardson (JBER II) - Elmendorf AFB	JL Properties	1,194	1,194	1,194
Air Force	JB Elmendorf-Richardson (JBER III) - Fort Richardson	JL Properties	1,240	1,240	1,240
Air Force	Falcon Group	HP Communities, LLC	2,617	2,625	2,625
Air Force	JB Pearl Harbor-Hickam - Hickam AFB	Lendlease	2,474	2,474	2,488
Air Force	Hill AFB	BHMH, LC (Boyer/Gardner)	1,018	1,018	1,082
Air Force	Kirtland AFB	Hunt Building Company	1,078	1,078	1,302
Air Force	JB San Antonio - Lackland AFB	Balfour Beatty Communities	885	885	1,033
Air Force	JB McGuire-Dix-Lakehurst - McGuire AFB / JB McGuire-Dix-Lakehurst - Fort Dix	United Communities Development, LLC	2,084	2,084	2,212



Attachment A4: MHPI Project Scope

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

(Table continued)

MHPI Project Scope and Existing Inventory (Online + Offline) at September 30, 2015

Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope	Actual Unit Scope	Existing Inventory
FAMILY HOUSING (continued)					
Air Force	Nellis AFB	Hunt Building Company	1,178	1,178	1,178
Air Force	Northern Group	BBC AF Housing Construction, LLC	4,546	4,546	4,612
Air Force	Offutt AFB	America First Real Estate Group	1,640	1,640	1,954
Air Force	Robins AFB I	Hunt Building Company	670	670	670
Air Force	Robins AFB II	Hunt Building Company	207	207	254
Air Force	Scott AFB	Hunt Building Company	1,593	1,593	1,593
Air Force	Southern Group	Forest City Enterprises Inc.	2,185	2,185	2,442
Air Force	Tri-Group	Lendlease	1,564	1,524	1,524
Air Force	Vandenberg AFB	Balfour Beatty Communities	867	867	999
Air Force	Western Group	BBC AF Management / Development LLC	3,264	3,264	3,276
Air Force	Wright-Patterson AFB	Hunt Building Corp/ MV Communities/ Woolpert LLC	1,536	1,536	1,536
Air Force Family Housing Total			53,332	53,239	55,696
MHPI Family Housing Total			203,108	201,023	207,202



Attachment A4: MHPI Project Scope

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

(Table continued)

MHPI Project Scope and Existing Inventory (Online + Offline) at September 30, 2015

Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope	Actual Unit Scope	Existing Inventory
UNACCOMPANIED HOUSING (APARTMENTS / BEDROOMS)					
Army	Fort Bragg	Corvias Military Living	432 / 702	432 / 702	432 / 702
Army	Fort Drum	Lendlease	192 / 320	192 / 320	192 / 320
Army	Fort Irwin	Clark Pinnacle Family Communities	200 / 200	200 / 200	200 / 200
Army	Fort Meade	Corvias Military Living	432 / 816	432 / 816	362 / 686
Army	Fort Stewart	Balfour Beatty Communities	334 / 370	334 / 370	334 / 370
Army Unaccompanied Housing (Apartments / Bedrooms) Total			1,590 / 2,408	1,590 / 2,408	1,520 / 2,278
Navy/USMC	Homeport Hampton Roads	Hunt ELP LTD and American Campus Communities OP, LLC	1,913 / 3,682	1,913 / 3,682	1,913 / 3,682
Navy/USMC	NS San Diego	California Naval Communities, LLC	1,199 / 2,398	1,199 / 2,398	1,199 / 2,398
Navy/USMC Unaccompanied Housing (Apartments / Bedrooms) Total			3,112 / 6,080	3,112 / 6,080	3,112 / 6,080
MHPI Unaccompanied Housing (Apartments / Bedrooms) Total			4,702 / 8,488	4,702 / 8,488	4,702 / 8,488

1. For reporting purposes, the following projects are combined and reported as single projects:

- A. San Diego Naval Complex Overview: San Diego Phases I, II, III, IV, V and VI.
- B. Cherry Point/Camp Lejeune Overview (Atlantic Marine Corps Communities - AMCC): MCB Camp Lejeune/MCAS Cherry Point Phases I, II and III; and Tri-Command.
- C. PE/QU/YU (Camp Pendleton II): MCB Camp Pendleton Phase II/MCB Quantico; MCAS Yuma/MCB Camp Pendleton Phase III; MCAGCC Twentynine Palms/MOBCOM Kansas City; MCB Camp Pendleton Phase IV; MCB Camp Pendleton Phase V/MCLB Albany; and MCB Camp Pendleton Phase VI.
- D. Hawaii Regional: Hawaii Regional Phases I, II, III, IV, V and VI.
- E. Hickam AFB: Hickam AFB Phases I and II.
- F. Mid-Atlantic Regional: Mid-Atlantic Regional Phases I, II and III.
- G. Midwest Regional: Midwest Regional Phases I and II.

2. Project sold prior to fiscal year 2014: no longer MHPI.



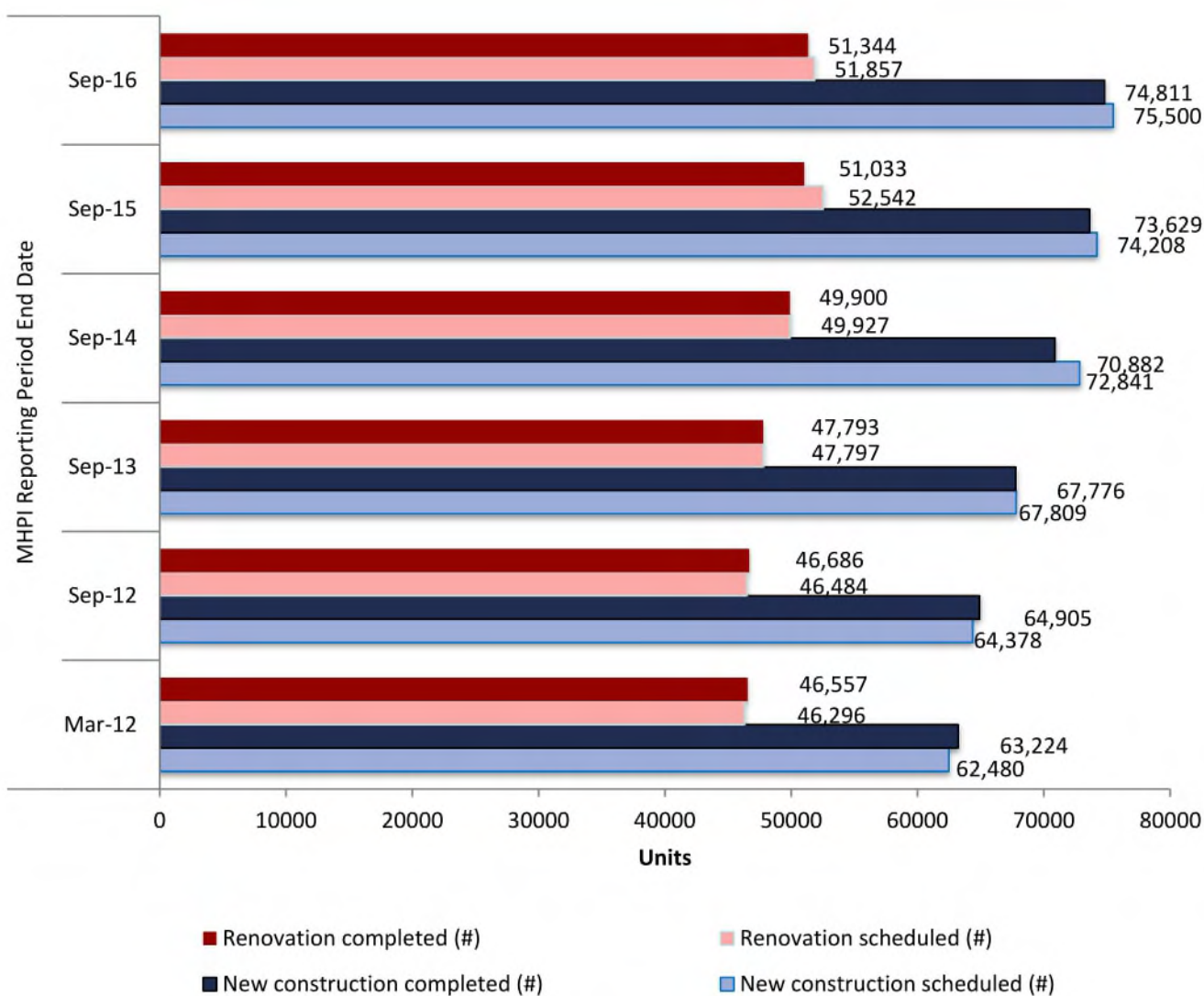
Attachment A5: MHPI Family Housing Development

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

The chart below, graphically illustrates how completed IDP construction and renovation for the last several reporting periods compares to IDP construction and renovation scheduled for delivery through that date. As demonstrated, the MHPI portfolio has generally met its construction schedule for the last five reporting periods.

Scheduled and Completed Construction and Renovation through September 30, 2015





Attachment A6: MHPI Family Housing Occupancy and Tenant Demographics

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

As reflected in the table below, MHPI tenants occupied 93% of homes available to be leased as of September 30, 2015.

MHPI Family Housing Occupancy

	Sep-13	Sep-14	Sep-15	% Change from Sep-14 to Sep-15
Army Family Housing Occupancy		92.8%	91.2%	-1.6%
Navy Family Housing Occupancy		94.3%	94.5%	0.3%
Air Force Family Housing Occupancy		94.0%	95.6%	1.6%
MHPI Family Housing Occupancy Rate	95.0%	93.6%	93.4%	-0.2%

Since September 2012, the number of waterfall tenants living in privatized housing increased from 9,455 to 15,541, an increase of about 18% per year over the last three years. However, when comparing total waterfall tenants as a percentage of total available units, the percentage is 7.6% as of September 30, 2015, which is slightly higher than the historical range of 5.5% to 6.0% over the life of the program. While the alternative tenant waterfall serves as a risk mitigation tool to improve program occupancy, the %age of alternative tenants still remains small compared to the number of military families the program serves.

Annual Use of the Tenant Waterfall for Occupancy of MHPI Family Housing

	Sep-12	Sep-13	Sep-14	Sep-15	% of Total Available Units as of Sep 2014	% of Total Available Units as of Sep 2015	% Change from Sep-14 to Sep-15
Military Families	172,218	174,671	175,186	174,218	86.5%	85.7%	-0.8%
Unaccompanied Military	3,296	3,695	4,281	5,310	2.1%	2.6%	0.5%
Military Retirees	1,096	1,284	1,844	2,685	0.9%	1.3%	0.4%
Federal Employees	2,428	2,424	2,891	3,477	1.4%	1.7%	0.3%
Other Civilians	2,635	3,224	3,480	4,069	1.7%	2.0%	0.3%
Total Non-Target Tenant Waterfall	9,455	10,627	12,496	15,541	6.2%	7.6%	1.5%



Attachment A7: Debt Service Coverage Ratios for MHPI Projects with Completed IDPs

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

A Debt Service Coverage Ratio (DSCR) of 1.25 implies that a project's available cash is 25% greater than its debt service requirements, and provides an indication of a project's ability to repay debt. If the DSCR drops below a 1.0 ratio, cash flow is insufficient to cover the project's debt service requirements (principal and/or interest) after payment of operating expenses.

As of September 30, 2015, 58 active MHPI projects had completed their IDPs. The nine projects that completed their IDPs during the 2015 fiscal year are in **green font**.

Debt Service Coverage Ratios (DSCRs) for MHPI Projects That Have Completed Their Initial Development Periods (IDPs)

Project	Average Actual Senior Loan DSCR in FY2015	Required Minimum Senior Loan DSCR to Avoid Default	Average Actual Combined DSCR Including Subordinate (Junior) Loan in FY2015	Required Minimum Combined Senior & Junior Loan DSCR to Avoid Default	IDP Completion Date
ACC Group II	1.49	N/A	1.00	N/A	Feb-15
AETC Group I	1.05	N/A	0.93	N/A	Dec-11
AETC Group II	1.39	N/A	N/A	N/A	Oct-10
AMC East	1.29	N/A	N/A	N/A	Apr-14
AMC West	1.87	N/A	1.38	N/A	Jun-15
BLB	1.57	N/A	1.22	N/A	Sep-14
Buckley AFB	1.81	N/A	1.62	N/A	Aug-07
Camp Pendleton I	1.83	1.25	N/A	N/A	Feb-04
Camp Pendleton II	1.72	1.15	N/A	N/A	Dec-12
Carlisle Brks / Picatinny Ars	2.91	N/A	N/A	N/A	Apr-11
Dover AFB	1.49	N/A	1.07	N/A	Jan-09
Dyess AFB	1.51	N/A	N/A	N/A	Sep-02
Elmendorf AFB I	2.72	N/A	1.62	N/A	Sep-03
Elmendorf AFB II	2.17	N/A	1.41	N/A	Dec-06
Everett I (sold, no longer MHPI)	N/A	N/A	N/A	N/A	N/A
Everett II	1.30	1.20	N/A	N/A	Oct-02
Falcon Group	0.95	N/A	0.89	N/A	Jun-13
Fort Belvoir	1.48	N/A	N/A	N/A	Nov-11
Fort Bliss / White Sands MR	1.62	N/A	N/A	N/A	Jun-11
Fort Bragg	1.37	1.00	N/A	N/A	Dec-13
Fort Campbell	2.21	N/A	N/A	N/A	Mar-11
Fort Carson	1.56	N/A	N/A	N/A	Nov-04
Fort Detrick / Walter Reed AMC	1.20	1.00	N/A	N/A	Jul-08



Attachment A7: Debt Service Coverage Ratios for MHPI Projects with Completed IDPs

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

Fort Drum	3.43	N/A	N/A	N/A	Feb-11
Fort Eustis / Fort Story	1.56	N/A	N/A	N/A	Nov-10
Fort Gordon	1.46	N/A	N/A	N/A	Apr-12
Fort Hamilton	1.57	N/A	N/A	N/A	Nov-09
Fort Hood	1.57	N/A	N/A	N/A	Jun-06
Fort Huachuca / Yuma PG	1.40	N/A	N/A	N/A	Sep-15
Fort Jackson	1.39	N/A	N/A	N/A	Feb-15
Fort Leonard Wood	1.55	N/A	N/A	N/A	Oct-14
Fort Meade	1.25	1.00	N/A	N/A	May-12
Fort Rucker	1.32	N/A	N/A	N/A	Jan-15
Fort Sam Houston	1.15	N/A	N/A	N/A	Mar-10
Fort Stewart	1.43	1.00	N/A	N/A	Dec-13
Hampton Roads (UH)	1.19	N/A	N/A	N/A	Jul-10
Hickam AFB	1.12	N/A	1.05	N/A	Sep-13
Hill AFB	3.22	N/A	1.93	N/A	Dec-13
JB Elmendorf-Richardson (JBER)	2.13	N/A	1.56	N/A	Nov-13
JB McGuire-Dix-Lakehurst	1.96	N/A	1.67	N/A	Dec-11
Kingsville I (sold in FY16)	1.77	N/A	1.21	N/A	Nov-97
Kingsville II	3.68	1.45	2.31	N/A	Aug-02
Kirtland AFB	2.14	N/A	1.61	N/A	Aug-06
Lackland AFB	1.44	N/A	1.05	N/A	Jun-13
MidAtlantic	1.26	N/A	N/A	N/A	Mar-15
Nellis AFB	1.00	N/A	0.74	N/A	Jan-12
New Orleans	1.68	1.25	N/A	N/A	Dec-03
Northeast Regional	1.24	N/A	N/A	N/A	Oct-10
Presidio of Monterey / NPS	1.19	N/A	N/A	N/A	Dec-14
Redstone Arsenal	1.74	N/A	N/A	N/A	Mar-09
Robins AFB I	1.62	N/A	1.03	N/A	Jun-02
Robins AFB II	1.33	N/A	N/A	N/A	Feb-12
San Diego (UH)	1.37	1.20	N/A	N/A	Mar-09
Scott AFB	1.14	1.25	0.99	1.05	Feb-09
South Texas	1.45	1.10	N/A	N/A	May-05
Southeast Regional	1.26	1.15	N/A	N/A	Sep-13
Tri-Group	1.23	N/A	N/A	N/A	Dec-14
Vandenberg AFB	1.41	N/A	N/A	N/A	Mar-13
Wright-Patterson AFB	2.09	N/A	1.82	N/A	Feb-06



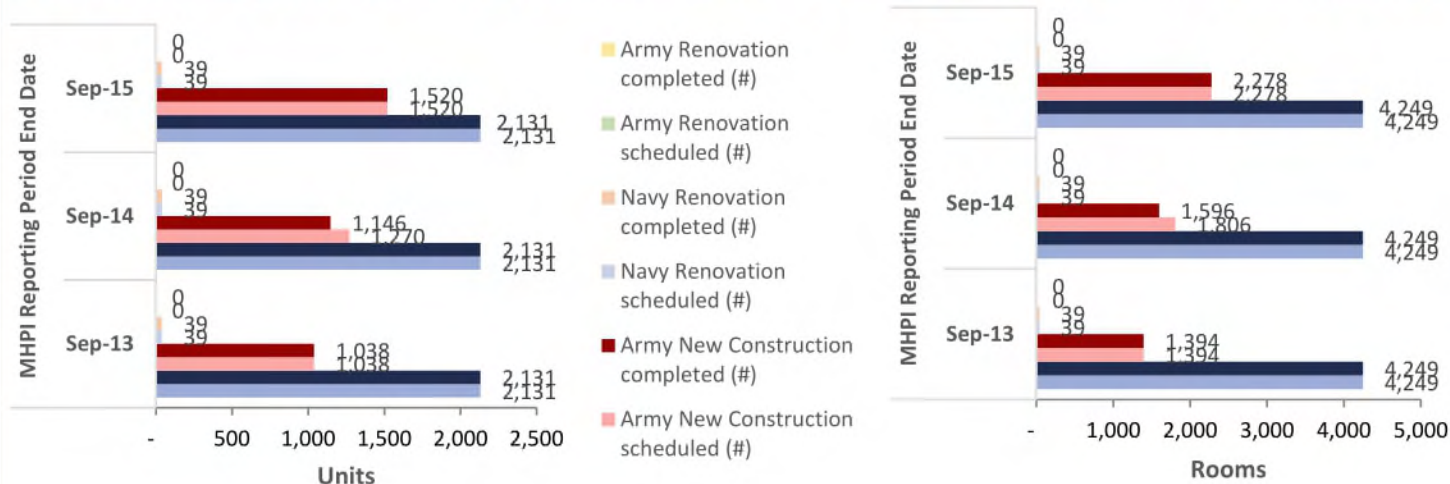
Attachment A8: MHPI Unaccompanied Housing Development and Occupancy

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

As of September 30, 2015, cumulative MHPI program development in the unaccompanied housing portfolio includes 3,651 new or replacement UH units (6,527 rooms) and 39 major/medium renovations to existing UH units (39 rooms).

MHPI Unaccompanied Housing Development: Units/Rooms Completed as of September 30, 2015



As of September 30, 2015, MHPI tenants occupied almost 95% of UH units available to be leased, approximately the same occupancy rate as the previous year.

MHPI Unaccompanied Housing Occupancy as of September 30, 2015

	Sep-13	Sep-14	Sep-15	% Change from Sep-14 to Sep-15
Army UH Occupancy (Units/Rooms)	95.2%/95.2%	90.6%/90.6%	87.4%/87.0%	-3.2%/-3.6%
Navy UH Occupancy (Units/Rooms)	97.1%/97.1%	96.4%/96.4%	97.9%/97.9%	1.5%/1.5%
MHPI UH Occupancy Rate (Units/Rooms)	96.6%/96.8%	94.9%/95.3%	94.7%/95.2%	-0.2%/-0.1%

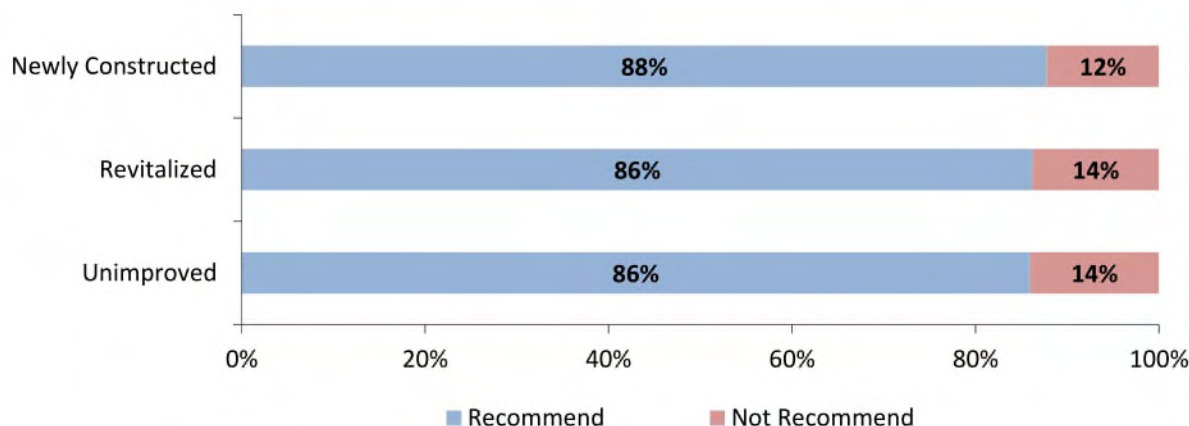


Attachment A9: Tenant Satisfaction by Project

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

“Would You Recommend Privatized Housing?” Tenant Satisfaction by Housing Condition as of September 30, 2015



To help interpret results, the Military Departments and project managers code surveys based on whether the respondent resides in a newly constructed or renovated/revitalized home, or in an unrenovated/unimproved home. As expected, satisfaction was highest among those living in newly constructed homes. Satisfaction was slightly lower for tenants living in renovated and unimproved homes, but higher than historical levels.

The table below displays the satisfaction results collected for the program as of September 30, 2015. Surveys request tenants residing in privatized housing to indicate whether or not they would recommend privatized housing. The percentages of tenants responding, “Yes,” “No,” or “Don’t Know” for each project are reflected below.

“Would You Recommend Privatized Housing?” Tenant Satisfaction by Project as of September 30, 2015

Project	Newly Constructed Units			Renovated Units			Unrenovated Units		
	Yes	No	Don't Know	Yes	No	Don't Know	Yes	No	Don't Know
Corpus Christi/Kingsville I, TX-Navy	67%	13%	20%	N/A	N/A	N/A	60%	27%	13%
NS Everett I, WA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lackland AFB, TX	94%	4%	2%	N/A	N/A	N/A	73%	27%	0%
Fort Carson, CO	51%	46%	3%	N/A	N/A	N/A	78%	21%	0%
Dyess AFB, TX	94%	5%	2%	N/A	N/A	N/A	N/A	N/A	N/A
Robins AFB I, GA	74%	24%	2%	N/A	N/A	N/A	83%	15%	1%
NAS Kingsville II, TX	67%	19%	14%	N/A	N/A	N/A	N/A	N/A	N/A
MCB Camp Pendleton, CA	77%	11%	13%	77%	9%	14%	N/A	N/A	N/A



Attachment A9: Tenant Satisfaction by Project

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

NS Everett II, WA	N/A	N/A	N/A	N/A	N/A	N/A	23%	46%	31%
Elmendorf AFB I, AK	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
San Diego Naval Complex Overview, CA	82%	9%	9%	75%	9%	16%	81%	7%	11%
New Orleans Naval Complex, LA (NOLA)	63%	16%	21%	N/A	N/A	N/A	83%	10%	7%
Fort Hood, TX	76%	22%	1%	89%	10%	1%	79%	21%	0%
South Texas, TX (SOTX)-Navy	77%	13%	11%	83%	4%	13%	50%	50%	0%
Fort Lewis, WA/McChord AFB, WA	70%	29%	2%	90%	10%	1%	74%	24%	1%
Fort Meade, MD	81%	18%	1%	N/A	N/A	N/A	85%	15%	0%
Wright-Patterson AFB, OH	89%	10%	1%	N/A	N/A	N/A	89%	10%	1%
Kirtland AFB, NM	N/A	N/A	N/A	N/A	N/A	N/A	86%	13%	1%
Fort Bragg, NC	85%	13%	1%	87%	11%	2%	87%	13%	0%
PE/QU/YU (Camp Pendleton II)	83%	7%	11%	73%	12%	15%	80%	8%	12%
Presidio of Monterey/NPS, CA	90%	9%	1%	82%	17%	1%	80%	18%	2%
Fort Stewart/Hunter Army Airfield, GA	64%	34%	2%	75%	25%	0%	47%	49%	4%
Fort Belvoir, VA	88%	12%	0%	89%	10%	1%	69%	30%	2%
Fort Campbell, KY	78%	21%	1%	87%	12%	1%	77%	22%	1%
Fort Irwin/Moffett Field/Camp Parks, CA	59%	38%	3%	75%	23%	2%	57%	42%	1%
Hawaii Regional, HI-Navy/MC	76%	8%	15%	67%	12%	21%	69%	14%	17%
Fort Hamilton, NY	N/A	N/A	N/A	74%	21%	4%	50%	50%	0%
Fort Detrick, MD/Walter Reed Army Med. Ctr., DC	50%	50%	0%	67%	33%	0%	86%	11%	3%
Buckley AFB, CO	83%	14%	3%	N/A	N/A	N/A	N/A	N/A	N/A
Elmendorf AFB II, AK	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fort Polk, LA	83%	16%	1%	N/A	N/A	N/A	N/A	N/A	N/A
Fort Shafter/Schofield Barracks, HI	86%	13%	1%	94%	5%	0%	78%	21%	1%
Northeast Regional, (NY, NJ, CT, RI, ME)-Navy	74%	8%	17%	74%	11%	15%	73%	11%	16%
Fort Eustis/Fort Story, VA	58%	39%	3%	80%	18%	2%	N/A	N/A	N/A
Hickam AFB, HI	85%	13%	2%	85%	13%	2%	85%	13%	2%
Northwest Regional, WA-Navy	79%	10%	11%	69%	16%	16%	57%	23%	21%
Fort Sam Houston, TX	74%	24%	2%	76%	18%	5%	N/A	N/A	N/A
Fort Leonard Wood, MO	73%	25%	2%	86%	13%	1%	N/A	N/A	N/A
Fort Drum, NY	81%	18%	1%	94%	5%	0%	N/A	N/A	N/A
Fort Bliss, TX/White Sands, NM	61%	38%	1%	83%	15%	2%	80%	20%	1%
Mid-Atlantic Regional, (VA, WV, MD)-Navy	86%	5%	9%	71%	15%	14%	56%	23%	21%
Offutt AFB, NE	66%	34%	1%	62%	37%	1%	86%	9%	6%
Hill AFB, UT	86%	14%	1%	82%	14%	4%	N/A	N/A	N/A
Dover AFB, DE	74%	25%	2%	N/A	N/A	N/A	81%	17%	2%



Attachment A9: Tenant Satisfaction by Project

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

Cherry Point/Camp Lejeune Overview (AMCC), NC	80%	8%	12%	72%	13%	15%	74%	12%	14%
Midwest Regional, (IL, IN, TN)-Navy	69%	13%	19%	63%	19%	19%	61%	21%	18%
Scott AFB, IL	80%	18%	2%	85%	14%	1%	81%	15%	4%
Fort Benning, GA	69%	30%	1%	83%	16%	1%	71%	28%	2%
Fort Leavenworth, KS	69%	29%	2%	82%	10%	2%	71%	25%	4%
Fort Rucker, AL	93%	6%	1%	92%	8%	0%	94%	6%	0%
Fort Gordon, GA	59%	40%	1%	81%	16%	3%	N/A	N/A	N/A
Nellis AFB, NV	89%	10%	1%	76%	24%	0%	N/A	N/A	N/A
Carlisle Barracks, PA/Picatinny Arsenal, NJ	100%	0%	0%	86%	13%	1%	82%	18%	0%
Fort Riley, KS	94%	4%	2%	87%	12%	0%	92%	6%	1%
McGuire AFB/Fort Dix, NJ-Air Force	N/A	N/A	N/A	N/A	N/A	N/A	93%	4%	3%
Redstone Arsenal, AL	N/A	N/A	N/A	N/A	N/A	N/A	76%	23%	1%
Fort Knox, KY	92%	8%	0%	92%	7%	0%	N/A	N/A	N/A
AETC Group I, (OK, AZ, TX, FL)	93%	6%	1%	79%	20%	1%	90%	9%	2%
AF Academy, CO	N/A	N/A	N/A	86%	11%	3%	86%	12%	3%
ACC Grp II (Davis-Monthan AFB, AZ/Holloman AFB, NM)	94%	5%	1%	86%	13%	1%	87%	12%	1%
Fort Lee, VA	N/A	N/A	N/A	88%	12%	0%	76%	23%	2%
Tri-Group (CO, CA)	93%	7%	1%	77%	20%	3%	89%	11%	1%
BLB (LA, VA, DC)	91%	8%	1%	93%	7%	0%	82%	17%	1%
Southeast Regional (SC, MS, FL, GA, TX) - Navy	85%	5%	9%	N/A	N/A	N/A	73%	12%	14%
Robins AFB II, GA	97%	3%	0%	88%	10%	2%	90%	10%	0%
AETC Group II (MS, TX, AL, OK)	92%	8%	0%	79%	20%	1%	83%	16%	1%
Vandenberg AFB, CA	96%	4%	0%	94%	5%	1%	95%	5%	0%
AMC East (MD, FL)	90%	9%	1%	93%	5%	3%	82%	17%	1%
AMC West (OK, CA, WA)	95%	4%	1%	86%	13%	1%	88%	11%	1%
West Point, NY	81%	18%	1%	90%	8%	2%	70%	30%	0%
Fort Jackson, SC	97%	3%	0%	76%	23%	1%	N/A	N/A	N/A
Fort Sill, OK	87%	11%	2%	N/A	N/A	N/A	N/A	N/A	N/A
Falcon Group (FL, GA, AR, MA)	91%	8%	1%	81%	17%	2%	88%	12%	0%
Fort Huachuca/Yuma, AK	100%	0%	0%	100%	0%	0%	82%	18%	1%
Fort Wainwright/Greely, AK	73%	26%	1%	78%	22%	0%	93%	7%	0%
Aberdeen Proving Ground, MD	78%	22%	0%	N/A	N/A	N/A	93%	4%	3%
Joint Base Elmendorf-Richardson, AK	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Southern Group (SC, TN, MS)	97%	2%	0%	N/A	N/A	N/A	96%	3%	1%
Western Group (CA, WY, MT, MO)	93%	6%	1%	N/A	N/A	N/A	92%	7%	1%



Attachment A9: Tenant Satisfaction by Project

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

Northern Group (NM, SD, ND, ID)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Continental Group (CA, FL, AK, KS, NC)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ACC Group III (TX, GA)	N/A	N/A	N/A	N/A	N/A	N/A	98%	0%	2%
San Diego UH Privatization, CA	88%	2%	9%	N/A	N/A	N/A	94%	1%	5%
Hampton Roads UH Privatization, VA	89%	3%	9%	N/A	N/A	N/A	75%	7%	17%
Fort Bragg UH, NC	N/A	N/A	N/A	98%	2%	0%	N/A	N/A	N/A
Fort Drum UH, NY	N/A	N/A	N/A	99%	1%	0%	N/A	N/A	N/A
Fort Meade UH, MD	N/A	N/A	N/A	94%	6%	0%	N/A	N/A	N/A
Fort Stewart UH, GA	N/A	N/A	N/A	88%	6%	6%	N/A	N/A	N/A
Fort Irwin UH, CA	N/A	N/A	N/A	42%	54%	4%	N/A	N/A	N/A
Army	80%	19%	1%	87%	12%	1%	78%	21%	1%
Navy	81%	7%	12%	72%	12%	16%	73%	12%	15%
Air Force	89%	10%	1%	82%	16%	2%	89%	10%	1%
Total DoD	83%	12%	5%	82%	13%	5%	80%	13%	7%



Attachment A10: MHPI Government Contributions

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

This appendix is provided to identify, on a project by project basis, the Government contributions utilized as of September 30, 2015.

MHPI Government Contributions as of September 30, 2015

Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
FAMILY HOUSING						
Army	Aberdeen Proving Ground	Corvias Military Living	X	-	-	-
Army	Fort Belvoir	Clark Pinnacle Family Communities	-	-	-	-
Army	Fort Benning	Clark Pinnacle Family Communities	X	-	-	-
Army	Fort Bliss / White Sands Missile Range	Balfour Beatty Communities	X	-	-	-
Army	Fort Bragg	Corvias Military Living	X	-	-	-
Army	Fort Campbell	Lendlease	X	-	-	-
Army	Carlisle Barracks / Picatinny Arsenal	Balfour Beatty Communities	X	-	-	-
Army	Fort Carson	Balfour Beatty Communities	X	-	-	X
Army	Fort Detrick / Walter Reed Army Medical Center	Balfour Beatty Communities	X	-	-	-
Army	Fort Drum	Lendlease	X	-	-	-
Army	JB Langley-Eustis – Fort Eustis / JEB Little Creek-Fort Story -- Fort Story	Balfour Beatty Communities	X	-	-	-
Army	Fort Gordon	Balfour Beatty Communities	X	-	-	-
Army	Fort Hamilton	Balfour Beatty Communities	X	-	-	-
Army	Fort Hood	Lendlease	X	-	-	-



Attachment A10: MHPI Government Contributions

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

(Table continued)

MHPI Government Contributions as of September 30, 2015

Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
FAMILY HOUSING (continued)						
Army	Fort Huachuca / Yuma Proving Ground	Michaels Military Housing	-	-	-	-
Army	Fort Irwin / Moffett Field / Parks RFTA	Clark Pinnacle Family Communities	X	-	-	-
Army	Fort Jackson	Balfour Beatty Communities	X	-	-	-
Army	Fort Knox	Lendlease	X	-	-	-
Army	Fort Leavenworth	Michaels Military Housing	X	-	-	-
Army	Fort Lee	Hunt Companies/Falcon Properties	X	-	-	-
Army	Fort Leonard Wood	Balfour Beatty Communities	X	-	-	-
Army	Fort Meade	Corvias Military Living	-	-	-	-
Army	Fort Polk	Corvias Military Living	X	-	-	X
Army	JB Lewis-McChord	Equity Residential	X	-	-	-
Army	Presidio of Monterey / Naval Postgraduate School	Clark Pinnacle Family Communities	-	-	-	-
Army	Redstone Arsenal	Hunt Companies	X	-	-	-
Army	Fort Riley	Corvias Military Living	X	-	-	-
Army	Fort Rucker	Corvias Military Living	X	-	-	-
Army	JB San Antonio – Fort Sam Houston	Lincoln Property Company	X	-	-	-
Army	Fort Shafter/Schofield Barracks	Lendlease	-	-	-	-
Army	Fort Sill	Corvias Military Living	X	-	-	-
Army	Fort Stewart / Hunter Army Airfield	Balfour Beatty Communities	X	-	-	-
Army	Fort Wainwright / Fort Greely	Lendlease	X	-	-	X
Army	West Point	Balfour Beatty Communities	X	-	-	-
Army Family Housing Total			29	0	0	3



Attachment A10: MHPI Government Contributions

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

(Table continued)

MHPI Government Contributions as of September 30, 2015

Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
FAMILY HOUSING (continued)						
Navy/USMC	Marine Corps Base (MCB) Camp Pendleton I	Hunt Companies	-	-	X	-
Navy/USMC	Cherry Point/Camp Lejeune Overview (Atlantic Marines)	Lendlease	X	-	-	-
Navy/USMC	Corpus Christi/Kingsville I	Landmark Residential, LLC	X	X	-	-
Navy/USMC	Naval Station (NS) Everett I ²	Forest City Enterprises Inc.	-	-	-	-
Navy/USMC	NS Everett II	Gateway Development Group and CED Military Group	X	X	-	-
Navy/USMC	Hawaii Regional	Forest City Enterprises Inc.	X	-	-	-
Navy/USMC	Naval Air Station (NAS) Kingsville II	Hunt Building Corp	X	-	X	-
Navy/USMC	Mid-Atlantic Regional	Lincoln Family Communities, LLC	X	-	-	-
Navy/USMC	Midwest Regional	Forest City Enterprises Inc.	X	-	-	-
Navy/USMC	NAS Joint Reserve Base New Orleans	Patrician Development	X	-	-	-
Navy/USMC	Northeast Regional	Balfour Beatty Communities	-	-	-	-
Navy/USMC	Northwest Regional	Forest City Enterprises Inc.	X	-	-	-
Navy/USMC	PE/QU/YU (Camp Pendleton II)	Hunt/Lincoln/Clark	X	-	-	-
Navy/USMC	San Diego Naval Complex Overview	Lincoln/Clark San Diego LLC	X	-	-	-
Navy/USMC	South Texas	Landmark Organization (Faulkner USA)	X	X	-	-
Navy/USMC	Southeast Regional	Balfour Beatty Communities	X	-	-	-
Navy / Marine Corps Family Housing Total			13	3	2	0



Attachment A10: MHPI Government Contributions

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

(Table continued)

MHPI Government Contributions as of September 30, 2015

Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
FAMILY HOUSING (continued)						
Air Force	Air Combat Command (ACC) Group II	Lendlease	-	-	X	-
Air Force	ACC Group III	Balfour Beatty Communities	-	-	X	X
Air Force	Air Education & Training Command (AETC) Group I	BBC AF Management / Development LLC	-	-	X	-
Air Force	AETC Group II	Pinnacle Hunt Communities	X	-	-	-
Air Force	Air Force Academy	Hunt ELP / Forest City Military Communities	-	-	X	-
Air Force	Air Mobility Command (AMC) East	Clark Realty Builders / Clark DOC Builders	-	-	-	-
Air Force	AMC West	AMC West Housing, LP	-	-	X	-
Air Force	BLB Group	Hunt ELP, Ltd.	-	-	X	-
Air Force	Buckley Air Force Base (AFB)	Investment Builders Inc / Hunt Building Corporation	-	-	X	-
Air Force	Continental Group	Corvias Military Living	-	-	X	X
Air Force	Dover AFB	Hunt Building Company	-	-	X	-
Air Force	Dyess AFB	Hunt Building Company	-	-	X	-
Air Force	JB Elmendorf–Richardson (JBER I) - Elmendorf AFB ³	JL Properties	-	X	X	-
Air Force	JB Elmendorf–Richardson (JBER II) - Elmendorf AFB	JL Properties	-	-	X	X
Air Force	JB Elmendorf–Richardson (JBER III) - Fort Richardson	JL Properties	-	-	X	-
Air Force	Falcon Group	HP Communities, LLC	-	-	X	-
Air Force	JB Pearl Harbor–Hickam - Hickam AFB	Lendlease	-	-	X	-



Attachment A10: MHPI Government Contributions

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

(Table continued)

MHPI Government Contributions as of September 30, 2015

Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
FAMILY HOUSING (continued)						
Air Force	Hill AFB	BHMH, LC (Boyer/Gardner)	-	-	X	-
Air Force	Kirtland AFB	Hunt Building Company	-	-	X	X
Air Force	JB San Antonio - Lackland AFB ³	Balfour Beatty Communities	-	-	X	X
Air Force	JB McGuire-Dix-Lakehurst - McGuire AFB / JB McGuire-Dix-Lakehurst - Fort Dix	United Communities Development, LLC	-	-	X	-
Air Force	Nellis AFB	Hunt Building Company	-	-	X	-
Air Force	Northern Group	BBC AF Housing Construction, LLC	-	-	X	X
Air Force	Offutt AFB	America First Real Estate Group	-	-	X	-
Air Force	Robins AFB I	Hunt Building Company	-	-	X	X
Air Force	Robins AFB II	Hunt Building Company	X	-	-	-
Air Force	Scott AFB	Hunt Building Company	-	-	X	-
Air Force	Southern Group	Forest City Enterprises Inc.	-	-	X	-
Air Force	Tri-Group	Lendlease	X	-	-	-
Air Force	Vandenberg AFB	Balfour Beatty Communities	-	-	-	-
Air Force	Western Group	BBC AF Management / Development LLC	-	-	X	-
Air Force	Wright-Patterson AFB	Hunt Building Corp/ MV Communities/ Woolpert LLC	-	-	X	X
Air Force Family Housing Total			3	1	27	8
MHPI Family Housing Total			45	4	29	11



Attachment A10: MHPI Government Contributions

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2015

(Table continued)

MHPI Government Contributions as of September 30, 2015						
Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
UNACCOMPANIED HOUSING						
Army	Fort Bragg	Corvias Military Living	-	-	-	-
Army	Fort Drum	Lendlease	-	-	-	-
Army	Fort Irwin	Clark Pinnacle Family Communities	-	-	-	-
Army	Fort Meade	Corvias Military Living	-	-	-	-
Army	Fort Stewart	Balfour Beatty Communities	-	-	-	-
Army	Privatization of Army Lodging	Lendlease	-	-	-	-
Army Unaccompanied Housing Total			0	0	0	0
Navy/USMC	Homeport Hampton Roads	Hunt ELP LTD and American Campus Communities OP, LLC	X	-	-	-
Navy/USMC	NS San Diego	California Naval Communities, LLC	X	-	-	-
Navy/USMC Unaccompanied Housing Total			2	0	0	0
MHPI Unaccompanied Housing Total			2	0	0	0

1. For reporting purposes, the following projects are combined and reported as single projects:

- A. San Diego Naval Complex Overview: San Diego Phases I, II, III, IV, V and VI.
- B. Cherry Point/Camp Lejeune Overview (Atlantic Marine Corps Communities - AMCC): MCB Camp Lejeune/MCAS Cherry Point Phases I, II and III; and Tri-Command.
- C. PE/QU/YU (Camp Pendleton II): MCB Camp Pendleton Phase II/MCB Quantico; MCAS Yuma/MCB Camp Pendleton Phase III; MCAGCC Twentynine Palms/MOBCOM Kansas City; MCB Camp Pendleton Phase IV; MCB Camp Pendleton Phase V/MCLB Albany; and MCB Camp Pendleton Phase VI.
- D. Hawaii Regional: Hawaii Regional Phases I, II, III, IV, V and VI.
- E. Hickam AFB: Hickam AFB Phases I and II.
- F. Mid-Atlantic Regional: Mid-Atlantic Regional Phases I, II and III.
- G. Midwest Regional: Midwest Regional Phases I and II.

2. Project sold prior to fiscal year 2014: no longer MHPI.

3. The limited Government Loan Guarantees at Lackland AFB Phase I and Elmendorf AFB I have been retired.



Attachment A11: Active Government Loan Guarantees on MHPI Projects

MHPI Program Evaluation Report

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DoD has provided limited loan guarantees on 11 MHPI projects. A government limited loan guarantee contains provisions that address the impact of three events that could affect the available tenant supply of eligible personnel at an installation, and therefore potentially affect the financial viability of the project: downsizing of a military installation; prolonged deployment; and base closure.

When the guarantee agreements were executed for seven projects—Fort Carson, Colorado; Fort Polk, Louisiana; Fort Wainwright/Fort Greely, Alaska; Kirtland AFB, New Mexico; and the Air Force's Northern, Continental, and Air Combat Command (ACC) III grouped projects—the Military Departments identified the baseline number of eligible families used to determine a Guarantee Threshold event. The Guarantee Threshold criteria for these seven projects, which could potentially trigger a guarantee claim, are project-specific percentage reductions of eligible military families from the identified baseline numbers. The threshold criteria at Robins AFB I, Georgia, uses a sliding scale based on the occurrence of either of two events—a percentage decrease of eligible families that is greater than 30% in any 12-month period; or, a decrease in the ratio of eligible families to privatized homes below a set ratio (1.5:1). The threshold criteria for Wright-Patterson AFB, Ohio, is solely a reduction in the number of eligible families to privatized homes below a ratio of 1.5:1.

The limited loan guarantees at Lackland AFB Phase I and Elmendorf AFB I have been retired. The Air Force negotiated to retire the guarantee at Elmendorf AFB I when the Project refinanced in 2004. The Air Force negotiated for the elimination of the guarantee at Lackland AFB Phase I when the Project was sold to a new project owner. Elimination of additional loan guarantees may occur during future loan refinancings as the MHPI program matures and financial institutions no longer require any government support of the loan. This elimination represents a reduction in the government's financial exposure.

The 2005 Base Realignment and Closure (BRAC) round resulted in adjustments in military end strength at many military installations, impacting MHPI project occupancy at several installations. However, the 2005 BRAC round did not close any installations where DoD had provided a limited loan guarantee to an MHPI project.

The possibility of a reduction in eligible personnel due to the current extent of deployment actions continues to be of interest. A reduction in eligible personnel could affect projects that carry a limited loan guarantee because of the potential for a mortgage payment default. If this were to occur, the Military Department would require the borrower to demonstrate that the threshold reduction in the percentage of eligible personnel had occurred and, despite all appropriate action taken by the owner to remedy the problem (including full use of the alternative tenant waterfall), that this Government action had led to a mortgage payment default. The borrower could then file a guarantee claim. To date, no project has experienced a Guarantee Threshold event.

Although all nine of the projects with existing government limited loan guarantees are currently healthy in terms of occupancy, the Military Departments will continue to monitor these projects and loan guarantees to assess the impact of any future BRAC round, ongoing or future long-term deployments, and personnel realignments.

The following table summarizes the baseline number of eligible families (starting point for the current change calculation), current eligible families, and defined threshold reduction percentage for each of the active guaranteed loans, and, if applicable, the baseline and current ratios of eligible military families to privatized homes for the nine currently executed limited loan guarantee agreements. Two projects, Lackland AFB Phase I and Elmendorf AFB I, have retired guarantees.



Attachment A11: Active Government Loan Guarantees on MHPI Projects

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As of the end of fiscal year 2015, four projects—Fort Polk, Louisiana; Kirtland AFB, New Mexico; Fort Wainwright/Fort Greely, Alaska; and Air Force's Northern Group—have eligible populations less than their baseline number, and just two – Fort Polk and Kirtland AFB – experienced material reductions.

Loan Guarantee Thresholds, Threshold Ratios and Status as of September 30, 2015

MHPI Project	Fort Carson	Robins AFB I	Fort Polk	Wright-Patterson AFB	Kirtland AFB	Fort Wainwright/Fort Greely	Northern Group	Continental Group	ACC Group III
Number of Privatized Housing Units	3,368	670	3,661	1,536	1,078	1,815	4,546	3,840	775
Baseline Date ¹	Nov-99	Oct-14	Sep-04	Jan-06	Apr-03	Apr-09	Aug-13	Sep-13	Jun-14
Eligible Families as of Baseline Date	9,373	4,072	6,215	4,368	2,183	4,449	9,718	15,329	5,080
Eligible Families as of September 30, 2015	14,343	4,072	4,691	4,404	1,818	4,191	9,559	21,184	6,806
Guarantee Threshold ²	-40%	-30%	-30%	N/A	-25%	-33%	-30%	-30%	-30%
Current Change as of September 30, 2015 ³	53%	0%	-25%	N/A	-17%	-6%	-2%	38%	34%
Threshold Ratio ⁴	N/A	1.5:1	N/A	1.5:1	N/A	N/A	N/A	N/A	N/A
Current Ratio as of September 30, 2015 ⁵	N/A	6.1:1	N/A	2.9:1	N/A	N/A	N/A	N/A	N/A

Notes:

1. The Baseline Date reflects the effective date of the Loan Guarantee agreement that identifies the parameters that could trigger a Guarantee Threshold Event.
2. The Guarantee Threshold is the percentage reduction in Eligible Families that triggers a Guarantee Threshold Event. All projects on this table except the Wright-Patterson AFB project have a Guarantee Threshold.
3. Current Change reflects the percentage increase or decrease in the number of Eligible Families at the installation within a certain timeframe. For Fort Carson, Fort Polk, Kirtland AFB, Forts Wainwright/Greely, Northern Group, Continental Group and ACC Group III, the measurement is the percentage change in Eligible Families between the original Loan Guarantee Baseline Date and the end of the current PER reporting period. The timeframe for which the percentage change is measured for the Robins AFB I project is based on a sliding 12-month timeframe. For the fiscal year 2015, the measurement period is October 1, 2014, to September 30, 2015.
4. The Robins AFB I and Wright-Patterson AFB projects have Loan Guarantees that specify a Threshold Ratio parameter. The Threshold Ratio is the minimum ratio of Eligible Families to the Number of Privatized Housing Units: a ratio lower than the minimum would trigger a Threshold Ratio event. At Robins AFB I, the Threshold Ratio uses a sliding scale based on the occurrence of either of two events: a percentage drop of Eligible Families, or a drop in the ratio of Eligible Families to privatized homes.
5. The Current Ratio is calculated based on the number of Eligible Families as of the end of the current PER reporting period divided by the Number of Privatized Housing Units.



Appendix B: Program Evaluation Report for Fiscal Year 2016

This **Appendix B** includes eleven (11) attachments that summarize the MHPI program's health and status based on information submitted for the reporting period October 1, 2015, through September 30, 2016.

Attachment B1 presents the Report in Response to Section 2884(c) of title 10 U.S.C.: the Military Departments have responded to six key questions regarding the financial and operational health of their respective MHPI portfolios as of the end of the PER reporting period.

Attachment B2 provides a list of helpful acronyms.

Attachment B3 contains a list of privatization projects awarded since program inception through the end of the PER reporting period.

Attachment B4 identifies, on a project basis, the MHPI project scope and existing inventory as of the end of the PER reporting period.

Attachment B5 graphically displays the scheduled and completed new construction and renovation portfolio totals for MHPI family housing as of the end of the PER reporting period.

Attachment B6 provides informational tables on MHPI family housing occupancy rates by Military Department and a summary of MHPI tenants by demographic category as of the end of the PER reporting period.

Attachment B7 lists the debt service coverage ratios for MHPI projects that have completed their initial development period as of the end of the PER reporting period.

Attachment B8 provides informational tables showing the scheduled and completed new construction and renovation portfolio totals for MHPI unaccompanied housing and the MHPI unaccompanied housing occupancy rates by Military Department as of the end of the PER reporting period.

Attachment B9 displays the tenant satisfaction results by housing condition and by MHPI project as of end of the PER reporting period.

Attachment B10 displays the type(s) of Government contribution(s) received by MHPI project as of end of the PER reporting period.

Attachment B11 provides detailed information on the active government loan guarantees on MHPI projects as of end of the PER reporting period



Attachment B1: Report in Response to Section 2884(c) of Title 10, United States Code

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

Background on Legislative Requirement

Section 2884(c) of title 10, U.S.C. requires a report on privatized housing, subject to the extent each Secretary concerned has the right to attain the specifically-requested information. Because this report is subject to the extent each Secretary concerned has the right to attain the information, clarification of the legislative request and standardization of requested data formats was made to facilitate reporting. Since each project may have slightly different legal agreements or definitions, these clarifications are based on industry standards, standards associated with the Military Housing Privatization Initiative (MHPI), and readily available and currently reported data, to ensure a consistent interpretation of the requirements and a standard format for Military Department use. These reporting items, as noted in the legislation, represent the minimum required information. The specific language from the applicable section of the statute is set out below, followed by clarifying instructions provided by the Office of the Secretary of Defense (OSD) to facilitate reporting by the Military Departments:

(1) An assessment of the backlog of maintenance and repair at each military housing privatization project where a significant backlog exists, including an estimation of the cost of eliminating the maintenance and repair backlog.

Instructions: For those projects that have a 20% or greater backlog of the number of maintenance and repair items as of the end of the reporting period, provide the name of the project and give an estimate of the cost to eliminate their outstanding maintenance and repair backlog. For the purpose of this report, a backlog of maintenance and repair items is defined as the number of items which have not been responded to or completed within a project's specific maintenance time standards.

(2) If the debt associated with a privatization project exceeds net operating income or the occupancy rates for the housing units are below 75 percent for more than one year, the plan developed to mitigate the financial risk of the project.

Instructions: For all projects which have completed their initial development periods (IDPs), provide a list of those projects that have an average monthly debt service coverage ratio (DCR), for either the senior loan or the combined first and second mortgages, that has been less than 1.0 for more than one year or has had an average monthly occupancy of below 75% for more than one year. For each of those projects listed, provide the relevant DCR and occupancy at the end of the current reporting period and describe the plan developed to mitigate the financial risk of the project.

(3) An assessment of any significant project variances between the actual and pro forma deposits in the recapitalization account, to specifically include any unique variances associated with litigation costs.

Instructions: The amount of anticipated deposits in the recapitalization account is quantified in the project's latest agreed to pro forma. For those projects that have completed their IDPs, list the projects that have a negative variance in their current reporting period's deposits of greater than 25% from its pro forma. For those projects listed, provide the %age variance from pro forma and a detailed explanation for the cause of the negative variance (to specifically include any unique variances associated with litigation costs).

(4) The details of any significant withdrawals from a recapitalization account, including the purpose and rationale of the withdrawal and, if the withdrawal occurs before the normal recapitalization period, the impact of the early withdrawal on the financial health of the project.

Instructions: List all projects where a withdrawal of 20% or greater of the current recapitalization account balance was made for a single purpose (e.g. whole house renovations, deficit deduction units, etc.) this reporting period. Provide the



Attachment B1: Report in Response to Section 2884(c) of Title 10, United States Code

MHPI Program Evaluation Report

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details of any such withdrawal, including the purpose and rationale of the withdrawal and, if the withdrawal occurs before the planned recapitalization period, the impact of the early withdrawal on the financial health of the project.

(5) An assessment of the extent to which the information required to comply with paragraphs (1) through (4) has been requested by the Secretaries, but has not been made available.

Instructions: If the information requested of the Military Department Secretaries in items (1) through (4) cannot or will not be provided for the requested timeframe, please explain the reasons why.

(6) An assessment of cost assessed to members of the armed forces for utilities compared to utility rates in the local area.

Instructions: Describe in one or two paragraphs how tenants, once the privatized units are individually metered, are assessed their individual unit utility usage and cost. Also include how any utility reimbursement or additional costs that accrue to the individual tenant are handled.

Military Department Reports

Attachment B1, Sections B1.1, B1.2 and B1.3 contain the required reports from the Departments of the Army, Navy and Air Force, respectively.



Attachment B1: Report in Response to Section 2884(c) of Title 10, United States Code

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Section B1.1: Department of the Army (Army) 10 U.S.C. 2884 (c) Semi-Annual Report on Privatized Housing

(1) An assessment of the backlog of maintenance and repair at each military housing privatization project where a significant backlog exists, including an estimation of the cost of eliminating the maintenance and repair backlog.

ARMY RESPONSE:

As of 30 September 2016, no RCI projects have a backlog of maintenance and repair items that exceeds 20% of the project's maintenance and repair items for fiscal year 2016.

(2) If the debt associated with a privatization project exceeds net operating income or the occupancy rates for the housing units are below 75 percent for more than one year, the plan developed to mitigate the financial risk of the project.

ARMY RESPONSE:

For the fiscal year 2016, no RCI projects that have completed their Initial Development Periods had debt service that exceeded net operating income or had housing occupancy rates below 75% for more than one year.

(3) An assessment of any significant project variances between the actual and pro forma deposits in the recapitalization account, to specifically include any unique variances associated with litigation costs.

ARMY RESPONSE:

As of 30 September 2016, the recapitalization account for the Fort Detrick/Walter Reed Army Medical Center (WRAMC) RCI Family Housing project has 77.0% of its anticipated balance. The Fort Detrick/WRAMC project has experienced occupancy challenges in the past, but is improving notably, even with an ample supply of comparable off-post housing offered at rates under BAH. To date, the recapitalization account balance trails pro forma expectations of \$2.9M by \$679k.

(4) The details of any significant withdrawals from a recapitalization account, including the purpose and rationale of the withdrawal and, if the withdrawal occurs before the normal recapitalization period, the impact of the early withdrawal on the financial health of the project.

ARMY RESPONSE:

During Fiscal Year 2016, the Army approved Major Decisions for out-year development using some of the net cash flow of three post-IDP projects that would otherwise be deposited to the Project Recapitalization Account: Fort Carson, Fort Gordon, and Fort Meade. The Army grants approval only if proposed recapitalization account uses are determined to be the best course of action to protect and preserve the financial health of a project.

Reason for Fort Carson: Withdrawal of approximately \$7.4M to execute development work associated with the approved Grow The Army (GTA-II) initiative and in accordance with out-year plan timing and costs.

Reason for Fort Gordon: Withdrawal of approximately \$1.3M for development work associated with the Project's initial Out-Year Period, including renovations on unit exteriors and Lead-Based Paint clean up.

Reason for Fort Meade: Withdrawal of approximately \$44.6M from the reinvestment account to fund site work and new housing construction as detailed in the approved five-year out-year development plan (ODP). The ODP is currently pending AMBAC litigation.



Attachment B1: Report in Response to Section 2884(c) of Title 10, United States Code

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

(5) An assessment of the extent to which the information required to comply with paragraphs (1) through (4) has been requested by the Secretaries, but has not been made available.

ARMY RESPONSE:

The Army has provided responses to fulfill the 2884(c) information requirements.

(6) An assessment of cost assessed to members of the armed forces for utilities compared to utility rates in the local area.

ARMY RESPONSE:

As of 30 September 2016, over 89% of occupied, privatized homes are in the RCI Energy Conservation Program (RECP), either in mock or live billing. Residents are billed for excess usage and receive rebates for decreased consumption of their electric and natural gas utilities.

The utility baseline is carefully measured and based on an average cost of energy consumption for electricity and natural gas for like-type homes within the Project. A buffer of normally 5% to 10%, contingent on the RCI partner's business case analysis, may be added to the baseline. In accordance with RECP policy, if a buffer is in use either above or below the baseline, billing and rebates are calculated from usage above and below the buffer limits, respectively. Residents who are above the baseline plus buffer pay the difference out of pocket; residents below the baseline plus buffer receive a rebate. Normally, about 30% of residents are above the baseline, 30% are below and receive a rebate, and 40% have no impact. All projects adjust the monthly baseline by using a calculation which includes historical consumption as well as commodity costs. Vacant/unoccupied homes are not included in the calculation.

No resident is unduly treated because of the condition or size of their home since their usage is compared to other residents' usage in similar, like-type homes. For installations where large numbers of spouses stay home, some of that generally higher usage will translate into a higher overall average for the baseline. RCI partners provide specialized attention to those residents whose bills are significantly higher than average, regularly assisting residents by providing in-home energy audits and technical information. Dispute resolution and analysis of utility charges is available for all residents through the Project's community management office. In addition, residents may qualify for exceptions to the policy where warranted (e.g., exceptional family members, special equipment, non-standard homes, etc.).



Attachment B1: Report in Response to Section 2884(c) of Title 10, United States Code

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

Section B1.2: Department of the Navy (Navy) 10 U.S.C. 2884 (c) Semi-Annual Report on Privatized Housing

(1) An assessment of the backlog of maintenance and repair at each military housing privatization project where a significant backlog exists, including an estimation of the cost of eliminating the maintenance and repair backlog.

NAVY RESPONSE:

N/A.

(2) If the debt associated with a privatization project exceeds net operating income or the occupancy rates for the housing units are below 75 percent for more than one year, the plan developed to mitigate the financial risk of the project.

NAVY RESPONSE:

N/A.

(3) An assessment of any significant project variances between the actual and pro forma deposits in the recapitalization account, to specifically include any unique variances associated with litigation costs.

NAVY RESPONSE:

Hampton Roads PPV, LLC: 43% negative variation from pro forma deposits due primarily to reduced revenue resulting from 3% lower BAH from pro forma and initially lower occupancy than projected.

Mid Atlantic Military Family Communities LLC (Navy): 88% negative variation from pro forma deposits due to higher than anticipated ongoing capital expenditures, as well as maintenance and legal expenses (~\$3.5M) related to mold. Legal expenses represent over 40% of the negative variance.

New Orleans Navy Housing, LLC: 58% negative variation from pro forma deposits is attributed to lower than projected revenues resulting from market rate rents, BAH calculation changes and occupancy lower than pro forma.

Pacific Beacon, LLC: 100% negative variation from pro forma deposits is due to the need to pay down approved Member Loan and deferred Fees. Net Cash flow is sufficient to cover debt payment and the gradual repayment of these obligations, which are superior to PRA/LTRA and ORA in cash flow disbursements. These repayments are projected to be repaid in full before CY 2017, after which PRA/PTRA and ORA will accrue.

(4) The details of any significant withdrawals from a recapitalization account, including the purpose and rationale of the withdrawal and, if the withdrawal occurs before the normal recapitalization period, the impact of the early withdrawal on the financial health of the project.

NAVY RESPONSE:

N/A.

(5) An assessment of the extent to which the information required to comply with paragraphs (1) through (4) has been requested by the Secretaries, but has not been made available.



Attachment B1: Report in Response to Section 2884(c) of Title 10, United States Code

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NAVY RESPONSE:

N/A.

(6) An assessment of cost assessed to members of the armed forces for utilities compared to utility rates in the local area.

NAVY RESPONSE:

a. (Navy) The Navy privatized housing program implemented the Resident Energy Conservation Program (RECP) that authorizes and encourages projects to combine individually metered housing units into like type groups (LTG) of comparable energy characteristics size, construction style, and other energy usage related component characteristics and then bill residents monthly for their electricity and gas usage based on how they compare to the average costs of utilities for their LTG. (USMC) All privatized housing units are combined into like type groups based on key criteria that affect energy usage such as location, size, and construction and component characteristics.

b. Each month the average usage for the like type group is calculated based on the reported usage of individually metered homes. The average usage is based on fully occupied homes and the calculation excludes the top and bottom 5% of users (except for like type groups of less than 20 homes when all occupied homes are included in the average).

c. A buffer of 10% above and below is applied to the average to create a Normal Usage Band. Residents with usage under the normal usage band receive a credit for their conservation, and those over the normal usage pay for their excess consumption. Residents who earn a credit will be paid by check when their accumulated credit balance is greater than \$25. Residents may elect to roll over their utility credits to bank the money or to offset costs if future monthly usage is above the normal usage band. Conversely residents over the normal usage band must pay when their accumulated amount owed exceeds \$25.



Attachment B1: Report in Response to Section 2884(c) of Title 10, United States Code

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

Section B1.3: Department of the Air Force (Air Force) 10 U.S.C. 2884 (c) Semi-Annual Report on Privatized Housing

(1) An assessment of the backlog of maintenance and repair at each military housing privatization project where a significant backlog exists, including an estimation of the cost of eliminating the maintenance and repair backlog.

AIR FORCE RESPONSE:

None of the 32 projects in the Air Force portfolio had a maintenance backlog of 20% or greater as of 30 Sep 2016.

(2) If the debt associated with a privatization project exceeds net operating income or the occupancy rates for the housing units are below 75 percent for more than one year, the plan developed to mitigate the financial risk of the project.

AIR FORCE RESPONSE:

One project in the Air Force portfolio had an average monthly debt coverage ratio (DCR) for the combined first and second mortgages that was less than 1.0 for more than one year (Nellis AFB). None of the projects in the Air Force portfolio had an average monthly occupancy of below 75% for more than one year.

Nellis: At the end of the reporting period, the Nellis AFB project had a DCR for the combined first and second mortgages of 0.73 and a 98.3% occupancy rate. The project achieved an average 0.93 DCR during the twelve-month period, which prompted the Project Owner's parent company (Hunt Companies) to contribute \$1.1M of equity to meet debt service obligations. These equity contributions will be reimbursed by the project in future periods as funds are available. The Air Force's 2016 reforecast indicated the project's DCR would fall below 1.00 in 2017 and consistently stay below 1.00 through 2020. The reforecast identified four years during which budget adjustments will probably not be able to absorb the monthly shortfalls. From 2017 through 2020, the project would have likely been short \$2.3M relative to debt service requirements at current operating expense levels. However, if the project fully funded operating expenses (i.e. +\$1.4M of operating expenses in 2017), the project's DCR would fall below 1.00 through 2024 and the DCR shortfall would increase to nearly \$11.2M. This forecasted shortfall is more significant than the Project Owner's parent company would fund, so the Air Force and Project Owner agreed to a restructure of the Nellis project that included an Administrative Workout of the Government Direct Loan (GDL) to address the ongoing GDL debt service shortfalls. The Air Force finalized the project restructure in June 2017.

(3) An assessment of any significant project variances between the actual and pro forma deposits in the recapitalization account.

AIR FORCE RESPONSE:

ACC Group II: 100.0% variance. The Reinvestment Account has not been funded because cash flow has been below expectations, despite 98.9% project occupancy. The project is not forecasted to make deposits to the Reinvestment Account until 2040 due to the requirement to fund \$6.0M for deferred demolition of 350 units and a backlog of due management fees. Once the deferred demolition scope has been funded there will be a preferred return and Reinvestment Account cash flow split of 25%/75%.

AETC Group I: 25.8% variance. The Reinvestment Account is behind the pro forma plan by \$3.7M (25.8%) because excess cash flow has been less than originally expected.



Attachment B1: Report in Response to Section 2884(c) of Title 10, United States Code

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AETC Group II: 100% variance. The Reinvestment Account has not been funded and is behind the pro forma plan by \$5.2M because of a \$3.8M outstanding Preferred Return Balance which must first be eliminated. AETC Group II reduced the outstanding Preferred Return from \$6.1M at the end of Q3 2015 to \$3.8M at the end of Q3 2016. The project made its first payment toward the Preferred Return in November 2014 and has continued to make significant monthly payments toward the Preferred Return throughout 2015 and 2016.

BLB: 100% variance. The Reinvestment Account is behind the pro forma plan by \$379K because of a \$60.3M outstanding Deferred Fee which must first be eliminated.

Buckley: 78% variance. The Reinvestment Account is behind the pro forma plan by \$1.6M because of a \$14.4M outstanding Deferred Fee which must first be eliminated.

Dover: 100% variance. The Reinvestment Account has not been funded and is behind the pro forma plan by \$491K because of a \$13.5M outstanding Deferred Fee which must first be eliminated.

Lackland: 69.0% variance. The Reinvestment Account is behind the pro forma plan by \$3.8M because an approved scope change to build new rather than renovate 40 homes extended the IDP and delayed the commencement of cash flow splits to the Reinvestment Account, occupancy at the end of the period of 90.0% was low, and operating expenses have exceeded pro forma projections (the utility allowance (UA) has not yet been implemented so there has been no conservation, electricity rates have inflated faster than expected, and the cost of maintaining older homes at the project has been greater than originally forecasted).

Nellis: 100% variance. The Reinvestment Account has not been funded and is behind the pro forma plan by \$391K because of a \$23.8M outstanding Preferred Return Balance which must first be eliminated.

Offutt: 100% variance. The Reinvestment Account has not been funded and is behind the pro forma plan by \$2.5M due to cash flow shortfalls that have hindered the project's ability to complete IDP demolition requirements (Reinvestment Account deposits will commence in approximately 2018 after a \$3.3M demolition account is funded).

Robins AFB II: 100% variance. The Reinvestment Account has not been funded and is behind the pro forma plan by \$193K because of a \$5.2M outstanding Preferred Return Balance which must first be eliminated.

Scott: 100% variance. The Reinvestment Account has not been funded and is behind the pro forma plan by \$3.6M because of an \$11.4M outstanding Preferred Return Balance which must first be eliminated.

(4) The details of any significant withdrawals from a recapitalization account, including the purpose and rationale of the withdrawal and, if the withdrawal occurs before the normal recapitalization period, the impact of the early withdrawal on the financial health of the project.

AIR FORCE RESPONSE:

None of the projects in the Air Force portfolio had a withdrawal of 20% or greater from the recapitalization account.



Attachment B1: Report in Response to Section 2884(c) of Title 10, United States Code

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

(5) An assessment of the extent to which the information required to comply with paragraphs (1) through (4) has been requested by the Secretaries, but has not been made available.

AIR FORCE RESPONSE:

N/A.

(6) An assessment of cost assessed to members of the armed forces for utilities compared to utility rates in the local area.

AIR FORCE RESPONSE:

During the reporting period and at most of the post-IDP projects, each unit received a monthly Utility Allowance (UA), which is calculated as the 5-year rolling-average consumption for like-type homes multiplied by the appropriate utility rate plus a 10% buffer ($UA = \text{average consumption} * \text{average utility rate} * 110\%$). Similar homes were grouped together to form the like-type groups (e.g., new 3-bedroom single-story homes are grouped together, renovated 4-bedroom two-story homes are grouped together, historic 4-bedroom two-story homes are grouped together, etc.). A 10% buffer was applied to protect residents from changes in utility rates and consumption variances due to weather.

Most POs retain the UA portion of the Basic Allowance for Housing (BAH) and pay the utility provider directly because the utility provider invoices the project based on readings from one master meter (or a series of master meters). If the resident consumes more electricity or natural gas than the UA, the PO sends a bill to the resident once the cumulative amount owed exceeds \$50. Similarly, if the resident consumes less than the UA, the PO sends the resident a check once the refund due exceeds \$50. At installations where the residents have a direct relationship with the utility provider, residents retain the UA portion of their BAH and pay the utility provider directly based on the utility provider's monthly bill. Most utility providers offer budget billing, level billing, quarterly adjustments, etc. identical to the payment arrangements they offer their off-base customers.

In 2016, the AF approved a revised calculation method for the utility allowance which more accurately reflects the average monthly utility cost incurred by residents. After reviewing over ten years of experience with utility billing at various projects, the AF concluded residents were receiving 30% more than the average occupant needed to pay for electricity and heating. The new methodology, based on monthly consumption averages with no buffer, will provide the average resident with a fair allowance and help ensure project funds remain in the project for operating expenses and capital improvements.



Attachment B2: Acronyms

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

Below is an alphabetical list of acronyms that appear in this report:

Acronym	Definition
ACC	Air Combat Command
AETC	Air Education and Training Command
AFB	Air Force Base
AFS	Air Force Station
AMC	Air Mobility Command
AMCC	Atlantic Marine Corps Communities (aka CLCPS)
ANGB	Air National Guard Base
ARB	Air Reserve Base
BAH	Basic Allowance for Housing
BLB	Barksdale AFB, Langley AFB, Bolling AFB
BRAC	Base Realignment and Closure
CR&R	Capital Repair and Replacement
DSCR	Debt Service Coverage Ratio
DoD	Department of Defense
FY	Fiscal Year
IDP	Initial Development Period
JB	Joint Base
JBER	Joint Base Elmendorf-Richardson
JBSA	Joint Base San Antonio
JEB	Joint Expeditionary Base
MC	Marine Corps
MCAGCC	Marine Corps Air Ground Combat Center
MCAS	Marine Corps Air Station
MCB	Marine Corps Base
MCBH	Marine Corps Base Hawaii
MCLB	Marine Corps Logistics Base
MCRD	Marine Corps Recruiting Depot
MHPI	Military Housing Privatization Initiative
MILDEP	Military Department
MOBCOM	Mobilization Command
NAB	Naval Amphibious Base
NAES	Naval Air Engineering Station
NAF	Naval Air Facility
NAS	Naval Air Station
NAS JRB	Naval Air Station – Joint Reserve Base



Attachment B2: Acronyms

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

(Table continued)

Acronym	Definition
NAWS	Naval Air Weapons Station
NB	Naval Base
NC	Naval Complex
NCBC	Naval Construction Battalion Center
NH	Naval Hospital
NIOC	Navy Information Operations Command
NOI	Net Operating Income
NPS	Naval Post Graduate School
NRD	Navy Recruiting District
NS	Naval Station
NSA	Naval Support Activity
NSF	Naval Support Facility
NSS	Naval Sea Systems
NSY	Naval Shipyard
NWS	Naval Weapons Station
OMB	Office of Management and Budget
OSD	Office of the Secretary of Defense
PAL	Privatization of Army Lodging
PEP	Program Evaluation Plan
PMRF	Pacific Missile Range Facility
PE/QU/YU	MCB Pendleton/MCB Quantico/MCAS Yuma
PPV	Public Private Venture
RCI	Residential Communities Initiative
RECP	RCI Energy Conservation Program
RFTA	Reserve Forces Training Area
SB	Submarine Base
UA	Utility Allowance
UOQ/USEQ	Unaccompanied Officer Quarters/Unaccompanied Senior Enlisted Quarters
UH	Unaccompanied Housing
WPNSTA	Weapons Station



Attachment B3: Privatized Projects Awarded

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

The following is a chronological list of partial and full base housing privatization project phases awarded by the Military Departments from 1996 through September 30, 2015.

MilDep	Project Name [Locations]
Department of Navy (Navy)	Naval Air Station (NAS) Corpus Christi/NAS Kingsville I, TX
Navy	Naval Station (NS) Everett I, WA
Department of Air Force (Air Force)	Joint Base (JB) San Antonio – Lackland Air Force Base (AFB), TX
Department of Army (Army)	Fort Carson, CO
Air Force	Dyess AFB, TX
Air Force	Robins AFB I, GA
Navy	NAS Kingsville II, TX
Navy/United States Marine Corps (USMC)	Marine Corps Base (MCB) Camp Pendleton I, CA
Navy	NS Everett II, WA
Air Force	JB Elmendorf-Richardson (JBER) I [JB Elmendorf-Richardson – Elmendorf AFB, AK]
Navy	San Diego Naval Complex (Phase I) ¹ [NS San Diego, CA]
Navy	NAS Joint Reserve Base (JRB) New Orleans, LA
Army	Fort Hood, TX
Navy	South Texas [NAS Corpus Christi, TX; and NS Ingleside, TX]
Army	JB Lewis-McChord [JB Lewis-McChord – Fort Lewis, WA; and JB Lewis-McChord – McChord AFB, WA]
Army	Fort Meade, MD
Air Force	Wright-Patterson AFB, OH
Navy/USMC	Tri-Command Military Housing ¹ [Marine Corps Air Station (MCAS) Beaufort, SC; Marine Corps Recruit Depot (MCRD) Parris Island, SC; and Naval Hospital (NH) Beaufort, SC]
Air Force	Kirtland AFB, NM
Navy	San Diego Naval Complex (Phase II) ¹ [NS San Diego, CA]
Army	Fort Bragg, NC
Navy/USMC	MCB Camp Pendleton (Phase II), CA/MCB Quantico, VA ¹
Army	Presidio of Monterey, CA/Naval Postgraduate School (NPS), CA
Army	Fort Stewart, GA/Hunter Army Airfield, GA
Army	Fort Belvoir, VA
Army	Fort Campbell, KY
Army	Fort Irwin, CA/Moffett Field, CA/Parks Reserve Forces Training Area (RFTA), CA
Navy	Hawaii Regional (Phase I) ¹ [JB Pearl Harbor-Hickam – NS Pearl Harbor, HI]
Army	Fort Hamilton, NY
Army	Fort Detrick, MD/Walter Reed Army Medical Center, DC
Air Force	Buckley AFB, CO
Air Force	JBER II [JB Elmendorf-Richardson – Elmendorf AFB, AK]



Attachment B3: Privatized Projects Awarded

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

(Table continued)

MilDep	Project Name [Locations]
Navy/USMC	MCB Camp Lejeune/MCAS Cherry Point (Phase II) ¹ [MCB Camp Lejeune, NC; MCAS Cherry Point, NC; and MCAS New River, NC]
Navy/USMC	MCB Camp Pendleton (Phase IV), CA ¹
Navy	Hawaii Regional (Phase II) ¹ [MCB Hawaii (MCBH) Kaneohe Bay, HI]
Navy	Hawaii Regional (Phase III) ¹ [JB Pearl Harbor-Hickam – NS Pearl Harbor, HI; and Pacific Missile Range Facility (PMRF) Barking Sands, HI]
Air Force	McGuire AFB/Fort Dix [JB McGuire-Dix-Lakehurst – McGuire AFB, NJ; and JB McGuire-Dix-Lakehurst – Fort Dix, NJ]
Army	Redstone Arsenal, AL
Army	Fort Knox, KY
Air Force	Air Education and Training Command (AETC) Group I [Altus AFB, OK; Luke AFB, AZ; Sheppard AFB, TX; and Tyndall AFB, FL]
Air Force	United States Air Force Academy, CO
Air Force	Air Combat Command (ACC) Group II [Davis-Monthan AFB, AZ; and Holloman AFB, NM]
Air Force	JB Pearl Harbor-Hickam – Hickam AFB (Phase II), HI ¹
Army	Fort Lee, VA
Air Force	Tri-Group [Peterson AFB, CO; Schriever AFB, CO; and Los Angeles AFB, CA]
Air Force	BLB Group [Barksdale AFB, LA; Langley AFB, VA; and Bolling AFB, DC]
Navy	Southeast Regional [NAS Pensacola, FL; NAS Whiting Field, FL; NSA Panama City, FL; JB Charleston – Naval Weapons Station (NWS) Charleston, SC; NS Mayport, FL; NAS Jacksonville, FL; SB Kings Bay, GA; NAS Key West, FL; NAS JRB Fort Worth, TX; NAS Meridian, MS; and Naval Construction Battalion Center (NCBC) Gulfport, MS]
Navy	Midwest Regional (Phase II) ¹ [NSA Mid-South, TN]
Navy	San Diego Naval Complex (Phase IV) ¹ [Naval Air Weapons Station (NAWS) China Lake, CA; NAS Lemoore, CA; NB Ventura County, CA; Naval Air Facility (NAF) El Centro, CA; WPNSTA Seal Beach, CA; and NAS Fallon, NV]
Navy	Hawaii Regional (Phase IV) ¹ [MCBH Kaneohe Bay, HI]
Navy/USMC	MCB Camp Lejeune/Cherry Point (Phase III) ¹ [MCB Camp Lejeune, NC; MCAS Cherry Point, NC; MCAS New River, NC; and Westover Air Reserve Base (ARB), MA]
Navy/USMC	MCB Camp Pendleton (Phase V), CA/Marine Corps Logistics Base (MCLB) Albany, GA ¹
Air Force	Robins AFB II, GA
Air Force	AETC Group II [Columbus AFB, MS; Goodfellow AFB, TX; Laughlin AFB, TX; Maxwell AFB, AL; JB San Antonio – Randolph AFB, TX; and Vance AFB, OK]
Air Force	Vandenberg AFB, CA
Air Force	Air Mobility Command (AMC) East [Andrews AFB, MD; and MacDill AFB, FL]
Air Force	AMC West [Tinker AFB, OK; Travis AFB, CA; and Fairchild AFB, WA]
Army	United States Military Academy at West Point, NY
Army	Fort Jackson, SC



Attachment B3: Privatized Projects Awarded

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

(Table continued)

MilDep	Project Name [Locations]
Army	Fort Polk, LA
Navy/USMC	MCAS Yuma, AZ/MCB Camp Pendleton (Phase III), CA ¹
Army	Fort Shafter, HI/Schofield Barracks, HI
Navy	Northeast Regional [JB McGuire-Dix-Lakehurst – Naval Air Engineering Station (NAES) Lakehurst, NJ; Submarine Base (SB) New London, CT; NS Newport, RI; Naval Shipyard (NSY) BOS Portsmouth, NH; Naval Support Activity (NSA) Saratoga Springs, NY; Mitchel Complex Navy Recruiting District (NRD), NY; and Weapons Station (WPNSTA) Earle, NJ]
Army	Fort Eustis/Fort Story [JB Langley-Eustis – Fort Eustis, VA; and Joint Expeditionary Base (JEB) Little Creek-Fort Story – Fort Story, VA]
Air Force	JB Pearl Harbor-Hickam – Hickam AFB (Phase I), HI ¹
Navy	Northwest Regional [Naval Base (NB) Kitsap, WA; NAS Whidbey Island, WA; and NS Everett, WA]
Army	JB San Antonio – Fort Sam Houston, TX
Army	Fort Leonard Wood, MO
Army	Fort Drum, NY
Army	Fort Bliss, TX/White Sands Missile Range, NM
Navy	Mid-Atlantic Regional (Phase I) ¹ [Naval Sea Systems (NSS) Norfolk Naval Shipyard, VA; JEB Little Creek-Fort Story – Naval Amphibious Base (NAB) Little Creek, VA; NSA Hampton Roads, VA; NAS Oceana, VA; NS Norfolk, VA; WPNSTA Yorktown, VA; NSA Annapolis, MD-United States Naval Academy, MD; NSA South Potomac-Dahlgren, VA; NSA South Potomac-Indian Head, MD; NAS Patuxent River, MD; Navy Information Operations Command (NIOC) Sugar Grove, WV; and NSA Washington-Tingey House, DC]
Air Force	Offutt AFB, NE
Air Force	Hill AFB, UT
Air Force	Dover AFB, DE
Navy/USMC	Marine Corps Air Ground Combat Center (MCAGCC) Twentynine Palms, CA/Marine Corps Mobilization Command (MOBCOM) Kansas City, MO ¹
Navy/USMC	MCB Camp Lejeune/MCAS Cherry Point (Phase I) ¹ [MCB Camp Lejeune, NC; MCAS Cherry Point, NC; MCAS New River, NC; and Stewart Air National Guard Base (ANGB), NY]
Navy	Midwest Regional (Phase I) ¹ [NS Great Lakes, IL; and NSA Crane, IN]
Air Force	Scott AFB, IL
Army	Fort Benning, GA
Army	Fort Leavenworth, KS
Army	Fort Rucker, AL
Army	Fort Gordon, GA
Air Force	Nellis AFB, NV
Navy	San Diego Naval Complex (Phase III) ¹ [NS San Diego, CA; NB Coronado, CA; NB Point Loma, CA; and MCAS Miramar, CA]
Army	Carlisle Barracks, PA/Picatinny Arsenal, NJ
Army	Fort Riley, KS



Attachment B3: Privatized Projects Awarded

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

(Table continued)

MilDep	Project Name [Locations]
Army	Fort Sill, OK
Air Force	Falcon Group [Patrick AFB, FL; Moody AFB, GA; Little Rock AFB, AR; and Hanscom AFB, MA]
Army	Fort Huachuca, AZ/Yuma Proving Ground, AZ
Army	Fort Wainwright, AK/Fort Greely, AK
Navy/USMC	Mid-Atlantic Regional (Phase II) ¹ [NSA Mechanicsburg, PA]
Army	Aberdeen Proving Ground, MD
Navy/USMC	Mid-Atlantic Regional (Phase III) ¹ [MCB Camp Lejeune (Phase IV), NC]
Navy	San Diego Naval Complex (Phase V) ¹ [NSA Washington, DC; JB Anacostia-Bolling – Naval Support Facility (NSF) Anacostia, DC; NSA Annapolis-Buchanan House, MD; NSA Bethesda, MD; and NSF Thurmont-Camp David, MD]
Navy/USMC	MCB Camp Pendleton (Phase VI), CA ¹
Navy	Hawaii Regional (Phase V) ¹ [MCBH Kaneohe Bay, HI]
Air Force	JBer III [JB Elmendorf-Richardson – Richardson AFB, AK]
Air Force	Southern Group [Shaw AFB, SC; Arnold AFB, TN; JB Charleston – Charleston AFB, SC; and Keesler AFB, MS]
Air Force	Western Group [Beale AFB, CA; FE Warren AFB, WY; Malmstrom AFB, MT; and Whiteman AFB, MO]
Air Force	Northern Group [Cannon AFB, NM; Cavalier Air Force Station (AFS), ND; Ellsworth AFB, SD; Grand Forks AFB, ND; Minot AFB, ND; and Mountain Home AFB, ID]
Air Force	Continental Group [Edwards AFB, CA; Eglin AFB, FL; Hurlburt Field, FL; Eielson AFB, AK; McConnell AFB, KS; and Seymour-Johnson AFB, NC]
Air Force	ACC Group III [Dyess AFB, TX; and Moody AFB, GA]
Navy	San Diego Naval Complex (Phase VI) ¹ [NB Ventura County, CA]
Navy	Hawaii Regional (Phase VI) ¹ [MCBH Kaneohe Bay, HI]

1. For reporting purposes, the following project phases are combined and reported as single projects:

- A. San Diego Naval Complex Overview: San Diego Phases I, II, III, IV, V and VI.
- B. Cherry Point/Camp Lejeune Overview (Atlantic Marine Corps Communities - AMCC): MCB Camp Lejeune/MCAS Cherry Point Phases I, II and III; and Tri-Command.
- C. PE/QU/YU (Camp Pendleton II): MCB Camp Pendleton Phase II/MCB Quantico; MCAS Yuma/MCB Camp Pendleton Phase III; MCAGCC Twentynine Palms/MOBCOM Kansas City; MCB Camp Pendleton Phase IV; MCB Camp Pendleton Phase V/MCLB Albany; and MCB Camp Pendleton Phase VI.
- D. Hawaii Regional: Hawaii Regional Phases I, II, III, IV, V and VI.
- E. Hickam AFB: Hickam AFB Phases I and II.
- F. Mid-Atlantic Regional: Mid-Atlantic Regional Phases I, II and III.
- G. Midwest Regional: Midwest Regional Phases I and II.



Attachment B4: MHPI Project Scope

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

Throughout this report, the expressed size of the individual privatized projects is the IDP scope that was approved by the OSD and OMB. During the development of a major residential project, particularly a project that is built over an extended number of years, the actual scope may change a small amount. Reasons for these changes vary, and include local market and base operational transformations and unforeseen construction costs. Unless the ultimate project size changes and the resulting investment requires re-approval by OSD and OMB, the individual project scope in this report remains the currently approved number. Actual project scope is monitored by the Military Department portfolio managers through various other reports.

This appendix is provided to identify, on a project by project basis, the most recent scope modifications, if any, that have occurred subsequent to the last OSD and OMB approval, as well as total existing inventory (in terms of family homes or unaccompanied units, as applicable) as of September 30, 2016.

MHPI Project Scope and Existing Inventory (Online + Offline) at September 30, 2016

Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope	Actual Unit Scope	Existing Inventory
FAMILY HOUSING					
Army	Aberdeen Proving Ground	Corvias Military Living	372	372	1,030
Army	Fort Belvoir	Clark Pinnacle Family Communities	2,106	2,106	2,154
Army	Fort Benning	Clark Pinnacle Family Communities	4,000	4,000	4,001
Army	Fort Bliss / White Sands Missile Range	Balfour Beatty Communities	4,843	4,843	4,892
Army	Fort Bragg	Corvias Military Living	6,238	6,238	6,216
Army	Fort Campbell	Lendlease	4,457	4,457	4,458
Army	Carlisle Barracks / Picatinny Arsenal	Balfour Beatty Communities	348	348	348
Army	Fort Carson	Balfour Beatty Communities	3,368	3,368	3,258
Army	Fort Detrick / Walter Reed Army Medical Center	Balfour Beatty Communities	590	590	593
Army	Fort Drum	Lendlease	3,835	3,835	3,822
Army	JB Langley-Eustis -- Fort Eustis / JEB Little Creek-Fort Story --Fort Story	Balfour Beatty Communities	1,131	1,131	1,131
Army	Fort Gordon	Balfour Beatty Communities	1,080	1,080	1,080
Army	Fort Hamilton	Balfour Beatty Communities	228	228	228
Army	Fort Hood	Lendlease	5,912	5,912	5,549



Attachment B4: MHPI Project Scope

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

(Table continued)

MHPI Project Scope and Existing Inventory (Online + Offline) at September 30, 2016

Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope	Actual Unit Scope	Existing Inventory
FAMILY HOUSING (continued)					
Army	Fort Huachuca / Yuma Proving Ground	Michaels Military Housing	1,169	1,169	1,269
Army	Fort Irwin / Moffett Field / Parks RFTA	Clark Pinnacle Family Communities	2,898	2,898	2,893
Army	Fort Jackson	Balfour Beatty Communities	850	850	850
Army	Fort Knox	Lendlease	2,563	2,563	2,381
Army	Fort Leavenworth	Michaels Military Housing	1,583	1,583	1,689
Army	Fort Lee	Hunt Companies/Falcon Properties	1,508	1,508	1,508
Army	Fort Leonard Wood	Balfour Beatty Communities	1,806	1,806	1,806
Army	Fort Meade	Corvias Military Living	2,627	2,627	2,628
Army	Fort Polk	Corvias Military Living	3,661	3,661	3,661
Army	JB Lewis-McChord	Equity Residential	4,994	4,994	5,161
Army	Presidio of Monterey / Naval Postgraduate School	Clark Pinnacle Family Communities	1,565	1,565	2,580
Army	Redstone Arsenal	Hunt Companies	230	230	354
Army	Fort Riley	Corvias Military Living	3,514	3,514	3,514
Army	Fort Rucker	Corvias Military Living	1,476	1,476	1,476
Army	JB San Antonio – Fort Sam Houston	Lincoln Property Company	925	925	925
Army	Fort Shafter/Schofield Barracks	Lendlease	7,240	7,240	7,985
Army	Fort Sill	Corvias Military Living	1,728	1,728	1,813
Army	Fort Stewart / Hunter Army Airfield	Balfour Beatty Communities	3,629	3,404	3,628
Army	Fort Wainwright / Fort Greely	Lendlease	1,815	1,815	1,835
Army	West Point	Balfour Beatty Communities	824	824	825
Army Family Housing Total			85,113	84,888	87,541



Attachment B4: MHPI Project Scope

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

(Table continued)

MHPI Project Scope and Existing Inventory (Online + Offline) at September 30, 2016

Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope	Actual Unit Scope	Existing Inventory
FAMILY HOUSING (continued)					
Navy/USMC	Marine Corps Base (MCB) Camp Pendleton I	Hunt Companies	712	712	712
Navy/USMC	Cherry Point/Camp Lejeune Overview (Atlantic Marines)	Lendlease	8,060	7,973	7,922
Navy/USMC	Corpus Christi/Kingsville I ²	Landmark Residential, LLC	404	404	0
Navy/USMC	Naval Station (NS) Everett I ³	Forest City Enterprises Inc.	185	185	0
Navy/USMC	NS Everett II	Gateway Development Group and CED Military Group	288	288	288
Navy/USMC	Hawaii Regional ⁴	Hunt Companies	6,802	6,781	6,884
Navy/USMC	Naval Air Station (NAS) Kingsville II	Hunt Companies	150	150	150
Navy/USMC	Mid-Atlantic Regional	Lincoln Family Communities, LLC	6,702	6,335	6,382
Navy/USMC	Midwest Regional ⁴	Hunt Companies	1,719	1,719	2,199
Navy/USMC	NAS Joint Reserve Base New Orleans	Patrician Development	941	936	936
Navy/USMC	Northeast Regional	Balfour Beatty Communities	4,264	2,950	3,451
Navy/USMC	Northwest Regional ⁴	Hunt Companies	3,370	3,369	3,762
Navy/USMC	PE/QU/YU (Camp Pendleton II)	Hunt/Lincoln/Clark	11,127	11,127	11,126
Navy/USMC	San Diego Naval Complex Overview	Lincoln/Clark San Diego LLC	14,524	14,513	14,513
Navy/USMC	South Texas	Landmark Organization (Faulkner USA)	665	417	417
Navy/USMC	Southeast Regional	Balfour Beatty Communities	4,468	4,673	5,261
Navy / Marine Corps Family Housing Total			64,381	62,532	64,003



Attachment B4: MHPI Project Scope

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

(Table continued)

MHPI Project Scope and Existing Inventory (Online + Offline) at September 30, 2016

Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope	Actual Unit Scope	Existing Inventory
FAMILY HOUSING (continued)					
Air Force	Air Combat Command (ACC) Group II	Lendlease	1,838	1,884	2,232
Air Force	ACC Group III	Balfour Beatty Communities	858	775	775
Air Force	Air Education & Training Command (AETC) Group I	BBC AF Management / Development LLC	2,607	2,607	2,661
Air Force	AETC Group II	Pinnacle Hunt Communities	2,257	2,205	2,217
Air Force	Air Force Academy ⁴	Hunt Companies	427	427	671
Air Force	Air Mobility Command (AMC) East	Clark Realty Builders / Clark DOC Builders	1,458	1,505	1,715
Air Force	AMC West	AMC West Housing, LP	2,435	2,435	2,587
Air Force	BLB Group	Hunt ELP, Ltd.	3,189	3,192	3,370
Air Force	Buckley Air Force Base (AFB)	Investment Builders Inc. / Hunt Building Corporation	351	351	351
Air Force	Continental Group	Corvias Military Living	3,862	3,840	4,066
Air Force	Dover AFB	Hunt Building Company	980	980	980
Air Force	Dyess AFB	Hunt Building Company	402	402	402
Air Force	JB Elmendorf-Richardson (JBER I) - Elmendorf AFB	JL Properties	828	828	828
Air Force	JB Elmendorf-Richardson (JBER II) - Elmendorf AFB	JL Properties	1,194	1,194	1,194
Air Force	JB Elmendorf-Richardson (JBER III) - Fort Richardson	JL Properties	1,240	1,240	1,240
Air Force	Falcon Group	HP Communities, LLC	2,617	2,625	2,625
Air Force	JB Pearl Harbor-Hickam - Hickam AFB	Lendlease	2,474	2,474	2,488
Air Force	Hill AFB	BHMH, LC (Boyer/Gardner)	1,018	1,018	1,082
Air Force	Kirtland AFB	Hunt Building Company	1,078	1,078	1,302
Air Force	JB San Antonio - Lackland AFB	Balfour Beatty Communities	885	885	1,033
Air Force	JB McGuire-Dix-Lakehurst - McGuire AFB / JB McGuire-Dix-Lakehurst - Fort Dix	United Communities Development, LLC	2,084	2,084	2,212



Attachment B4: MHPI Project Scope

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

(Table continued)

MHPI Project Scope and Existing Inventory (Online + Offline) at September 30, 2016

Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope	Actual Unit Scope	Existing Inventory
FAMILY HOUSING (continued)					
Air Force	Nellis AFB	Hunt Building Company	1,178	1,178	1,178
Air Force	Northern Group	BBC AF Housing Construction, LLC	4,546	4,546	4,546
Air Force	Offutt AFB	America First Real Estate Group	1,640	1,640	1,954
Air Force	Robins AFB I	Hunt Building Company	670	670	670
Air Force	Robins AFB II	Hunt Building Company	207	207	254
Air Force	Scott AFB	Hunt Building Company	1,593	1,593	1,593
Air Force	Southern Group ⁴	Hunt Companies	2,185	2,185	2,442
Air Force	Tri-Group	Lendlease	1,564	1,524	1,524
Air Force	Vandenberg AFB	Balfour Beatty Communities	867	867	999
Air Force	Western Group	BBC AF Management / Development LLC	3,264	3,264	3,264
Air Force	Wright-Patterson AFB	Hunt Building Corp/ MV Communities/ Woolpert LLC	1,536	1,536	1,536
Air Force Family Housing Total			53,332	53,239	55,991
MHPI Family Housing Total			202,826	200,659	207,535



Attachment B4: MHPI Project Scope

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

(Table continued)

MHPI Project Scope and Existing Inventory (Online + Offline) at September 30, 2016					
Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope	Actual Unit Scope	Existing Inventory
UNACCOMPANIED HOUSING (APARTMENTS / BEDROOMS)					
Army	Fort Bragg	Corvias Military Living	432 / 702	432 / 702	432 / 702
Army	Fort Drum	Lendlease	192 / 320	192 / 320	192 / 320
Army	Fort Irwin	Clark Pinnacle Family Communities	200 / 200	200 / 200	200 / 200
Army	Fort Meade	Corvias Military Living	432 / 816	432 / 816	362 / 686
Army	Fort Stewart	Balfour Beatty Communities	334 / 370	334 / 370	334 / 370
Army Unaccompanied Housing (Apartments / Bedrooms) Total			1,590 / 2,408	1,590 / 2,408	1,520 / 2,278
Navy/USMC	Homeport Hampton Roads	Hunt ELP LTD and American Campus Communities OP, LLC	1,913 / 3,682	1,913 / 3,682	1,913 / 3,682
Navy/USMC	NS San Diego	California Naval Communities, LLC	1,199 / 2,398	1,199 / 2,398	1,199 / 2,398
Navy/USMC Unaccompanied Housing (Apartments / Bedrooms) Total			3,112 / 6,080	3,112 / 6,080	3,112 / 6,080
MHPI Unaccompanied Housing (Apartments / Bedrooms) Total			4,702 / 8,488	4,702 / 8,488	4,702 / 8,488

1. For reporting purposes, the following projects are combined and reported as single projects:

- A. San Diego Naval Complex Overview: San Diego Phases I, II, III, IV, V and VI.
- B. Cherry Point/Camp Lejeune Overview (Atlantic Marine Corps Communities - AMCC): MCB Camp Lejeune/MCAS Cherry Point Phases I, II and III; and Tri-Command.
- C. PE/QU/YU (Camp Pendleton II): MCB Camp Pendleton Phase II/MCB Quantico; MCAS Yuma/MCB Camp Pendleton Phase III; MCAGCC Twentynine Palms/MOBCOM Kansas City; MCB Camp Pendleton Phase IV; MCB Camp Pendleton Phase V/MCLB Albany; and MCB Camp Pendleton Phase VI.
- D. Hawaii Regional: Hawaii Regional Phases I, II, III, IV, V and VI.
- E. Hickam AFB: Hickam AFB Phases I and II.
- F. Mid-Atlantic Regional: Mid-Atlantic Regional Phases I, II and III.
- G. Midwest Regional: Midwest Regional Phases I and II.

2. Project sold in fiscal year 2016: no longer MHPI.

3. Project sold prior to fiscal year 2014: no longer MHPI.

4. The original MHPI developer/partner, Forest City Enterprises Inc., sold its interest in all MHPI projects to the Hunt Companies, another MHPI developer/partner, in fiscal year 2016.



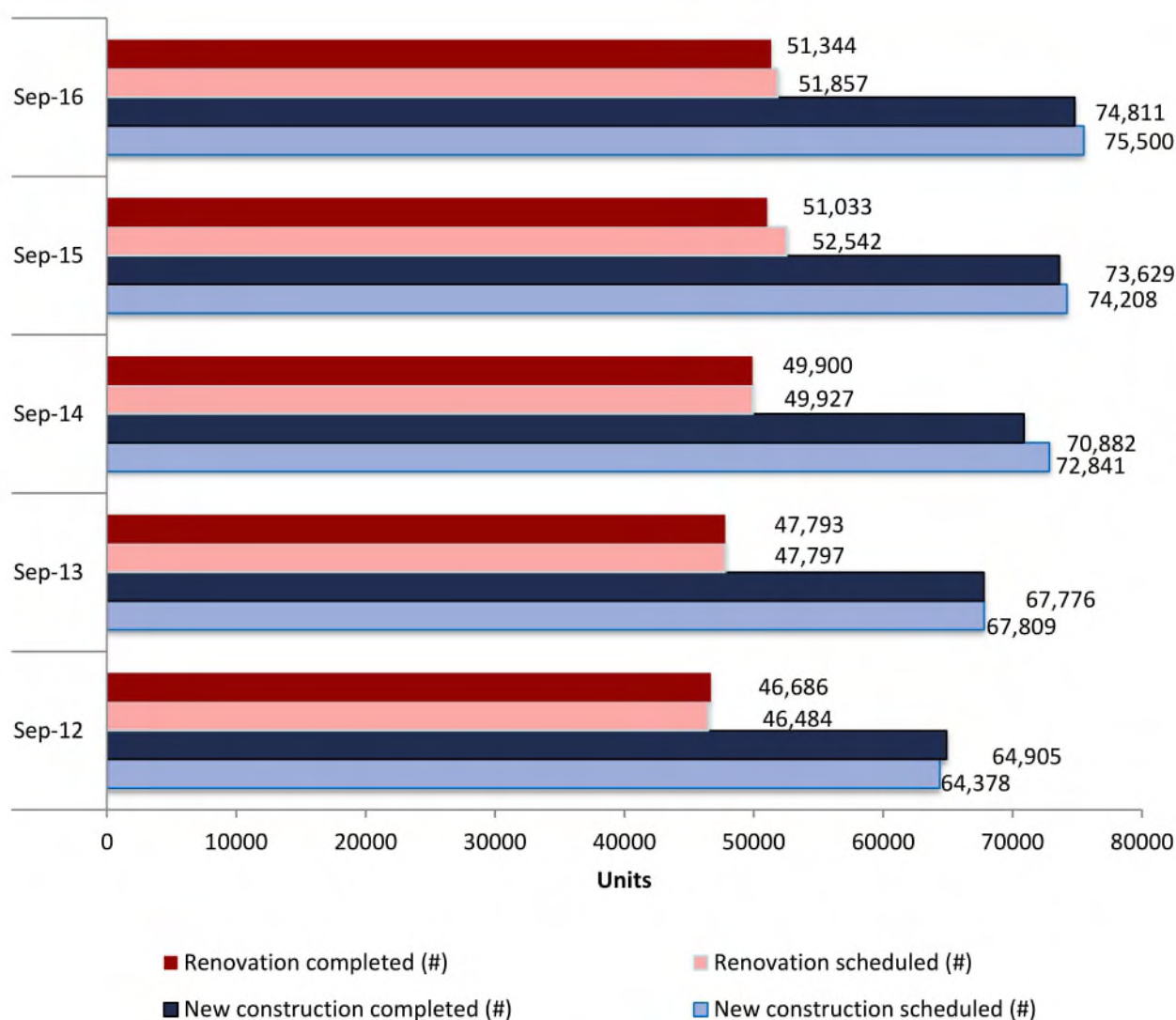
Attachment B5: MHPI Family Housing Development

MHPI Program Evaluation Report

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The chart below, graphically illustrates how completed IDP construction and renovation for the last several reporting periods compares to IDP construction and renovation scheduled for delivery through that date. As demonstrated, the MHPI portfolio as a whole has generally met its construction schedule for the last five reporting periods.

Scheduled and Completed Construction and Renovation through September 30, 2016





Attachment B6: MHPI Family Housing Occupancy and Tenant Demographics

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As reflected in the table below, MHPI tenants occupied an average 93% of homes available to be leased during the reporting period ending September 30, 2016.

MHPI Family Housing Occupancy

	Sep-14	Sep-15	Sep-16	% Change from Sep-15 to Sep-16
Army Family Housing Occupancy	92.8%	91.2%	91.3%	0.1%
Navy Family Housing Occupancy	94.3%	94.5%	94.8%	0.2%
Air Force Family Housing Occupancy	94.0%	95.6%	95.1%	-0.5%
MHPI Family Housing Occupancy Rate	93.6%	93.4%	93.4%	0.0%

Since September 2013, the number of waterfall tenants living in privatized housing increased from 10,627 to 17,292, an increase of about 18% over the last three years. When comparing total waterfall tenants as a percentage of total available units, the percentage is 8.5% as of September 30, 2016, which is somewhat higher than the historical range of 5.5% to 6.0% over the life of the program. While the alternative tenant waterfall serves as a risk mitigation tool to improve program occupancy, the percentage of alternative tenants still remains small compared to the number of military families the program serves.

Annual Use of the Tenant Waterfall for Occupancy of MHPI Family Housing

	Sep-13	Sep-14	Sep-15	Sep-16	% of Total Available Units as of Sep 2015	% of Total Available Units as of Sep 2016	% Change from Sep-15 to Sep-16
Military Families	174,671	175,186	174,218	172,708	85.7%	85.1%	-0.7%
Unaccompanied Military	3,695	4,281	5,310	5,761	2.6%	2.8%	0.2%
Military Retirees	1,284	1,844	2,685	3,404	1.3%	1.7%	0.4%
Federal Employees	2,424	2,891	3,477	3,979	1.7%	2.0%	0.2%
Other Civilians	3,224	3,480	4,069	4,148	2.0%	2.0%	0.0%
Total Non-Target Tenant Waterfall	10,627	12,496	15,541	17,292	7.6%	8.5%	0.9%



Attachment B7: Debt Service Coverage Ratios for MHPI Projects with Completed IDPs

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A Debt Service Coverage Ratio (DSCR) of 1.25 implies that a project's available cash is 25% greater than its debt service requirements, and provides an indication of a project's ability to repay debt. If the DSCR drops below a 1.0 ratio, cash flow is insufficient to cover the project's debt service requirements (principal and/or interest) after payment of operating expenses.

As of September 30, 2016, 63 projects had completed their IDPs. The five projects that completed their IDPs during the 2016 fiscal year are in **green font**.

Debt Service Coverage Ratios (DSCRs) for MHPI Projects That Have Completed Their Initial Development Periods (IDPs)

Project	Average Actual Senior Loan DSCR in FY2016	Required Minimum Senior Loan DSCR to Avoid Default	Average Actual Combined DSCR Including Subordinate (Junior) Loan in FY2016	Required Minimum Combined Senior & Junior Loan DSCR to Avoid Default	IDP Completion Date
ACC Group II	1.57	N/A	1.05	N/A	Feb-15
AETC Group I	1.34	N/A	1.20	N/A	Dec-11
AETC Group II	1.58	N/A	N/A	N/A	Oct-10
AMC East	1.31	N/A	N/A	N/A	Apr-14
AMC West	2.11	N/A	1.51	N/A	Jun-15
BLB	1.66	N/A	1.27	N/A	Sep-14
Buckley AFB	1.93	N/A	1.72	N/A	Aug-07
Camp Pendleton I	1.91	1.25	N/A	N/A	Feb-04
Camp Pendleton II	1.85	1.15	N/A	N/A	Dec-12
Carlisle Brks / Picatinny Ars	2.71	N/A	N/A	N/A	Apr-11
Dover AFB	1.63	N/A	1.17	N/A	Jan-09
Dyess AFB	1.67	N/A	N/A	N/A	Sep-02
Elmendorf AFB I	2.67	N/A	1.59	N/A	Sep-03
Elmendorf AFB II	2.23	N/A	1.45	N/A	Dec-06
Everett I (sold, no longer MHPI)	N/A	N/A	N/A	N/A	N/A
Everett II	1.83	1.20	N/A	N/A	Oct-02
Falcon Group	1.31	N/A	1.22	N/A	Jun-13
Fort Belvoir	1.51	N/A	N/A	N/A	Nov-11
Fort Benning	1.46	N/A	N/A	N/A	Sep-16
Fort Bliss / White Sands MR	1.43	N/A	N/A	N/A	Jun-11
Fort Bragg	1.38	1.00	N/A	N/A	Dec-13
Fort Campbell	2.10	N/A	N/A	N/A	Mar-11
Fort Carson	1.78	N/A	N/A	N/A	Nov-04
Fort Detrick / Walter Reed AMC	1.31	1.00	N/A	N/A	Jul-08



Attachment B7: Debt Service Coverage Ratios for MHPI Projects with Completed IDPs

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Fort Drum	1.36	N/A	N/A	N/A	Feb-11
Fort Eustis / Fort Story	1.65	N/A	N/A	N/A	Nov-10
Fort Gordon	1.80	N/A	N/A	N/A	Apr-12
Fort Hamilton	1.53	N/A	N/A	N/A	Nov-09
Fort Hood	2.23	N/A	N/A	N/A	Jun-06
Fort Huachuca / Yuma PG	1.32	N/A	N/A	N/A	Sep-15
Fort Irwin / Moffett / Parks	1.14	N/A	N/A	N/A	Apr-16
Fort Jackson	1.38	N/A	N/A	N/A	Feb-15
Fort Lee	1.90	N/A	N/A	N/A	Jan-16
Fort Leonard Wood	1.42	N/A	N/A	N/A	Oct-14
Fort Meade	1.40	1.00	N/A	N/A	May-12
Fort Rucker	1.28	N/A	N/A	N/A	Jan-15
Fort Sam Houston	1.72	N/A	N/A	N/A	Mar-10
Fort Stewart	1.50	1.00	N/A	N/A	Dec-13
Hampton Roads	1.29	N/A	N/A	N/A	Jul-10
Hickam AFB	1.25	N/A	1.18	N/A	Sep-13
Hill AFB	3.21	N/A	1.92	N/A	Dec-13
JB Elmendorf-Richardson (JBER)	1.81	N/A	1.36	N/A	Nov-13
JB McGuire-Dix-Lakehurst	2.20	N/A	1.87	N/A	Dec-11
Kingsville I (sold in FY16)	N/A	N/A	N/A	N/A	Nov-97
Kingsville II	3.19	1.45	1.85	N/A	Aug-02
Kirtland AFB	1.99	N/A	1.41	N/A	Aug-06
Lackland AFB	1.68	N/A	1.08	N/A	Jun-13
MidAtlantic	1.32	N/A	N/A	N/A	Mar-15
Nellis AFB	1.25	N/A	0.93	N/A	Jan-12
New Orleans	1.70	1.25	N/A	N/A	Dec-03
Northeast Regional	1.41	N/A	N/A	N/A	Oct-10
Presidio of Monterey / NPS	1.45	N/A	N/A	N/A	Dec-14
Redstone Arsenal	1.87	N/A	N/A	N/A	Mar-09
Robins AFB I	1.58	N/A	1.01	N/A	Jun-02
Robins AFB II	1.49	N/A	N/A	N/A	Feb-12
San Diego UH	1.37	1.20	N/A	N/A	Mar-09
Scott AFB	1.38	1.25	1.20	1.05	Feb-09
South Texas	1.45	1.10	N/A	N/A	May-05
Southeast Regional	1.37	1.15	N/A	N/A	Sep-13
Southern Group	2.39	N/A	1.74	N/A	Jul-16
Tri-Group	1.36	N/A	N/A	N/A	Dec-14
Vandenberg AFB	1.46	N/A	N/A	N/A	Mar-13
Western Group	2.37	N/A	1.76	N/A	Aug-16
Wright-Patterson AFB	2.15	N/A	1.80	N/A	Feb-06



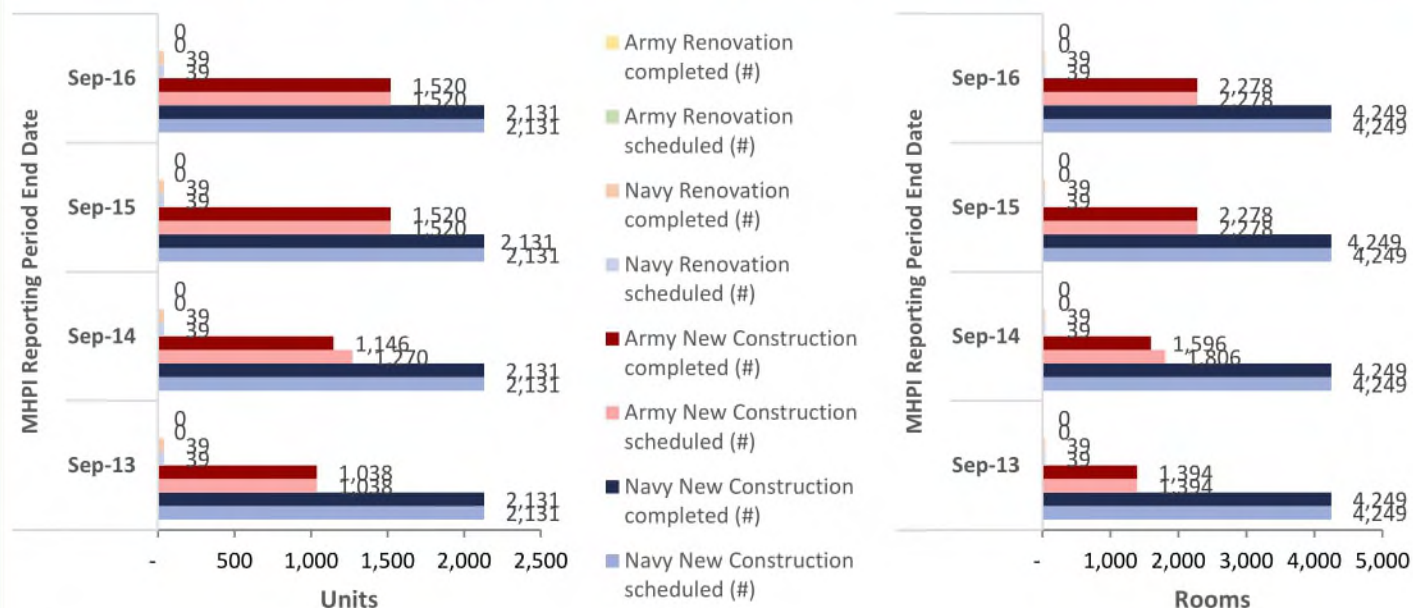
Attachment B8: MHPI Unaccompanied Housing Development and Occupancy

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

As of September 30, 2016, cumulative MHPI program development in the unaccompanied housing portfolio includes 3,651 new or replacement UH units (6,527 rooms) and 39 major/medium renovations to existing UH units (39 rooms).

MHPI Unaccompanied Housing Development: Units/Rooms Completed as of September 30, 2016



As of September 30, 2016, MHPI tenants occupied more than 93% of UH units available to be leased, approximately one percent lower than the previous year.

MHPI Unaccompanied Housing Occupancy as of September 30, 2016

	Sep-14	Sep-15	Sep-16	% Change from Sep-15 to Sep-16
Army UH Occupancy (Units/Rooms)	90.6%/90.6%	87.4%/87.0%	86.7%/87.5%	-0.7%/0.5%
Navy UH Occupancy (Units/Rooms)	96.4%/96.4%	97.9%/97.9%	96.9%/97.0%	-1.1%/-0.9%
MHPI UH Occupancy Rate (Units/Rooms)	94.9%/95.3%	94.7%/95.2%	93.4%/94.4%	-1.3%/-0.8%

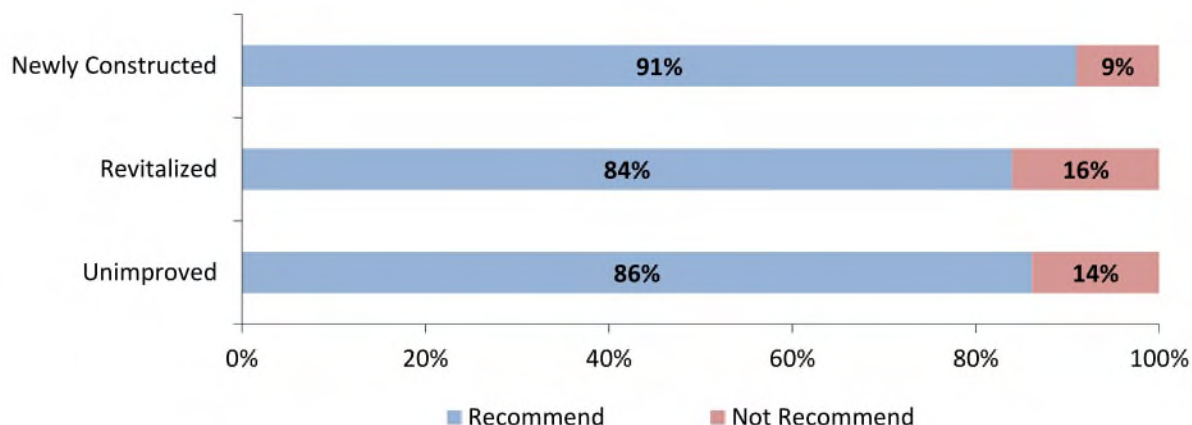


Attachment B9: Tenant Satisfaction by Project

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

“Would You Recommend Privatized Housing?” Tenant Satisfaction by Housing Condition as of September 30, 2016



To help interpret results, the Military Departments and project managers code surveys based on whether the respondent resides in a newly constructed or renovated/revitalized home, or in an unrenovated/unimproved home. As expected, satisfaction was highest among those living in newly constructed homes. Satisfaction was slightly lower for tenants living in renovated and unimproved homes, but higher than historical levels.

The table below displays the satisfaction results collected for the program as of September 30, 2016. Surveys request tenants residing in privatized housing to indicate whether or not they would recommend privatized housing. The percentages of tenants responding, “Yes,” “No,” or “Don’t Know” for each project are reflected below.

“Would You Recommend Privatized Housing?” Tenant Satisfaction by Project as of September 30, 2016

Project	Newly Constructed Units			Renovated Units			Unrenovated Units		
	Yes	No	Don't Know	Yes	No	Don't Know	Yes	No	Don't Know
Corpus Christi/Kingsville I, TX-Navy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NS Everett I, WA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lackland AFB, TX	82%	14%	3%	N/A	N/A	N/A	69%	29%	3%
Fort Carson, CO	60%	21%	20%	46%	36%	18%	N/A	N/A	N/A



Attachment B9: Tenant Satisfaction by Project

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Dyess AFB, TX	96%	4%	0%	N/A	N/A	N/A	N/A	N/A	N/A
Robins AFB I, GA	62%	36%	1%	N/A	N/A	N/A	70%	28%	2%
NAS Kingsville II, TX	N/A	N/A	N/A	N/A	N/A	N/A	72%	11%	17%
MCB Camp Pendleton, CA	80%	13%	7%	78%	16%	6%	N/A	N/A	N/A
NS Everett II, WA	N/A	N/A	N/A	N/A	N/A	N/A	38%	42%	21%
Elmendorf AFB I, AK	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
San Diego Naval Complex Overview, CA	85%	6%	9%	80%	8%	12%	81%	8%	12%
New Orleans Naval Complex, LA (NOLA)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fort Hood, TX	79%	8%	12%	71%	16%	13%	66%	17%	17%
South Texas, TX (SOTX)-Navy	N/A	N/A	N/A	N/A	N/A	N/A	64%	24%	11%
Fort Lewis, WA/McChord AFB, WA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fort Meade, MD	N/A	N/A	N/A	65%	17%	17%	59%	15%	26%
Wright-Patterson AFB, OH	89%	10%	1%	N/A	N/A	N/A	89%	10%	1%
Kirtland AFB, NM	94%	6%	0%	N/A	N/A	N/A	90%	8%	2%
Fort Bragg, NC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PE/QU/YU (Camp Pendleton II)	79%	12%	9%	72%	14%	14%	80%	12%	9%
Presidio of Monterey/NPS, CA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fort Stewart/Hunter Army Airfield, GA	60%	21%	20%	55%	28%	17%	28%	51%	22%
Fort Belvoir, VA	78%	10%	12%	72%	14%	13%	64%	23%	13%
Fort Campbell, KY	70%	12%	17%	65%	20%	15%	57%	27%	16%
Fort Irwin/Moffett Field/Camp Parks, CA	71%	12%	17%	60%	20%	20%	51%	28%	21%
Hawaii Regional, HI-Navy/MC	76%	8%	16%	67%	14%	19%	67%	15%	18%
Fort Hamilton, NY	78%	12%	10%	N/A	N/A	N/A	56%	19%	25%
Fort Detrick, MD/Walter Reed Army Med. Ctr., DC	57%	31%	13%	50%	0%	50%	74%	10%	15%
Buckley AFB, CO	86%	14%	0%	N/A	N/A	N/A	N/A	N/A	N/A
Elmendorf AFB II, AK	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fort Polk, LA	N/A	N/A	N/A	70%	16%	15%	N/A	N/A	N/A
Fort Shafter/Schofield Barracks, HI	81%	8%	11%	71%	13%	16%	61%	19%	19%
Northeast Regional, (NY, NJ, CT, RI, ME)-Navy	86%	4%	10%	77%	9%	15%	80%	7%	13%
Fort Eustis/Fort Story, VA	66%	19%	15%	47%	29%	24%	N/A	N/A	N/A
Hickam AFB, HI	88%	11%	1%	88%	11%	1%	88%	11%	1%
Northwest Regional, WA-Navy	96%	1%	3%	65%	15%	19%	57%	24%	19%
Fort Sam Houston, TX	82%	9%	9%	64%	20%	16%	N/A	N/A	N/A
Fort Leonard Wood, MO	81%	9%	9%	N/A	N/A	N/A	59%	21%	20%
Fort Drum, NY	83%	7%	10%	70%	14%	16%	N/A	N/A	N/A
Fort Bliss, TX/White Sands, NM	N/A	N/A	N/A	56%	27%	17%	66%	17%	17%



Attachment B9: Tenant Satisfaction by Project

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Mid-Atlantic Regional, (VA, WV, MD)-Navy	90%	4%	6%	81%	8%	11%	57%	23%	20%
Offutt AFB, NE	94%	5%	1%	94%	5%	1%	98%	2%	0%
Hill AFB, UT	90%	8%	1%	88%	10%	2%	N/A	N/A	N/A
Dover AFB, DE	93%	6%	1%	N/A	N/A	N/A	91%	8%	1%
Cherry Point/Camp Lejeune Overview (AMCC), NC	82%	6%	12%	74%	10%	16%	77%	11%	11%
Midwest Regional, (IL, IN, TN)-Navy	68%	7%	24%	70%	12%	18%	63%	18%	19%
Scott AFB, IL	91%	8%	2%	87%	12%	2%	90%	7%	3%
Fort Benning, GA	70%	15%	16%	72%	15%	13%	71%	18%	11%
Fort Leavenworth, KS	85%	9%	7%	74%	12%	14%	61%	15%	24%
Fort Rucker, AL	90%	4%	6%	83%	5%	11%	N/A	N/A	N/A
Fort Gordon, GA	77%	11%	12%	47%	39%	14%	N/A	N/A	N/A
Nellis AFB, NV	91%	9%	1%	73%	28%	0%	N/A	N/A	N/A
Carlisle Barracks, PA/Picatinny Arsenal, NJ	82%	7%	11%	82%	0%	18%	80%	11%	9%
Fort Riley, KS	N/A	N/A	N/A	81%	9%	10%	N/A	N/A	N/A
McGuire AFB/Fort Dix, NJ-Air Force	95%	4%	1%	94%	5%	2%	N/A	N/A	N/A
Redstone Arsenal, AL	N/A	N/A	N/A	N/A	N/A	N/A	79%	10%	11%
Fort Knox, KY	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
AETC Group I, (OK, AZ, TX, FL)	95%	5%	0%	88%	10%	1%	91%	7%	2%
AF Academy, CO	N/A	N/A	N/A	89%	11%	0%	95%	5%	1%
ACC Grp II (Davis-Monthan AFB, AZ/Holloman AFB, NM)	94%	5%	1%	89%	11%	0%	91%	8%	1%
Fort Lee, VA	80%	9%	11%	N/A	N/A	N/A	68%	17%	15%
Tri-Group (CO, CA)	94%	5%	1%	89%	11%	0%	90%	9%	1%
BLB (LA, VA, DC)	90%	9%	1%	82%	11%	7%	75%	24%	1%
Southeast Regional (SC, MS, FL, GA, TX) – Navy	N/A	N/A	N/A	N/A	N/A	N/A	78%	9%	13%
Robins AFB II, GA	93%	7%	0%	71%	29%	0%	80%	13%	7%
AETC Group II (MS, TX, AL, OK)	83%	15%	2%	73%	25%	2%	81%	19%	1%
Vandenberg AFB, CA	94%	4%	1%	94%	5%	0%	83%	13%	4%
AMC East (MD, FL)	95%	4%	1%	87%	13%	0%	80%	18%	1%
AMC West (OK, CA, WA)	93%	6%	1%	84%	14%	2%	84%	15%	2%
West Point, NY	67%	14%	19%	54%	27%	19%	N/A	N/A	N/A
Fort Jackson, SC	72%	11%	17%	82%	11%	7%	N/A	N/A	N/A
Fort Sill, OK	N/A	N/A	N/A	82%	9%	8%	N/A	N/A	N/A
Falcon Group (FL, GA, AR, MA)	91%	8%	1%	81%	17%	2%	88%	12%	0%
Fort Huachuca/Yuma, AK	97%	2%	1%	92%	8%	0%	80%	10%	10%
Fort Wainwright/Greely, AK	76%	10%	14%	75%	11%	14%	92%	1%	6%



Attachment B9: Tenant Satisfaction by Project

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Aberdeen Proving Ground, MD	N/A	N/A	N/A	74%	15%	11%	80%	7%	13%
Joint Base Elmendorf-Richardson, AK	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Southern Group (SC, TN, MS)	97%	2%	0%	N/A	N/A	N/A	91%	7%	2%
Western Group (CA, WY, MT, MO)	92%	7%	1%	92%	8%	0%	93%	6%	1%
Northern Group (NM, SD, ND, ID)	91%	7%	2%	N/A	N/A	N/A	93%	6%	2%
Continental Group (CA, FL, AK, KS, NC)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ACC Group III (TX, GA)	99%	0%	1%	N/A	N/A	N/A	96%	3%	1%
San Diego UH Privatization, CA	95%	1%	4%	N/A	N/A	N/A	99%	0%	1%
Hampton Roads UH Privatization, VA	94%	2%	4%	N/A	N/A	N/A	75%	9%	16%
Fort Bragg UH, NC	93%	2%	5%	N/A	N/A	N/A	N/A	N/A	N/A
Fort Drum UH, NY	97%	1%	1%	N/A	N/A	N/A	N/A	N/A	N/A
Fort Meade UH, MD	86%	7%	7%	N/A	N/A	N/A	N/A	N/A	N/A
Fort Stewart UH, GA	74%	17%	9%	N/A	N/A	N/A	N/A	N/A	N/A
Fort Irwin UH, CA	49%	28%	23%	N/A	N/A	N/A	N/A	N/A	N/A
Army	77%	11%	13%	70%	16%	14%	64%	19%	17%
Navy	83%	7%	10%	73%	12%	15%	75%	11%	14%
Air Force	92%	7%	1%	87%	12%	1%	89%	10%	1%
Total DoD	84%	8%	8%	74%	14%	12%	77%	12%	10%



Attachment B10: MHPI Government Contributions

MHPI Program Evaluation Report

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This appendix is provided to identify, on a project by project basis, the Government contributions utilized as of September 30, 2016.

MHPI Government Contributions as of September 30, 2016

Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
FAMILY HOUSING						
Army	Aberdeen Proving Ground	Corvias Military Living	X	-	-	-
Army	Fort Belvoir	Clark Pinnacle Family Communities	-	-	-	-
Army	Fort Benning	Clark Pinnacle Family Communities	X	-	-	-
Army	Fort Bliss / White Sands Missile Range	Balfour Beatty Communities	X	-	-	-
Army	Fort Bragg	Corvias Military Living	X	-	-	-
Army	Fort Campbell	Lendlease	X	-	-	-
Army	Carlisle Barracks / Picatinny Arsenal	Balfour Beatty Communities	X	-	-	-
Army	Fort Carson	Balfour Beatty Communities	X	-	-	X
Army	Fort Detrick / Walter Reed Army Medical Center	Balfour Beatty Communities	X	-	-	-
Army	Fort Drum	Lendlease	X	-	-	-
Army	JB Langley-Eustis – Fort Eustis / JEB Little Creek-Fort Story – Fort Story	Balfour Beatty Communities	X	-	-	-
Army	Fort Gordon	Balfour Beatty Communities	X	-	-	-
Army	Fort Hamilton	Balfour Beatty Communities	X	-	-	-
Army	Fort Hood	Lendlease	X	-	-	-
Army	Fort Huachuca / Yuma Proving Ground	Michaels Military Housing	-	-	-	-
Army	Fort Irwin / Moffett Field / Parks RFTA	Clark Pinnacle Family Communities	X	-	-	-
Army	Fort Jackson	Balfour Beatty Communities	X	-	-	-



Attachment B10: MHPI Government Contributions

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(Table continued)

MHPI Government Contributions as of September 30, 2016

Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
FAMILY HOUSING (continued)						
Army	Fort Knox	Lendlease	X	-	-	-
Army	Fort Leavenworth	Michaels Military Housing	X	-	-	-
Army	Fort Lee	Hunt Companies/Falcon Properties	X	-	-	-
Army	Fort Leonard Wood	Balfour Beatty Communities	X	-	-	-
Army	Fort Meade	Corvias Military Living	-	-	-	-
Army	Fort Polk	Corvias Military Living	X	-	-	X
Army	JB Lewis-McChord	Equity Residential	X	-	-	-
Army	Presidio of Monterey / Naval Postgraduate School	Clark Pinnacle Family Communities	-	-	-	-
Army	Redstone Arsenal	Hunt Companies	X	-	-	-
Army	Fort Riley	Corvias Military Living	X	-	-	-
Army	Fort Rucker	Corvias Military Living	X	-	-	-
Army	JB San Antonio – Fort Sam Houston	Lincoln Property Company	X	-	-	-
Army	Fort Shafter/Schofield Barracks	Lendlease	-	-	-	-
Army	Fort Sill	Corvias Military Living	X	-	-	-
Army	Fort Stewart / Hunter Army Airfield	Balfour Beatty Communities	X	-	-	-
Army	Fort Wainwright / Fort Greely	Lendlease	X	-	-	X
Army	West Point	Balfour Beatty Communities	X	-	-	-
Army Family Housing Total			29	0	0	3



Attachment B10: MHPI Government Contributions

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

(Table continued)

MHPI Government Contributions as of September 30, 2016

Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
FAMILY HOUSING (continued)						
Navy/USMC	Marine Corps Base (MCB) Camp Pendleton I	Hunt Companies	-	-	X	-
Navy/USMC	Cherry Point/Camp Lejeune Overview (Atlantic Marines)	Lendlease	X	-	-	-
Navy/USMC	Corpus Christi/Kingsville I	Landmark Residential, LLC	X	X	-	-
Navy/USMC	Naval Station (NS) Everett I ²	Forest City Enterprises Inc.				
Navy/USMC	NS Everett II	Gateway Development Group and CED Military Group	X	X	-	-
Navy/USMC	Hawaii Regional	Forest City Enterprises Inc.	X	-	-	-
Navy/USMC	Naval Air Station (NAS) Kingsville II	Hunt Building Corp	X	-	X	-
Navy/USMC	Mid-Atlantic Regional	Lincoln Family Communities, LLC	X	-	-	-
Navy/USMC	Midwest Regional	Forest City Enterprises Inc.	X	-	-	-
Navy/USMC	NAS Joint Reserve Base New Orleans	Patrician Development	X	-	-	-
Navy/USMC	Northeast Regional	Balfour Beatty Communities	-	-	-	-
Navy/USMC	Northwest Regional	Forest City Enterprises Inc.	X	-	-	-
Navy/USMC	PE/QU/YU (Camp Pendleton II)	Hunt/Lincoln/Clark	X	-	-	-
Navy/USMC	San Diego Naval Complex Overview	Lincoln/Clark San Diego LLC	X	-	-	-
Navy/USMC	South Texas	Landmark Organization (Faulkner USA)	X	X	-	-
Navy/USMC	Southeast Regional	Balfour Beatty Communities	X	-	-	-
Navy / Marine Corps Family Housing Total			13	3	2	0



Attachment B10: MHPI Government Contributions

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

(Table continued)

MHPI Government Contributions as of September 30, 2016

Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
FAMILY HOUSING (continued)						
Air Force	Air Combat Command (ACC) Group II	Lendlease	-	-	X	-
Air Force	ACC Group III	Balfour Beatty Communities	-	-	X	X
Air Force	Air Education & Training Command (AETC) Group I	BBC AF Management / Development LLC	-	-	X	-
Air Force	AETC Group II	Pinnacle Hunt Communities	X	-	-	-
Air Force	Air Force Academy ⁴	Hunt Companies	-	-	X	-
Air Force	Air Mobility Command (AMC) East	Clark Realty Builders / Clark DOC Builders	-	-	-	-
Air Force	AMC West	AMC West Housing, LP	-	-	X	-
Air Force	BLB Group	Hunt ELP, Ltd.	-	-	X	-
Air Force	Buckley Air Force Base (AFB)	Investment Builders Inc. / Hunt Building Corporation	-	-	X	-
Air Force	Continental Group	Corvias Military Living	-	-	X	X
Air Force	Dover AFB	Hunt Building Company	-	-	X	-
Air Force	Dyess AFB	Hunt Building Company	-	-	X	-
Air Force	JB Elmendorf–Richardson (JBER I) - Elmendorf AFB ⁵	JL Properties	-	-	X	X
Air Force	JB Elmendorf–Richardson (JBER II) - Elmendorf AFB	JL Properties	-	X	X	-
Air Force	JB Elmendorf–Richardson (JBER III) - Fort Richardson	JL Properties	-	-	X	-
Air Force	Falcon Group	HP Communities, LLC	-	-	X	-
Air Force	JB Pearl Harbor–Hickam - Hickam AFB	Lendlease	-	-	X	-



Attachment B10: MHPI Government Contributions

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

(Table continued)

MHPI Government Contributions as of September 30, 2016

Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
FAMILY HOUSING (continued)						
Air Force	Hill AFB	BHMH, LC (Boyer/Gardner)	-	-	X	-
Air Force	Kirtland AFB	Hunt Building Company	-	-	X	X
Air Force	JB San Antonio - Lackland AFB ⁵	Balfour Beatty Communities	-	-	X	X
Air Force	JB McGuire-Dix-Lakehurst – McGuire AFB / JB McGuire-Dix-Lakehurst – Fort Dix	United Communities Development, LLC	-	-	X	-
Air Force	Nellis AFB	Hunt Building Company	-	-	X	-
Air Force	Northern Group	BBC AF Housing Construction, LLC	-	-	X	X
Air Force	Offutt AFB	America First Real Estate Group	-	-	X	-
Air Force	Robins AFB I	Hunt Building Company	-	-	X	X
Air Force	Robins AFB II	Hunt Building Company	X	-	-	-
Air Force	Scott AFB	Hunt Building Company	-	-	X	-
Air Force	Southern Group ⁴	Hunt Companies	-	-	X	-
Air Force	Tri-Group	Lendlease	X	-	-	-
Air Force	Vandenberg AFB	Balfour Beatty Communities	-	-	-	-
Air Force	Western Group	BBC AF Management / Development LLC	-	-	X	-
Air Force	Wright-Patterson AFB	Hunt Building Corp/ MV Communities/ Woolpert LLC	-	-	X	X
Air Force Family Housing Total			3	1	27	8
MHPI Family Housing Total			45	4	29	11



Attachment B10: MHPI Government Contributions

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

(Table continued)

MHPI Government Contributions as of September 30, 2016

Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
UNACCOMPANIED HOUSING						
Army	Fort Bragg	Corvias Military Living	-	-	-	-
Army	Fort Drum	Lendlease	-	-	-	-
Army	Fort Irwin	Clark Pinnacle Family Communities	-	-	-	-
Army	Fort Meade	Corvias Military Living	-	-	-	-
Army	Fort Stewart	Balfour Beatty Communities	-	-	-	-
Army	Privatization of Army Lodging	Lendlease	-	-	-	-
Army Unaccompanied Housing Total			0	0	0	0
Navy/USMC	Homeport Hampton Roads	Hunt ELP LTD and American Campus Communities OP, LLC	X	-	-	-
Navy/USMC	NS San Diego	California Naval Communities, LLC	X	-	-	-
Navy/USMC Unaccompanied Housing Total			2	0	0	0
MHPI Unaccompanied Housing Total			2	0	0	0

1. For reporting purposes, the following projects are combined and reported as single projects:

- A. San Diego Naval Complex Overview: San Diego Phases I, II, III, IV, V and VI.
- B. Cherry Point/Camp Lejeune Overview (Atlantic Marine Corps Communities - AMCC): MCB Camp Lejeune/MCAS Cherry Point Phases I, II and III; and Tri-Command.
- C. PE/QU/YU (Camp Pendleton II): MCB Camp Pendleton Phase II/MCB Quantico; MCAS Yuma/MCB Camp Pendleton Phase III; MCAGCC Twentynine Palms/MOBCOM Kansas City; MCB Camp Pendleton Phase IV; MCB Camp Pendleton Phase V/MCLB Albany; and MCB Camp Pendleton Phase VI.
- D. Hawaii Regional: Hawaii Regional Phases I, II, III, IV, V and VI.
- E. Hickam AFB: Hickam AFB Phases I and II.
- F. Mid-Atlantic Regional: Mid-Atlantic Regional Phases I, II and III.
- G. Midwest Regional: Midwest Regional Phases I and II.

2. Project sold in fiscal year 2016: no longer MHPI.

3. Project sold prior to fiscal year 2014: no longer MHPI.

4. The original MHPI developer/partner, Forest City Enterprises Inc., sold its interest in all MHPI projects to the Hunt Companies, another MHPI developer/partner, in fiscal year 2016.

5. The limited Government Loan Guarantees at Lackland AFB Phase I and Elmendorf AFB I have been retired.



Attachment B11: Active Government Loan Guarantees on MHPI Projects

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

DoD has provided limited loan guarantees on 11 MHPI projects. A limited government loan guarantee contains provisions that address the impact of three events that could affect the available tenant supply of eligible personnel at an installation, and therefore potentially affect the financial viability of the project: downsizing of a military installation; prolonged deployment; and base closure.

When the guarantee agreements were executed for seven projects – Fort Carson, Colorado; Fort Polk, Louisiana; Fort Wainwright/Fort Greely, Alaska; Kirtland AFB, New Mexico; and the Air Force's Northern, Continental, and Air Combat Command (ACC) III grouped projects – the Military Departments identified the baseline number of eligible families used to determine a Guarantee Threshold event. The Guarantee Threshold criteria for these seven projects, which could potentially trigger a guarantee claim, are project-specific percentage reductions of eligible military families from the identified baseline numbers. The threshold criteria at Robins AFB I, Georgia, uses a sliding scale based on the occurrence of either of two events – a percentage decrease of eligible families that is greater than 30% in any 12-month period; or, a decrease in the ratio of eligible families to privatized homes below a set ratio (1.5:1). The threshold criteria for Wright-Patterson AFB, Ohio, is solely a reduction in the number of eligible families to privatized homes below a ratio of 1.5:1.

The limited loan guarantees at Lackland AFB Phase I and Elmendorf AFB I have been retired. The Air Force negotiated to retire the guarantee at Elmendorf AFB I when the Project refinanced in 2004. The Air Force negotiated for the elimination of the guarantee at Lackland AFB Phase I when the Project was sold to a new project owner. Elimination of additional loan guarantees may occur during future loan refinancings as the MHPI program matures and financial institutions no longer require any government support of the loan. This elimination represents a reduction in the government's financial exposure.

The 2005 Base Realignment and Closure (BRAC) round resulted in adjustments in military end strength at many military installations, impacting MHPI project occupancy at several installations. However, the 2005 BRAC round did not close any installations where DoD had provided a limited loan guarantee to an MHPI project.

The possibility of a reduction in eligible personnel due to the current extent of deployment actions continues to be of interest. A reduction in eligible personnel could affect projects that carry a limited loan guarantee because of the potential for a mortgage payment default. If this were to occur, the Military Department would require the borrower to demonstrate that the threshold reduction in the percentage of eligible personnel had occurred and, despite all appropriate action taken by the owner to remedy the problem (including full use of the alternative tenant waterfall), that this Government action had led to a mortgage payment default. The borrower could then file a guarantee claim. To date, no project has experienced a Guarantee Threshold event.

Although all nine of the projects with existing government limited loan guarantees are currently healthy in terms of occupancy, the Military Departments will continue to monitor these projects and loan guarantees to assess the impact of any future BRAC round, ongoing or future long-term deployments, and personnel realignments.

The following table summarizes the baseline number of eligible families (starting point for the current change calculation), current eligible families, and defined threshold reduction percentage for each of the active guaranteed loans, and, if applicable, the baseline and current ratios of eligible military families to privatized homes for the nine currently executed limited loan guarantee agreements. Two projects, Lackland AFB Phase I and Elmendorf AFB I, have retired guarantees.

To date, no project has experienced a Guarantee Threshold event. As of the end of fiscal year 2016, five projects – Robins AFB I, Georgia; Fort Polk, Louisiana; Kirtland AFB, New Mexico; Fort Wainwright/Fort Greely, Alaska; and Air Force's Northern



Attachment B11: Active Government Loan Guarantees on MHPI Projects

MHPI Program Evaluation Report

For the Fiscal Year Ending September 30, 2016

Group—have eligible populations less than their baseline number, and just one – Kirkland AFB – experienced a material reduction.

Loan Guarantee Thresholds, Threshold Ratios and Status as of September 30, 2016

MHPI Project	Fort Carson	Robins AFB I	Fort Polk	Wright-Patterson AFB	Kirtland AFB	Fort Wainwright/ Fort Greely	Northern Group	Continental Group	ACC Group III
Number of Privatized Housing Units	3,368	670	3,661	1,536	1,078	1,815	4,546	3,840	775
Baseline Date ¹	Nov-99	Oct-15	Sep-04	Jan-06	Apr-03	Apr-09	Aug-13	Sep-13	Jun-14
Eligible Families as of Baseline Date	9,373	4,072	6,215	4,368	2,183	4,449	9,718	15,329	5,080
Eligible Families as of September 30, 2016	11,315	3,991	5,502	4,404	1,818	3,977	9,559	21,184	6,806
Guarantee Threshold ²	-40%	-30%	-30%	N/A	-25%	-33%	-30%	-30%	-30%
Current Change as of September 30, 2016 ³	21%	-2%	-11%	N/A	-17%	-11%	-2%	38%	34%
Threshold Ratio ⁴	N/A	1.5:1	N/A	1.5:1	N/A	N/A	N/A	N/A	N/A
Current Ratio as of September 30, 2016 ⁵	N/A	6.0:1	N/A	2.9:1	N/A	N/A	N/A	N/A	N/A

Notes:

1. The Baseline Date reflects the effective date of the Loan Guarantee agreement that identifies the parameters that could trigger a Guarantee Threshold Event.
2. The Guarantee Threshold is the percentage reduction in Eligible Families that triggers a Guarantee Threshold Event. All projects on this table except the Wright-Patterson AFB project have a Guarantee Threshold.
3. Current Change reflects the percentage increase or decrease in the number of Eligible Families at the installation within a certain timeframe. For Fort Carson, Fort Polk, Kirtland AFB, Forts Wainwright/Greely, Northern Group, Continental Group and ACC Group III, the measurement is the percentage change in Eligible Families between the original Loan Guarantee Baseline Date and the end of the current PER reporting period. The timeframe for which the percentage change is measured for the Robins AFB I project is based on a sliding 12-month timeframe. For the fiscal year 2016, the measurement period is October 1, 2015, to September 30, 2016.
4. The Robins AFB I and Wright-Patterson AFB projects have Loan Guarantees that specify a Threshold Ratio parameter. The Threshold Ratio is the minimum ratio of Eligible Families to the Number of Privatized Housing Units: a ratio lower than the minimum would trigger a Threshold Ratio event. At Robins AFB I, the Threshold Ratio uses a sliding scale based on the occurrence of either of two events: a percentage drop of Eligible Families, or a drop in the ratio of Eligible Families to privatized homes.
5. The Current Ratio is calculated based on the number of Eligible Families as of the end of the current PER reporting period divided by the Number of Privatized Housing Units.