



Military Housing Privatization Initiative

Program Report for the Reporting Period October 1, 2017 – September 30, 2018

Department of Defense
Office of the Assistant Secretary of Defense
for Sustainment

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Executive Summary

Military Housing Privatization Initiative Program Report for the Reporting Period October 1, 2017 – September 30, 2018

Office of the Assistant Secretary of Defense (Sustainment)

Overview

This Military Housing Privatization Initiative (MHPI) Program Report covers the reporting period October 1, 2017, through September 30, 2018 (Fiscal Year (FY) 2018), and provides information on MHPI project and program performance as required by:

- Section 2884(c) of title 10, United States Code; and
- Section 606(c) of the John S. McCain National Defense Authorization Act of FY 2019 (Public Law 115-232)

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

The report is based on information OSD collected from the Military Departments, and includes information on project debt coverage ratios, the financial condition and future sustainment of MHPI housing projects, a breakout of tenant satisfaction rates by MHPI project, and the status of key oversight and accountability measures for MHPI projects.

This report is a snapshot in time and generally does not address MHPI project, program, or management changes since September 30, 2018, which will instead be captured in the next MHPI Program Report for the period ending September 30, 2019, and future MHPI Annual Program Reports.

Program Status Summary

	Oct 2017 through Sep 2018
MHPI PROGRAM STATUS	
Privatized Family Housing (FH) Units	205,000
Privatized Unaccompanied Housing (UH) Apartment Units / Bedrooms	4,700 / 8,500
Privatized Lodging Guestrooms	14,400
Inadequate FH Units Eliminated	142,000
Deficit Reduction FH Units Constructed	18,000
	3,700 / 6,600
Deficit Reduction UH Units / Bedrooms	
Deficit Reduction Lodging Constructed	0
Project Initial Development Period Completed (for the Current FH, UH and Lodging Projects)	73 of 87
Planned FH New Construction Completed (%)	99%
Planned FH Renovation Completed (%)	99%
Planned UH New Construction Completed (%)	100%
Planned UH Renovation Completed (%)	100%
FH Occupancy (%)	94%
FH Waterfall Tenants as a % of Available Rental Units	10%
UH Occupancy (%)	94%
Average Tenant Satisfaction Rating for MHPI Housing	82%
Lodging Guestroom Occupancy (%)	80%
Projects Making Scheduled Debt Payments	100%
Projects Making 100% of Scheduled Reinvestment Deposits (Used for Future Redevelopment)	65%

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MILITARY HOUSING PRIVATIZATION INITIATIVE PROGRAM REPORT FOR THE PERIOD OCTOBER 1, 2017 - SEPTEMBER 30, 2018

I. INTRODUCTION

This Office of the Secretary of Defense (OSD) MHPI Annual Program Report to Congress includes detailed information submitted by each of the Military Departments regarding the performance of their Military Housing Privatization Initiative (MHPI) project portfolios. The OSD uses this information to monitor program progress, conduct financial and performance oversight, and implement program improvements. **This 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, 2017, through September 30, 2018 (FY 2018). This report is a snapshot in time and generally does not address MHPI project, program, or management changes since September 30, 2018, which will instead be captured in the MHPI Annual Program Report covering the reporting period that ends September 30, 2019.**

Appendix A includes 12 attachments (**Attachments A1** through **A12**) that contain graphs and tables to provide additional detail about the MHPI program for FY 2018. **Attachment A1** specifically provides Military Department status updates for FY 2018 on six oversight and accountability measures for military housing privatization projects as required by section 2884(c) of title 10, United States Code.

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 five to ten 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, 2018, 67 of 79 existing privatized family housing projects and six of seven existing privatized unaccompanied housing (UH) projects have completed their IDPs.

Attachment A3 identifies, on a project basis, the original approved scope and current project scope resulting from changes during the IDP, as of the end of FY 2018. **Attachment A4** contains 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 FY 2018. As demonstrated in the table, the MHPI program has been very successful at achieving development goals on time.

Now that the vast majority (more than 99 percent) of Department of Defense (DoD) family housing in the U.S. has been privatized, the MHPI program focus has shifted to managing and monitoring the Government's long-term interests in the portfolio, including the projects' delivery of safe, quality housing for rent by military members and their families. For the remaining term of each MHPI project agreement/ground lease, homes will continue to be maintained, renovated, and replaced, and project development scopes may be adjusted to meet changing requirements and market conditions.

DEVELOPMENT PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2018

As of September 30, 2018, cumulative MHPI program development in the family housing portfolio included approximately 76,800 new or replacement homes and about 52,000 major/medium renovations to existing homes. On a portfolio level, actual deliveries of new homes through September 2018 totaled more than 99 percent of pro forma (scheduled/planned) deliveries and completed major/medium home renovations totaled more than 99 percent of pro forma (scheduled/planned) completions. (Refer to **Attachment A4** 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 for the delivery of quality housing 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; and
- ✓ Military members and their families have access to quality, affordable rental 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 other private sector projects, some experience financial challenges that result from unfavorable economic fluctuations. MHPI project owners (POs) 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 long-term financial viability of the projects to maintain safe, quality rental housing.

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 for their military housing area, and some have experienced decreases in BAH levels due to decreases in local housing costs. In addition to market change impacts on BAH, DoD-level decisions also influence BAH. For example, Section 604 of the National Defense Authorization Act for FY 2016 (Public Law 114-92) authorized DoD's requested reinstatement of a Service member out-of-pocket cost-sharing element as part of BAH starting with the 2015 calendar year. The BAH out-of-pocket (OOP) amount element was authorized at one percent in the calendar year (CY) 2015, with one percent annual increases until it reached a maximum of five percent OOP in CY 2019. Implementation of the OOP amount resulted 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 levels persistently 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 and replacement of capital repair and replacement (CR&R) items, eliminating non-critical services to residents, renegotiating service contracts, and/or reducing labor costs. More rarely, project management actions are required that have more significant impacts to long-term financial viability. These actions may include, but are not limited to, extending time periods for unit renovation and replacement; revising the project development plan to renovate homes instead of replace them; eliminating CR&R work; and undertaking financial restructures that may include renegotiating debt terms or infusing additional private debt or private equity.

Key stakeholders (e.g., PO/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. As the BAH OOP amount increased, MHPI project rental revenue consequently decreased, raising PO concerns that BAH reduction impacts on rental revenue was adversely impacting the physical condition and financial viability of MHPI housing projects.

In response to these concerns, Congress authorized section 603 of the National Defense Authorization Act of FY 2018 (Public Law 115-91), enacted on December 12, 2017. Section 603 established a requirement that the Military Departments make monthly subsidy payments to each of their MHPI projects (except privatized lodging) in an amount roughly equivalent to one percent of that project's monthly rental revenue paid by active duty Service members during CY 2018 for houses rented at the service member's full BAH rate.

Congress later authorized section 606(a) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Public Law 115-232), enacted on August 18, 2018. Section 606(a) increased the Military Departments' monthly subsidy payment to MHPI housing projects to an amount roughly equivalent to five percent of that project's monthly rental revenue paid by active duty Service members for MHPI housing units acquired or constructed on or before September 30, 2014, with this subsidy payment effective in September 2018 with no sunset clause. The five percent section 606 subsidy was intended to offset the five percent OOP cost sharing element that was to become effective starting in CY 2019.

OCCUPANCY

The OSD and Military Departments monitor project occupancy rates as one measure of the current financial health and performance of housing privatization projects. Occupancy rates in a residential project serve as an indicator of both the financial stability of the project and the desirability of the homes.

At installations with privatized family housing, Service members receive BAH and they choose where to reside, whether in MHPI housing or other private sector housing in the local off-base market. Those who chose to live in MHPI housing sign a lease and pay rent, just as they would do in other private rental housing – they are not assigned to MHPI housing units (with the exception of a small number of key and essential members). Further, no MHPI projects have occupancy or performance guarantees from the government. Therefore, MHPI POs must aggressively focus on attracting and retaining tenants to maintain strong project financial performance or reverse negative trends. MHPI family housing project occupancy rates continued to report strong occupancy rates in FY 2018, remaining greater than 94 percent program-wide, as detailed at **Attachment A5**.

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. **Attachment A5** shows the degree to which the alternative tenant waterfall was used and the additional tenant groups residing in MHPI family housing as of September 30, 2018. The percentage of alternative tenants remains small compared to the number of military families the program serves.

OPERATIONAL PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2018

As of September 30, 2018, MHPI tenants occupied more than 94 percent of homes available to be leased, up one percent from the previous year. Military families resided in 84 percent of available homes; the remaining 10 percent are military unaccompanied and other waterfall tenant groups. (Refer to **Attachment A5** for more information.)

DEBT SERVICE COVERAGE RATIO

Another 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 a ratio of 1.0 implies that a project's cash flow is insufficient to cover the project's debt service requirements (principal and 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 or require that additional project cash flow be diverted to a special debt service reserve account. Alternatively, MHPI project Government Direct Loans (usually in a subordinate position to a project's private senior debt) 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. **Attachment A6** identifies 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 FY 2018.

PROJECT SUSTAINABILITY AND OVERALL HEALTH OF THE MHPI PROGRAM

Given that previous DoD housing privatization programs encountered sustainability issues soon after implementation, the designers of the MHPI authorities and the resulting Military Departments' privatization programs developed tools that build in flexibility to address sustainability issues right into the Military Departments' MHPI program models. Each housing project in an MHPI program was implemented with a 50-year pro forma financial model that incorporated thousands of assumptions about development, operations, and financing that may have changed over time. These changes in assumptions reflect actual market conditions or adjustments to military requirements, and therefore some mid-term adjustments to those original project pro formas are to be expected. Most of the MHPI projects have been able to navigate these changes with minimal to moderate adjustment to their pro forma models, but some projects have encountered significant changes affecting development, operations, or financing that may limit the project's ability to recapitalize the housing assets at some

point during the 50-year project life cycle. Preserving a project's ability to recapitalize its housing assets is the main determinant of successful project sustainment.

The bellwether metrics used by MHPI managers to determine when a project's ability to recapitalize its housing assets is at risk are (a) occupancy rates and (b) DSCRs. As discussed in an earlier section, a persistent inability to meet pro forma occupancy targets indicates a mismatch of the available project housing inventory and what type of housing military families want and are willing to pay for. When occupancy challenges result in rental revenue decreases that cannot be offset by cutbacks in operating expenses, a project's ability to pay debt service is challenged, as indicated by a low DSCR. Even if a project is able to continue operations and make debt service payments, persistent underperformance versus pro forma expectations for occupancy and DSCR leads to shortfalls in reinvestment savings deposits that are used for recapitalization and revitalization of the housing assets during its 50-year project life cycle. This dynamic is at the heart of the assessment of a project's sustainability.

The Military Departments continually collaborate with the MHPI POs in a public private partnership to create and revise plans to resolve outstanding project sustainability issues by improving financial and operational performance. This includes the MHPI POs conducting re-forecasting analyses to ascertain the project's long-term ability to complete its targeted revitalization scope; maintain quality, attractive housing to remain competitive; and sustain MHPI project success, including financial viability, over its 45- to 50-year life span. The Military Departments work with the POs in collaboration to pursue solutions with the goal of protecting the Government investment and ensuring MHPI projects deliver quality housing and remain financially viable for long-term project and program success.

The Military Departments assess the short-term financial viability and long-term housing asset sustainability outlook for each MHPI project using the following assessment ratings:

Green – Project has no operating or capital challenges that could adversely impact operational performance, financial viability, and asset sustainability. 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 operational performance, financial viability, and asset sustainability. 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 short-term project financial viability and long-term housing asset sustainability. 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.

PROJECTS WITH PERFORMANCE CHALLENGES

The 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 FY 2018:

Military Department	Project ¹	Primary Near-Term Performance Issue
Army	Fort Hood, TX	Revenue challenges due to minimal BAH growth in CY 2016 through CY2018 and the need to offer rent concessions, both based on local economic conditions.
Army	Fort Irwin / Moffett / Parks, CA	BAH increases in recent years have not yet offset effects of previously sustained low BAH growth rates. The project has experienced persistent occupancy challenges correlating to Fort Irwin's geographic isolation.
Army	Fort Knox, KY	Revenue challenges continued due to force structure decisions and the project's high reliance on waterfall tenants, as previously reported.
Navy	Midwest	Revenue and operating expense challenges resulting from the need to offer rent concessions due to local economic conditions and the project's reliance on waterfall tenants.
Navy	South Texas	Lower-than-projected occupancy due to hurricane damage that required the evacuation and lease termination of off-base homes.
Air Force	Scott AFB, IL	Capital Repair and Replacement funding shortfalls are projected starting in FY 2019.
Air Force	BLB Group	The project experienced Capital Repair and Replacement funding shortfalls in FY 2018 that are projected to continue in FY 2019.

OVERALL HEALTH OF THE MHPI PROGRAM

The life cycle of the MHPI program is analogous to the three distinct phases of an MHPI project's life cycle:

Initial Development Phase (IDP) – This phase is typically planned for the initial five to ten year period after project close. With 99 percent of the initial development complete, more than 62 percent of the program portfolio is either newly constructed or received a major renovation. More than \$22.8 billion of private capital was financed or invested by the private sector along with an additional \$3.4 billion of government funding (through a combination of equity investments, direct loan and loan guarantee subsidies, and differential lease payments), generating more than \$32.0 billion of development scope, a

¹ A list of installations included in each project is provided at Appendix A, Attachment A2.

ratio of eight to one that significantly surpasses the MHPI program's original internal DoD requirement of three to one.

Sustainment Phase – This phase begins after the IDP where ongoing operation of the asset and planned capital repair and replacement is the norm as the project pays down the initial financing and begins to save for the next major recapitalization development period, which will likely occur around year 25 to year 30 of the project. While the MHPI program is in the early stages of this phase, the program remains very healthy with strong occupancy across the portfolio, positive resident satisfaction, and, for the most part, strong cash flows to support the initial debt taken down by the projects. The projects of the most concern at this point in the phase are those that were highly leveraged at the outset, most notably the projects with Government Direct Loans (GDLs) in addition to their private debt. This leverage increases the risk that the project might lack sufficient funding to cover project debt in the event that cash flows are lower than expected. This can occur due to lower than expected occupancy or BAH rental income and/or higher than anticipated operating costs. Given that debt service is generally a higher priority than sustainment and/or recapitalization reserves in the cash flow waterfall, higher leverage projects may have difficulty meeting these long-term needs if not monitored carefully. The focus of oversight in situations where the GDL is at risk is on restructuring or modifying the GDL to ensure, first and foremost, maximization of the total return to the Government while still supporting the sustainability of the MHPI project.

Recapitalization Phase – Recapitalization of the assets at the appropriate time in the life cycle is a bellwether measure of the overall success of the MHPI program. At this time, it is too early to assess success as there is significant time remaining in the Sustainment Phase and there are many changes to each project that impact the funds available at the time recapitalization of individual project assets begins. To be sure, the management of the projects includes frequent forecasting of funds available in relation to anticipated costs of recapitalization. In addition, the MHPI authorities and the existing project structures provide adequate tools to address potential funding shortfalls. As such, the expectation is that the overall program will remain healthy as we approach and proceed through this phase.

While the MHPI program was very healthy as of September 30, 2018, it is still early in the overall life cycle of the program. To ensure continued health and success, long-term government oversight of the program is critical. The private sector brings exceptional experience and expertise to perform a non-core function for the Department of Defense. However, it must be recognized that the Government's interests are not always aligned with the private sector, and Government oversight and engagement is required and expected in a public-private partnership over the long term to ensure success.

GOVERNMENT CONTRIBUTIONS

GOVERNMENT EQUITY INVESTMENTS

From MHPI program inception through the end of FY 2018, Government equity investments totaling approximately \$3.4 billion had been made to 45 MHPI family housing projects and approximately \$79.7 million had been made to two unaccompanied apartment housing projects.

DIFFERENTIAL LEASE PAYMENTS

From MHPI program inception through the end of FY 2018, Government differential lease payment commitments totaling approximately \$32.8 million had been made to four MHPI family housing projects. The remaining balance of the differential lease payments to be paid to the projects in future fiscal years is \$500,000.

GOVERNMENT DIRECT LOANS

As of the end of FY 2018, outstanding Government Direct Loan (GDL) balances at 27 MHPI family housing projects totaled more than \$1.7 billion. The remaining balance of the GDLs available to be disbursed to the projects in future fiscal years is approximately \$227.5 million. In all cases, the GDLs on MHPI projects are subordinate to the project's private debt.

LIMITED GOVERNMENT LOAN GUARANTEES

As of the end of FY 2018, outstanding Limited Government Loan Guarantees were in place at nine MHPI family housing projects, covering MHPI project private debt totaling more than \$960.4 million. The remaining balance of the guaranteed loans expected to be disbursed by the private sector to the projects after FY 2018 is approximately \$40.9 million.

Further information on the type(s) of Government contribution(s) received by each MHPI project can be found in **Attachment A9**.

ACQUISITION, DIVESTMENT AND OTHER TRANSACTIONS

HIGHLIGHTS FOR FISCAL YEAR 2018

Military Department	Project	Description
Navy	San Diego Family Housing Phase VI	During FY 2018, the OSD and the Office of Management and Budget (OMB) approved an updated plan for Phase VI of the San Diego Family Housing project to include Navy conveyance of 124 homes to the MHPI project, with the project demolishing 43 homes, renovating 81 homes, and constructing five Senior Officer Quarters, for an end-state of 86 homes. The original Phase VI plan approved by OSD and OMB in FY 2014 called for Navy to convey 226 inadequate homes to the MHPI project, for the project then demolishing 144 homes and renovating 82 homes. The adjusted plan approved by OSD and OMB reflects updates to the Department of the Navy's Housing Requirements Market Analysis, changes to the project master plan and leased parcel to reflect environmental conditions, and the Navy's decision to retain some of the land that was originally planned to be included in the MHPI ground lease, with Navy demolishing the government housing located therein.

IV. UNACCOMPANIED HOUSING

The Army's unaccompanied (apartment) housing (UH) program includes privatized UH apartment assets at five installations (Forts Irwin, Bragg, Stewart, Drum, and Meade), with a combined end state of 1,592 privatized apartments (2,411 bedrooms) after the IDPs are completed. The Navy has executed two UH projects – one at Naval Station San Diego, California, and another in Hampton Roads, Virginia – with a combined end state of

3,112 privatized apartments (6,080 bedrooms). The Navy's MHPI projects were part of a two-project pilot program authorized by Section 2803 of the National Defense Authorization Act of FY 2003 (Public Law 107-314) that provided the Navy additional UH authorities for its two privatized apartment projects. Occupancy rates are consistently high across the privatized unaccompanied housing projects.

DEVELOPMENT PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2018

As of September 30, 2018, cumulative MHPI program development in the UH apartments portfolio includes 3,723 new or replacement UH apartment units and 39 major/medium renovations to existing UH apartment 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 apartment unit/bedroom development by Military Department can be found in **Attachment A7**.

OPERATIONAL PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2018

As of September 30, 2018, MHPI tenants occupied almost 94 percent of UH units available to be leased, just above the occupancy rate of the previous year. Unaccompanied personnel resided in 84 percent of available homes; the remaining ten percent are military families and other waterfall tenant groups. UH unit and bedroom occupancies by Military Department can be found in **Attachment A7**.

V. RESIDENT 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 sponsor a variety of resident surveys to help assess the quality of privatized housing.

Sponsored by the Military Departments, the annual general resident satisfaction survey reaches nearly all of the approximately 200,000 residents in privatized family or unaccompanied apartment housing. The results provide a strategic perspective on resident satisfaction with the overall experience of living in privatized housing, including property conditions, resident services, and community amenities. **Attachment A8** summarizes the MHPI project resident satisfaction survey results collected by the Military Departments in FY 2018.

MHPI residents have additional opportunities to provide feedback through surveys sponsored by the MHPI PO/property manager. These resident surveys are more tactical point-of-service performance questionnaires (i.e., work order, move-in, and move-out surveys) which are generally offered to residents post-service (e.g., after a maintenance repair action). These surveys have fewer but more specialized questions than the Military Departments' annual resident satisfaction surveys. The intent of these more targeted resident surveys is to deliver immediate feedback specific to a resident's recent service experience to drive improved property management performance. The resident satisfaction survey results provided in this MHPI Annual Program Report for FY 2018 reflect the annual general resident satisfaction survey conducted on behalf of the Military Departments by one independent, third-party survey contractor, with the exception of the survey results for residents at Joint Base Elmendorf-Richardson (JBER), AK.

The remainder of this section (Section V) focuses on the survey process and findings from the primary MHPI resident survey contractor for FY 2018. However, information about the JBER resident satisfaction surveys is provided at footnotes one and two on page six of Attachment A8.

The survey contractor initiates the resident satisfaction survey process is initiated when an invitation is emailed to each current MHPI household, providing a unique link to an online survey that is coded with address-specific survey access information to ensure only one response is considered from each household. To prompt survey completion and improve response rates, up to three email reminders may be sent out to non-respondents at seven-day intervals, and the surveys are announced on installation websites to ensure that any household who did not receive the survey email (e.g., they have a new email address) knows who to contact to receive a copy. Residents respond online to each survey question using a five-point Likert scale. The contractor's proprietary scoring system aggregates these answers by grouping them into three overall categories termed Satisfaction Indexes and into nine sub-categories termed Business Success Factors.

The three Satisfaction Indexes provide the highest-level overview and offer a snapshot of how an MHPI project owner/partner, project, installation, or single neighborhood is performing:

- ✓ The Property Satisfaction Index is a composite measure of Resident satisfaction with the physical property.
- ✓ The Service Satisfaction Index is a composite measure of Resident satisfaction with the service provided by the management team.
- ✓ The Overall Satisfaction Index is a composite measure of Resident satisfaction with both the service provided and the physical property.

To help interpret survey results, the surveys are coded based on whether the respondent resides in a newly constructed home, a renovated home, or an unrenovated home. This information is used to develop project- and neighborhood-specific report recommendations.

The survey administration process and the reporting of results to MHPI project owners/partners and Military Departments are the first two steps in customer service performance improvement. The project owners/partners and Military Departments work together to create and implement specific corrective action plans, which is the key third step in increasing tenant satisfaction through improved performance.

PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2018

The primary survey contractor distributed surveys to 184,345 MHPI residents during FY 2018, and 80,342 surveys were returned for a very good response rate of 43.6 percent. The Overall Satisfaction Index for FY 2018 was 81.5 for the MHPI portfolio, compared to 81.1 for FY 2017. The Property Satisfaction Index for FY 2018 was 80.2 for the MHPI portfolio, compared to 80.0 for FY 2017.

The Service Satisfaction Index for FY 2018 was 82.3 for the MHPI portfolio, compared to 81.9 for FY 2017. **Attachment A8** summarizes the MHPI program satisfaction survey results collected in FY 2018, to include survey results by project. While **Attachment A8** focuses on the primary contractor's surveys and data, it includes information about the satisfaction surveys and results from JBER.

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, since PAL is the primary lodging source for institutional trainees and other official travelers to the vast majority of Army's installations in the U.S. The PAL program capitalizes on the success of the Army's MHPI family housing and unaccompanied apartments, and was initiated to improve the quality of life for Service members and their families while staying in transient lodging; to develop new and renovated hotel facilities with superior hotel amenities and services; to provide for the long-term sustainment of the lodging facilities; and to maintain a weighted official traveler rate not to exceed 75 percent of lodging per diem. PAL is designed as a 40-installation, portfolio-based program where privatized lodging facilities/operations are financially cross-collateralized and jointly leveraged as part of one lodging project. The portfolio-based approach creates a financially balanced and diversified installation mix with uniform service and amenity standards. Unlike the Army's MHPI family housing and unaccompanied apartments projects, the Army is not a partner in the PAL project underlying operating entity with the PO and its contracted hotelier.

PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2018

During FY 2018, PAL opened a 123-guestroom Candlewood Suites hotel at Fort Bliss, TX, and branded existing lodging facilities as a 334-guestroom Holiday Inn Express hotel at Joint Base Lewis-McChord, WA. The PAL portfolio averaged approximately 13,493 guestrooms across 40 installations during this reporting period. **Attachment A11** identifies, on an installation-level basis, end states and existing inventory for the PAL project as of September 30, 2018.

The average annual PAL occupancy was 72.7 percent compared to pro forma projections of 73.4 percent. Despite missing its occupancy target in FY 2018, PAL revenue was above pro forma expectations. The PAL average daily rate for official travelers during FY 2018 was \$79.04, which equated to 75.0 percent of the average lodging per diem for all room-nights sold, resulting in \$85.2 million in annual Army per-diem cost avoidance. The strong revenue performance enabled the PAL project to achieve its net operating income target for FY 2018. Guest satisfaction rose in FY 2018 from 4.13 to 4.18 on a scale of 5.00, an "Excellent" rating, which indicated that the PAL program continues to provide high-quality service while delivering measurable improvements to the PAL facilities.



Appendix A: MHPI Program Report for the Reporting Period October 1, 2017 – September 30, 2018

This **Appendix A** includes 12 attachments that summarize the MHPI program's health and status based on information submitted for the reporting period October 1, 2017, through September 30, 2018.

Attachment A1 presents the Military Departments' reports in response to section 2884(c) of title 10 U.S.C, which requires the Military Departments to respond to six key questions regarding the financial and operational health of their respective MHPI portfolios each year.

Attachment A2 contains a list of MHPI projects awarded since program inception through September 30, 2018.

Attachment A3 identifies, on a project basis, the MHPI project scope and existing inventory as of September 30, 2018.

Attachment A4 graphically displays the scheduled and completed new construction and renovation portfolio totals for MHPI family housing as of September 30, 2018.

Attachment A5 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 September 30, 2018.

Attachment A6 lists the debt service coverage ratios for MHPI projects that had completed their initial development period as of September 30, 2018.

Attachment A7 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 September 30, 2018.

Attachment A8 displays the tenant satisfaction results for MHPI family and unaccompanied apartment projects as of September 30, 2018.

Attachment A9 displays the type(s) of Government contribution(s) received by MHPI project as of September 30, 2018.

Attachment A10 provides detailed information on the active government loan guarantees on MHPI projects as of September 30, 2018.

Attachment A11 identifies, on an installation-level basis, end states and existing inventory for the one MHPI lodging project as of September 30, 2018.

Attachment A12 provides a list of helpful acronyms.



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

Background on Legislative Requirement

Section 2884(c) of title 10, United States Code (U.S.C.) requires that each Military Department report on six oversight and accountability measures for Military Housing Privatization Initiative (MHPI) projects, 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, Office of the Secretary of Defense (OSD) clarified the legislative request and standardized requested data formats 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 MHPI, and readily available and currently reported data, to ensure a consistent interpretation of the requirements and a standard format for Military Department use.

The six 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 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 percent 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 (DSCR), 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 percent for more than one year. For each of those projects listed, provide the relevant DSCR 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 percent from its pro forma. For those projects listed, provide the percentage 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: Military Department Reports in Response to Section 2884(c) of Title 10, United States Code

(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 percent 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.

Contextual information regarding debt service coverage ratios and financial information on future sustainment for MHPI projects begins on page four of the main report.



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

Section A1.1: Department of the Army (Army) 10 U.S.C. 2884 (c) Semi-Annual Report on Privatized Housing for Fiscal Year 2018

(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 September 30, 2018, no Army Residential Communities Initiative (RCI) (i.e., MHPI) projects had a backlog of maintenance and repair items that exceeded 20 percent of the project's maintenance and repair items for fiscal year (FY) 2018.

(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 FY 2018, no RCI projects that had completed their Initial Development Periods had debt service that exceeded net operating income or had housing occupancy rates below 75 percent 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:

Fort Hamilton: As of September 30, 2018, the Recapitalization Account (i.e., Reinvestment Account) for the Fort Hamilton project was 60.7 percent of the anticipated account balance. The Fort Hamilton project has experienced occupancy challenges in the past but improved during the reporting period to an average occupancy of 93.3 percent. The Reinvestment Account balance trailed pro forma expectations of \$9.3M by \$3.6M.

Hawaii: As of September 30, 2018, the recapitalization account for the Hawaii (Fort Shafter/Schofield Barracks) project was 67.3 percent of the anticipated account balance. The Hawaii project has started its first approved Out-year Development Plan (ODP), which includes renovations to 1,276 homes, construction of several community amenities and other ancillary work throughout the project. The total approved ODP plan is \$262.9M. The Reinvestment Account balance trailed pro forma expectations of \$104.4M by \$34.2M.

Fort Leavenworth: As of September 30, 2018, the recapitalization account for the Fort Leavenworth project was 77.4 percent of the anticipated account balance. The Fort Leavenworth project experienced occupancy challenges caused by multiple class reductions which negatively impacted cash flow. This caused the DSCR to drop well below 1.00. The project funded this shortfall out of the Reinvestment Account as approved by the Deputy Assistant Secretary of the Army for Installations, Housing and Privatization (DASA (IH&P)). The Reinvestment Account balance trailed pro forma expectations of \$9.4M by \$2.1M.



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

Fort Polk: As of September 30, 2018, the Reinvestment Account for the Fort Polk project was 74.5 percent of the anticipated account balance. The Fort Polk project continues to experience occupancy challenges. Average occupancy for the period was 88.5 percent as compared to 88.3 percent last period and pro forma of 91.4 percent. The Reinvestment Account balance trailed pro forma expectations of \$20.8M by \$5.30M.

(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 FY 2018, the Deputy Assistant Secretary of the Army for Installations, Housing, and Partnerships (DASA(IH&P)) approved Major Decisions for out-year development using Project Reinvestment Account funding for multiple projects. The Army grants approval when proposed Reinvestment Account uses are determined to be the best course of action to protect and preserve the health of a project.

Fort Bragg: Reinvestment Account withdrawals continued to fund the approved Our-Year Development Plan (ODP). The Reinvestment Account balance went from \$35.1M at the end of FY 2017 to \$21.0M at the end of FY 2018.

Fort Drum: Reinvestment Account withdrawals continued to fund demolitions, area infrastructure, new construction, and exterior renovations as detailed in the approved ODP. The Reinvestment Account balance went from \$46.1M at the end of FY 2017 to \$17.1M at the end of FY 2018.

Hawaii (Fort Shafter/ Schofield Barracks): The Hawaii project started its first approved ODP, which includes renovations to 1,276 homes, construction of several community amenities and other ancillary work throughout the project. The total approved ODP is \$262.9M. The Reinvestment Account balance went from \$81.0M at the end of FY 2017 to \$37.8M at the end of FY 2018.

Fort Leavenworth: The Fort Leavenworth project experienced occupancy challenges caused by multiple class reductions which negatively impacted cash flow. This caused the DSCR to drop well below 1.00. The project funded this shortfall out of the Reinvestment Account with approval by DASA(IH&P). The Reinvestment Account balance went from \$10.6M at the end of FY 2017 to \$8.6M at the end of FY 2018.

Fort Polk: Reinvestment account withdrawals continued to fund the approved ODP Phase 1, including minor and medium home renovations. The Reinvestment Account balance went from \$11.4M at the end of FY 2017 to \$9.4M at the end of FY 2018.

Presidio of Monterey/Naval Postgraduate School: Army DASA(IH&P) approved a Major Decision in May 2018 to fund a modified scope of the ODP, which includes four phases of work and utilizes \$96.5M in Reinvestment Account funds. Phase 1 was approved for execution to include 147 minor renovations, demolition of 176 unrenovated units, 864 new water meters, 790 new irrigation water meters and 639 water efficiency upgrades in units. Phase 2 was approved for execution to include 100 new junior enlisted single family and duplex homes. Phase 3 was approved for execution of 50 new junior enlisted single family and duplex homes, a new community clubhouse, a dog and bike park, and demolition of 156 unrenovated units. Phase 4 was approved for execution of 60 new single family and duplex officer homes.



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

Fort Stewart Unaccompanied Personnel Housing (UPH): Army DASD(IH&P) approved a Major Decision in July 2018 to spend \$366.3K from the Reinvestment Account for painting exteriors of 37 UPH buildings, the project maintenance facility, and garbage area fencing.

(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 Office of the DASA(IH&P) has received all information necessary to ensure compliance with requirements in paragraphs one through four.

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

ARMY RESPONSE:

The Army completed a review of utility rates charged to residents living in on-post housing as compared to off-post rates. In almost all cases, electricity and natural gas rates charged to residents are at or lower than those rates charged to residents living off-post. In all cases, the Army and RCI Partners review utility rates to ensure they are accurate and meet the requirements detailed in the DASA(IH&P) Policy Subject: Utility and Services Reimbursement Policy for RCI and Privatization of Army Lodging (PAL) Partnerships.

As of September 30, 2018, over 90 percent of occupied, privatized homes were in the RCI Energy Conservation Program (RECP), either in mock or live billing. Residents are billed for excess usage above a calculated baseline 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 typical buffer of five to ten percent, contingent on the RCI Project Company's business case analysis, may be added to the baseline. In accordance with the Army's 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 incur a bill; residents below the baseline plus buffer qualify for a rebate. Approximate percentages in each category as of September 30, 2018, include 29 percent of residents above the baseline, 22 percent below, and 49 percent within buffer limits and neither incurring a bill nor qualifying for a rebate. 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 of the baseline.

No resident is unduly treated because of the condition or size of their home since their utility 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 property 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 A1: Military Department Reports in Response to Section 2884(c) of Title 10, United States Code

Section A1.2: Department of the Navy (Navy) 10 U.S.C. 2884 (c) Semi-Annual Report on Privatized Housing for Fiscal Year 2018

(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:

Ohana Military Communities, LLC: There was a maintenance and repair backlog of 26 percent on average over the reporting period (FY 2018). This was primarily due to staffing vacancies and carve-outs. The estimated cost to eliminate the backlog was \$215,000 based on the average cost of approximately \$256 per call to complete a service call.

(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:

Not applicable.

(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: Experienced 54 percent negative variation from pro forma deposits due primarily to reduced revenue resulting from lower Basic Allowance for Housing (BAH) rates that result in lower rental rates / revenue, initially lower occupancy than projected, plus ongoing payments to cover deferred fees.

Mid Atlantic Military Family Communities, LLC (Navy phases): Improved from fiscal year (FY) 2017 (71 percent), this project had a 68.5 percent negative variation from pro forma deposits for FY 2018 due to higher than anticipated ongoing capital expenditures, maintenance and to legal expenses that date back to the previously reported Hampton Roads events of 2011-2012.

New Orleans Navy Housing, LLC: The project had a 63 percent negative variance from pro forma deposits in FY 2018 due to revenues continuing to be below pro forma projections. The project suffered from hurricane damages and resulting high vacancies in the earlier years of operation. In FY 2018, the tenant mix was comprised of lower paying occupants (civilians and lower ranked military) than pro forma projections. These factors have lessened the cash flow to the recapitalization accounts.

Pacific Northwest Communities, LLC: The project had a 380 percent positive variance from pro forma deposits in FY 2018 due to favorable occupancy (new development occupied more rapidly than projected and at higher paygrades) and BAH increases of six percent (weighted average) which exceeds pro forma assumptions.



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

South Texas Military Housing, LP: A 67 percent negative variance from pro forma deposits occurred in FY 2018 due to low revenue caused by a lack of online units. The project was impacted by Hurricane Harvey which struck in August 2017. Due to extensive hurricane damage and slow repair progress, average number of online units in FY 2018 was only 309 compared to 406 in FY 2017. At 95 percent average occupancy, an average of 295 units were occupied and providing revenue during FY 2018.

(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:

Not applicable.

(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:

Not applicable.

(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. The Navy's 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.

b. Each month the average usage for the LTGs 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 five percent 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 ten percent 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 offset costs if future monthly usage is above the normal usage band. Residents over the normal usage band must pay when their accumulated amount owed exceeds \$25.00.



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

Section A1.3: Department of the Air Force (Air Force) 10 U.S.C. 2884 (c) Semi-Annual Report on Privatized Housing for Fiscal Year 2018

(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 percent or greater as of September 30, 2018.

(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:

None of the projects in the Air Force portfolio had debt that exceeded net operating income for more than one year or an average monthly occupancy of below 75 percent for more than one year as of September 30, 2018. Three projects (Offutt Air Force Base (AFB), JBER III, and Robins I) had months of shortfalls of net operating income relative to debt during the reporting period, but not sustained for more than one year.

(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: A 100.0 percent variance. The Recapitalization Account (i.e., Reinvestment Account) was behind the pro forma plan by \$5.0M at the end of FY 2018.

AETC Group I: A 49.5 percent variance. The Reinvestment Account was behind the pro forma plan by \$5.7M at the end of FY 2018.

AETC Group II: A 90.4 percent variance. The Reinvestment Account was behind the pro forma plan by \$10.7M at the end of FY 2018. The project's pro forma anticipated that the Preferred Return balance would have been paid off by September 2014, at which time the Reinvestment Account would begin to receive cash flow deposits. Cash flow deposits to the Reinvestment Account are not projected to commence until after the Preferred Return balance is paid off in April 2019.

AMC East: A 70.0 percent variance. The Reinvestment Account was behind the pro forma plan by \$8.5M as of September 30, 2018, and the project has used \$19.1M of Reinvestment Account funds whereas the pro forma did not forecast withdrawals until CY 2024. The Reinvestment Account funded work on a fire damaged house (which should be reimbursed by insurance), siding re-clad projects at MacDill AFB, sustainment needs, a water conservation project, and window modifications at MacDill AFB. The project also funded a patio construction at Joint Base (JB) Andrews during FY 2018.



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

BLB: A 97.7 percent variance. The Reinvestment Account was behind the pro forma plan by \$710.7K at the end of FY 2018 because of amounts owed to the Design Builder and Project Owner for Deferred Fees and Preferred Return Balances that must be paid off before cash flow splits to the Reinvestment Account will commence. As of September 30, 2018, the project owed \$21.6M in Deferred Fees and \$50.0M to the Project Owner for an outstanding Preferred Return. Forecasts indicate funds will not be sufficient to pay off these obligations and fund the Reinvestment Account before the end of the ground lease term under the status quo.

Buckley: An 86.5 percent variance. The Reinvestment Account has not been funded and was behind the pro forma plan by \$2.3M as the end of FY 2018 because the project has an \$8.5M Deferred Fee that must be paid off before cash flow splits to the Reinvestment Account will commence.

Continental: A 100.0 percent variance. The Reinvestment Account was behind the pro forma plan by \$1.7M at the end of FY 2018 because of an extension of the IDP from September 2018 to December 2021. As a result, no deposits have been made to the Reinvestment Account.

Dover: A 100.0 percent variance. The Reinvestment Account has not been funded and was behind the pro forma plan by \$700,000 as of September 30, 2018, because the project has a \$14.5M Deferred Fee that must be paid off before cash flow splits to the Reinvestment Account will commence.

Joint Base Elmendorf Richardson (JBER) Group I (aka Elmendorf AFB I): A 28.4 percent variance. As of September 30, 2018, the Reinvestment Account had a balance of \$20.8M, which was \$7.3M behind the pro forma plan. The pro forma projected 97.0 percent occupancy, but by the end of September 2018, occupancy was at 89.5 percent. The trailing 12-month revenue at the end of September 2018 was only 93.4 percent of pro forma projections. While the BAH rate at the Joint Base Elmendorf Richardson I project was 106.1 percent of pro forma, it had decreased 12.3 percent since 2014 compared to pro forma. The pro forma was over-optimistic when it came to occupancy and revenue, leading to a shortfall in the Reinvestment Account when compared to pro forma projections.

Falcon Group: A 42.3 percent variance. The Reinvestment Account was behind the pro forma plan by \$8.1M as of September 30, 2018, because: 1) BAH rates dropped for three straight years; 2) Little Rock AFB struggled with occupancy below 90 percent for two years; 3) Hanscom and Little Rock AFBs have not yet implemented a utility allowance, so they have not realized savings from conservation; and 4) the project had to use \$2.5M of Reinvestment Account funds in 2016 for a mold remediation project at Patrick AFB.

Joint Base Elmendorf Richardson (JBER) Group III: A 41.1 percent variance. As of September 30, 2018, the Reinvestment Account had a balance of \$17.1M, which was \$11.9M behind the pro forma plan. The pro forma projected 97.0 percent occupancy, but by the end of September 2018, occupancy was at 93.7 percent. While the trailing 12-month revenue at the end of September 2018 was 101.1 percent of pro forma projections, the trailing 12-month operating expenses were 111.4 percent of pro forma projections. Additionally, the BAH rate at JBER III had been steadily decreasing since 2014 compared to forecasted rates until finally in CY 2018, it was only 91.6 percent of pro forma, with a resultant reduction in rental rates / revenue. The pro forma was over-optimistic



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

when it came to occupancy, BAH rates, and operating expenses, leading to a shortfall in the reinvestment account when compared to pro forma projections.

Lackland: An 86.7 percent variance. During the reporting period, Lackland AFB disbursed \$1.3M of Reinvestment Account funds for the demolition of Zachary homes (24 units) due to unanticipated safety concerns. This unanticipated expense resulted in the unfavorable \$7.6M variance to pro forma.

Nellis: A 100 percent variance. The Reinvestment Account has not been funded and was behind the pro forma plan by \$9.7K at the end of FY 2018 because the project has \$1.2M in outstanding liabilities (short-term equity contributions, asset management fees, performance incentive fees, and property management fees) that must be paid off before cash flow splits to the Reinvestment Account will commence.

Offutt: A 100 percent variance. The Reinvestment Account has not been funded and was behind the pro forma plan by \$2.6M at the end of FY 2018 due to cash flow shortfalls that have hindered the project's ability to complete IDP demolition requirements. Without a restructure, forecasts indicate Reinvestment Account deposits will not commence until approximately 2029 after the project first funds a \$3.3M demolition account.

Robins II: A 91.7 percent variance. The Reinvestment Account has only been marginally funded due to a prior existing Deferred Fee balance and an existing \$5.1M Preferred Return Balance. The project paid off its Deferred Fees in August 2017, and as a result, now ten percent of excess available cash flow will go to the Reinvestment Account while the remaining 90 percent will go to pay down the outstanding Preferred Return balance. Forecasts indicate cash flow will not be sufficient to pay off the Preferred Return during the remaining ground lease term.

Scott: A 100 percent variance. No funds have been deposited into the Reinvestment Account because of outstanding Preferred Return and Deferred Fee Balances (\$93.1M as of the end of this reporting period), which must be paid off before cash flow splits to the Reinvestment Account will commence. Forecasts indicate cash flow will not be sufficient to pay off the Preferred Return and Deferred Fee during the remaining ground lease term.

Tri-Group: A 100.0 percent variance. The Reinvestment Account has not been funded and is \$3.4M behind the pro forma plan due to an \$8.6M Preferred Return Balance. Forecasts indicate the project will pay off the Preferred Return in CY 2020, at which time cash flow splits to the Reinvestment Account will commence.

(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:

Lackland: The Project Owner revised the sustainment plan to prioritize demolition of 148 Capehart homes. As a result, 24 Zachary homes were demolished in September 2018 for a total of \$1.3M (44 percent of the available Reinvestment Account funds).



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

No other projects in the Air Force portfolio had a withdrawal of 20 percent or greater from the Reinvestment 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:

Not applicable.

(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:

The utility rates members of the armed forces pay while living in privatized housing are less than or equal to the utility rates in the local area.

During the FY 2018 reporting period, 38 of 68 Air Force project locations had implemented utility allowances whereby Service members are credited with an allowance to pay their electricity and gas bills. Each unit received a monthly utility allowance, which was calculated as the monthly average consumption for like-type homes multiplied by the appropriate utility rate. The allowance residents received, and the bills residents paid, were based on the commodity rates the project paid. If the project pays a local utility company, the rates are those of the local utility company. If the project pays the installation on a reimbursable basis, the rates are those that the installation charges the project (the government rate which is usually less than the local rate). Servicemembers use that allowance to pay for their consumption. At projects that have not yet implemented a utility allowance, residents are not directly affected by utility rates because they are not accountable for their electricity and gas consumption. All projects are expected to implement a utility allowance during their ground lease terms.



Attachment A2: MHPI Family Housing Projects Awarded

The following is a chronological list of partial and full base family housing privatization project phases awarded by the Military Departments from 1996 through September 30, 2018.

Military Department	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	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)* [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	Tri-Command Military Housing* [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)* [NS San Diego, CA]
Army	Fort Bragg, NC
Navy	MCB Camp Pendleton (Phase II), CA/MCB Quantico, VA*
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)* [JB Pearl Harbor-Hickam – NS Pearl Harbor, HI]
Army	Fort Hamilton, NY
Army	Fort Detrick, MD/Walter Reed Army Medical Center, DC



Attachment A2: MHPI Family Housing Projects Awarded

(Table continued)

Military Department	Project Name [Locations]
Air Force	Buckley AFB, CO
Air Force	JBER II [JB Elmendorf-Richardson – Elmendorf AFB, AK]
Navy	MCB Camp Lejeune/MCAS Cherry Point (Phase II)* [MCB Camp Lejeune, NC; MCAS Cherry Point, NC; and MCAS New River, NC]
Navy	MCB Camp Pendleton (Phase IV), CA*
Navy	Hawaii Regional (Phase II)* [MCB Hawaii (MCBH) Kaneohe Bay, HI]
Navy	Hawaii Regional (Phase III)* [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*
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; Submarine Base (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)* [NSA Mid-South, TN]
Navy	San Diego Naval Complex (Phase IV)* [Naval Air Weapons Station (NAWS) China Lake, CA; NAS Lemoore, CA; Naval Base (NB) Ventura County, CA; Naval Air Facility (NAF) El Centro, CA; Weapons Station (WPNSTA) Seal Beach, CA; and NAS Fallon, NV]
Navy	Hawaii Regional (Phase IV)* [MCBH Kaneohe Bay, HI]
Navy	MCB Camp Lejeune/Cherry Point (Phase III)* [MCB Camp Lejeune, NC; MCAS Cherry Point, NC; MCAS New River, NC; and Westover Air Reserve Base (ARB), MA]
Navy	MCB Camp Pendleton (Phase V), CA/Marine Corps Logistics Base (MCLB) Albany, GA*
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



Attachment A2: MHPI Family Housing Projects Awarded

(Table continued)

Military Department	Project Name [Locations]
Army	Fort Jackson, SC
Army	Fort Polk, LA
Navy	MCAS Yuma, AZ/MCB Camp Pendleton (Phase III), CA*
Army	Fort Shafter, HI/Schofield Barracks, HI
Navy	Northeast Regional [JB McGuire-Dix-Lakehurst – Naval Air Engineering Station (NAES) Lakehurst, NJ; 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 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*
Navy	Northwest Regional [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)* [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	Marine Corps Air Ground Combat Center (MCAGCC) Twentynine Palms, CA/Marine Corps Mobilization Command (MOBCOM) Kansas City, MO*
Navy	MCB Camp Lejeune/MCAS Cherry Point (Phase IV)* [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)* [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)* [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 A2: MHPI Family Housing Projects Awarded

(Table continued)

Military Department	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	Mid-Atlantic Regional (Phase II)* [NSA Mechanicsburg, PA]
Army	Aberdeen Proving Ground, MD
Navy	Mid-Atlantic Regional (Phase III)* [MCB Camp Lejeune (Phase IV), NC]
Navy	San Diego Naval Complex (Phase V)* [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	MCB Camp Pendleton (Phase VI)* [MCAGCC Twentynine Palms (Phase II), CA]
Navy	Hawaii Regional (Phase V)* [MCBH Kaneohe Bay, HI]
Navy	MCB Camp Pendleton (Phase VII), CA*
Navy	MCB Camp Pendleton (Phase VIII)* [MCAGCC Twentynine Palms (Phase III), CA]
Navy	MCB Camp Pendleton (Phase IX), CA*
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)* [NB Ventura County, CA]
Navy	Hawaii Regional (Phase VI)* [MCBH Kaneohe Bay, HI]

* 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, III, and IV; 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; MCB Camp Pendleton Phase VI/MCAGCC Twentynine Palms Phase II; MCB Camp Pendleton Phase VII; MCB Camp Pendleton Phase VIII/MCAGCC Twentynine Palms Phase III; and MCB Camp Pendleton Phase IX.

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 A3: MHPI Family and Unaccompanied Housing Project Scope

Throughout this report, the expressed size of the individual privatized projects is the Initial Development Plan (IDP) scope that was approved by the Office of the Secretary of Defense (OSD) and the Office of Management and Budget (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.

The below table identifies, 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, 2018. Existing inventory may exceed approved and/or actual unit scope (e.g., homes may not be demolished until new homes are constructed due to lender requirements to keep a certain minimum number of units online, available for rent).

MHPI Family and Unaccompanied Housing Project Scope and Existing Inventory (Online + Offline)

Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope as of 9/30/18	Actual Unit Scope as of 9/30/18	Existing Inventory as of 9/30/18
FAMILY HOUSING					
Army	Aberdeen Proving Ground	Corvias Military Living	372	372	950
Army	Fort Belvoir	Clark Pinnacle Family Communities	2,070	2,154	2,154
Army	Fort Benning	Clark Pinnacle Family Communities	4,200	4,000	4,001
Army	Fort Bliss / White Sands Missile Range	Balfour Beatty Communities	4,409	4,843	4,841
Army	Fort Bragg	Corvias Military Living	6,238	6,238	6,150
Army	Fort Campbell	Lendlease	4,455	4,457	4,457
Army	Carlisle Barracks / Picatinny Arsenal	Balfour Beatty Communities	348	348	348
Army	Fort Carson	Balfour Beatty Communities	3,456	3,368	3,438
Army	Fort Detrick / Walter Reed Army Medical Center	Balfour Beatty Communities	590	593	593
Army	Fort Drum	Lendlease	3,669	3,793	3,743
Army	Joint Base (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	887	1,080	1,080
Army	Fort Hamilton	Balfour Beatty Communities	228	228	228



Attachment A3: MHPI Family and Unaccompanied Housing Project Scope

(Table continued)

MHPI Family and Unaccompanied Housing Project Scope and Existing Inventory (Online + Offline)					
Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope as of 9/30/18	Actual Unit Scope as of 9/30/18	Existing Inventory as of 9/30/18
FAMILY HOUSING (continued)					
Army	Fort Hood	Lendlease	5,912	5,912	5,614
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	2,982	2,900	2,895
Army	Fort Jackson	Balfour Beatty Communities	850	850	850
Army	Fort Knox	Lendlease	2,553	2,563	2,382
Army	Fort Leavenworth	Michaels Military Housing	1,583	1,583	1,695
Army	Fort Lee	Hunt Companies/Falcon Properties	1,590	1,508	1,508
Army	Fort Leonard Wood	Balfour Beatty Communities	1,806	1,806	1,806
Army	Fort Meade	Corvias Military Living	3,170	2,627	2,628
Army	Fort Polk	Corvias Military Living	3,773	3,661	3,661
Army	JB Lewis-McChord ²	Lincoln Property Company	4,964	4,994	5,161
Army	Presidio of Monterey / Naval Postgraduate School	Clark Pinnacle Family Communities	2,209	1,565	2,580
Army	Redstone Arsenal	Hunt Companies	230	230	354
Army	Fort Riley	Corvias Military Living	3,514	3,827	3,829
Army	Fort Rucker	Corvias Military Living	1,476	1,476	1,476
Army	Joint Base San Antonio – Fort Sam Houston	Lincoln Property Company	925	925	925
Army	Fort Shafter/Schofield Barracks	Lendlease	7,894	7,240	8,151
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	3,404
Army	Fort Wainwright / Fort Greely	Lendlease	1,815	1,815	1,932
Army	West Point	Balfour Beatty Communities	824	824	825
Army MHPI Family Housing Total			86,649	85,212	87,872



Attachment A3: MHPI Family and Unaccompanied Housing Project Scope

(Table continued)

MHPI Family and Unaccompanied Housing Project Scope and Existing Inventory (Online + Offline)					
Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope as of 9/30/18	Actual Unit Scope as of 9/30/18	Existing Inventory as of 9/30/18
FAMILY HOUSING (continued)					
Navy	Marine Corps Base (MCB) Camp Pendleton I	Hunt Companies	712	714	714
Navy	Cherry Point/Camp Lejeune Overview (Atlantic Marines)	Lendlease	8,060	7,973	7,931
Navy	Corpus Christi/Kingsville I ³	Landmark Residential, LLC	404	404	0
Navy	Naval Station (NS) Everett I ⁴	Dujardin Development	185	185	0
Navy	NS Everett II ⁵	Gateway Development Group and CED Military Group	288	288	0
Navy	Hawaii Regional ⁶	Hunt Companies	7,062	7,041	7,063
Navy	Naval Air Station (NAS) Kingsville II	Hunt Companies	150	150	150
Navy	Mid-Atlantic Regional	Lincoln Family Communities, LLC	6,702	6,237	6,382
Navy	Midwest Regional ⁶	Hunt Companies	1,719	1,719	2,199
Navy	NAS Joint Reserve Base New Orleans	Patrician Development	941	936	936
Navy	Northeast Regional	Balfour Beatty Communities	4,264	2,950	3,451
Navy	Northwest Regional ⁶	Hunt Companies	3,369	3,369	3,502
Navy	PE/QU/YU (Camp Pendleton II)	Hunt/Lincoln/Clark	11,468	11,126	11,495
Navy	San Diego Naval Complex Overview	Lincoln/Clark San Diego LLC	12,992	12,987	13,015
Navy	South Texas	Landmark Organization (Faulkner USA)	665	417	417
Navy	Southeast Regional	Balfour Beatty Communities	4,468	4,673	5,260
Navy MHPI Family Housing Total			63,449	61,169	62,515



Attachment A3: MHPI Family and Unaccompanied Housing Project Scope

(Table continued)

MHPI Family and Unaccompanied Housing Project Scope and Existing Inventory (Online + Offline)					
Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope as of 9/30/18	Actual Unit Scope as of 9/30/18	Existing Inventory as of 9/30/18
FAMILY HOUSING (continued)					
Air Force	Air Combat Command (ACC) Group II	Lendlease	1,838	1,884	2,249
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 ⁶	Hunt Companies	427	425	669
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	2,574
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	3,976
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	2,083	2,084	2,212



Attachment A3: MHPI Family and Unaccompanied Housing Project Scope

(Table continued)

MHPI Family and Unaccompanied Housing Project Scope and Existing Inventory (Online + Offline)					
Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope as of 9/30/18	Actual Unit Scope as of 9/30/18	Existing Inventory as of 9/30/18
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	4,501
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 ⁶	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 MHPI Family Housing Total			53,331	53,237	55,858
MHPI Family Housing Total			203,429	199,618	206,245



Attachment A3: MHPI Family and Unaccompanied Housing Project Scope

(Table continued)

MHPI Family and Unaccompanied Housing Project Scope and Existing Inventory (Online + Offline)					
Military Department	Project ¹	Developer/Partner Name	Approved Unit Scope as of 9/30/18	Actual Unit Scope as of 9/30/18	Existing Inventory as of 9/30/18
UNACCOMPANIED HOUSING (APARTMENTS / BEDROOMS)⁷					
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	434 / 819
Army	Fort Stewart	Balfour Beatty Communities	334 / 370	334 / 370	334 / 370
Army MHPI Unaccompanied Housing (Apartments / Bedrooms) Total			1,590 / 2,408	1,590 / 2,408	1,592 / 2,411
Navy	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	NS San Diego	California Naval Communities, LLC	1,199 / 2,398	1,199 / 2,398	1,199 / 2,398
Navy MHPI 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	4,704 / 8,491

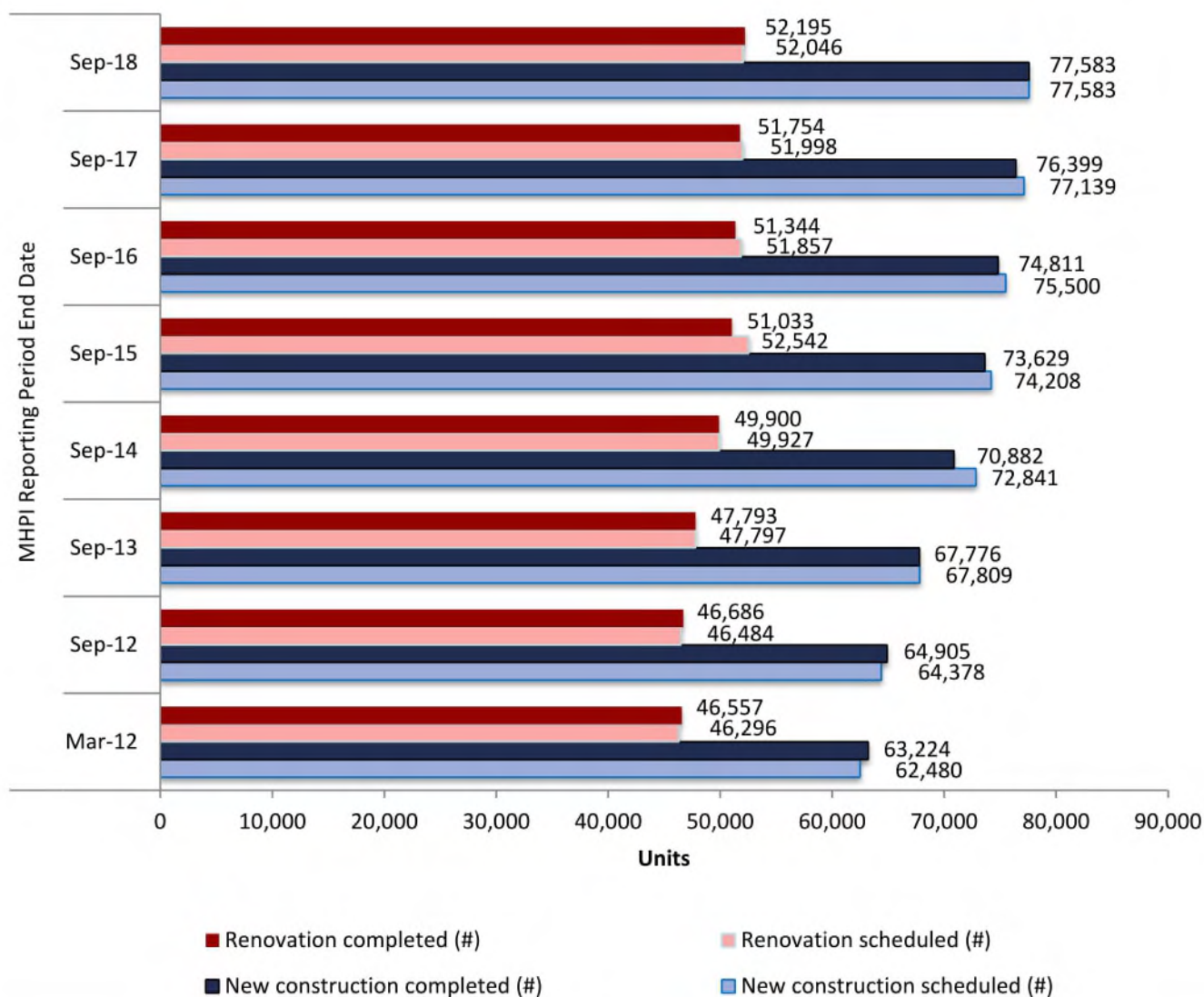
1. For reporting purposes, the following projects are combined and reported as single projects:
 - A. San Diego Naval Complex Overview: San Diego Phases I, II, III, IV, V, and VI.
 - B. Cherry Point/Camp Lejeune Overview (Atlantic Marine Corps Communities - AMCC): MCB Camp Lejeune/MCAS Cherry Point Phases 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; MCB Camp Pendleton Phase VI/MCAGCC Twentynine Palms Phase II; MCB Camp Pendleton Phase VII; MCB Camp Pendleton Phase VIII/MCAGCC Twentynine Palms Phase III; and MCB Camp Pendleton Phase IX..
 - 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. The original MHPI developer/partner, Equity Residential, sold its interest in the JB Lewis-McChord project to Lincoln Property Company in FY 2016.
3. Project sold in FY 2016: no longer MHPI.
4. Project sold prior to FY 2014: no longer MHPI.
5. Project sold in FY 2017: no longer MHPI.
6. The original MHPI developer/partner, Forest City Enterprises Inc., sold its interest in all MHPI projects to the Hunt Companies in FY 2016.
7. Unaccompanied existing inventory shows existing apartments and existing bedrooms.



Attachment A4: MHPI Family Housing Development

The chart below graphically illustrates how completed Initial Development Plan (IDP) construction and renovation for the last several reporting periods compares to IDP construction and renovation scheduled for delivery since March 2012.

Scheduled and Completed Construction and Renovation through September 30, 2018, Cumulative Basis





Attachment A5: MHPI Family Housing Occupancy and Tenant Demographics

The table below summarizes MHPI family housing occupancy for homes available to be leased (i.e., on-line units) as of September 30, 2018, with data for four prior fiscal years.

MHPI Family Housing Occupancy at Fiscal Year End, FY 2014 – FY 2018

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	% Change from FY 2017 to FY 2018
Army MHPI Family Housing Occupancy	92.8%	91.2%	91.3%	92.0%	93.2%	1.2%
Navy MHPI Family Housing Occupancy	94.3%	94.5%	94.8%	93.9%	94.9%	1.0%
Air Force MHPI Family Housing Occupancy	94.0%	95.6%	95.1%	94.3%	94.9%	0.6%
MHPI Family Housing Occupancy Rate	93.6%	93.4%	93.4%	93.2%	94.2%	1.0%

The alternative tenant waterfall serves as a risk mitigation tool to improve MHPI project occupancy, but the percentage of alternative tenants remains small compared to the number of military families the program serves. Details on waterfall tenants living in privatized housing are provided in the table below.

Tenant Waterfall Occupancy of MHPI Family Housing at Fiscal Year End, FY 2014 – FY 2018

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
TARGET TENANTS					
Military Families	175,186	174,218	172,708	169,905	170,447
NON-TARGET TENANTS					
Unaccompanied Military	4,281	5,310	5,761	5,670	6,682
Military Retirees	1,844	2,685	3,404	4,040	4,118
Federal Employees	2,891	3,477	3,979	4,752	5,174
Other Civilians	3,480	4,069	4,148	4,601	5,693
Total Non-Target Tenants (Tenant Waterfall)	12,496	15,541	17,292	19,063	21,667
Total Occupancy	187,682	189,759	190,000	188,968	192,114
Waterfall Tenants as a Percent of Total Occupancy	6.7%	8.2%	9.1%	10.1%	11.2%



Attachment A6: MHPI Project Debt Service Coverage Ratios

A Debt Service Coverage Ratio (DSCR) of 1.25 implies that a project's available cash is 25 percent 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. The below table provides a summary of DSCR data for the 73 current MHPI family housing and unaccompanied (apartment) housing projects that had completed their Initial Development Periods (IDPs) as of September 30, 2018, meaning they should have sufficient rental revenue to meet debt service requirements. The projects that completed their IDPs during FY 2018 are in **bold green font**.

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

Project	Average Actual Senior Loan DSCR in FY 18	Required Minimum Senior Loan DSCR to Avoid Default	Average Actual Combined DSCR Including Subordinate (Junior) Loan in FY 18	Required Minimum Combined Senior & Junior Loan DSCR to Avoid Default	IDP Completion Date
ACC Group II	1.45	N/A	1.41	N/A	Feb-15
AETC Group I	1.34	N/A	1.19	N/A	Dec-11
AETC Group II	1.58	N/A	N/A	N/A	Oct-10
AMC East	1.43	N/A	N/A	N/A	Apr-14
AMC West	2.29	N/A	1.52	N/A	Jun-15
BLB	1.56	N/A	1.11	N/A	Sep-14
Buckley AFB	2.14	N/A	1.44	N/A	Aug-07
Camp Pendleton I	2.25	1.25	N/A	N/A	Feb-04
Carlisle Barracks / Picatinny Arsenal	2.54	N/A	N/A	N/A	Apr-11
Dover AFB	1.68	N/A	1.21	N/A	Jan-09
Dyess AFB	1.75	N/A	N/A	N/A	Sep-02
Elmendorf AFB I	2.37	N/A	1.41	N/A	Sep-03
Elmendorf AFB II	2.1	N/A	1.37	N/A	Dec-06
Everett I (sold, no longer MHPI)	N/A	N/A	N/A	N/A	N/A
Everett II (sold, no longer MHPI)	N/A	N/A	N/A	N/A	N/A
Falcon Group	1.48	N/A	1.33	N/A	Jun-13
Fort Belvoir	1.56	N/A	N/A	N/A	Nov-11
Fort Benning	1.48	N/A	0.0	N/A	Sep-16
Fort Bliss / White Sands Missile Range	1.35	N/A	N/A	N/A	Jun-11
Fort Bragg FH & UH	1.45	1.00	N/A	N/A	Jun-16, Sep 18
Fort Campbell	1.94	N/A	N/A	N/A	Mar-11
Fort Carson	2.04	N/A	N/A	N/A	Nov-04
Fort Detrick / Walter Reed AMC	1.36	1.00	N/A	N/A	Jul-08
Fort Drum FH & UH	1.45, N/A	N/A	N/A	N/A	Feb-11, May-09
Fort Eustis / Fort Story	1.50	N/A	N/A	N/A	Nov-10



Attachment A6: MHPI Project Debt Service Coverage Ratios

Fort Gordon	1.75	N/A	N/A	N/A	Apr-12
Fort Hamilton	1.60	N/A	N/A	N/A	Nov-09
Fort Hood	2.41	N/A	N/A	N/A	Jun-06
Fort Huachuca / Yuma Proving Ground	1.21	N/A	N/A	N/A	Apr-15
Fort Irwin / Moffett / Parks FH	1.16, N/A	N/A	N/A	N/A	Apr-16, Jun-11
Fort Jackson	1.47	N/A	N/A	N/A	Jan-15
Fort Knox	1.30	N/A	N/A	N/A	Jan-19
Fort Lee	2.11	N/A	N/A	N/A	Sep-15
Fort Leonard Wood	1.27	N/A	N/A	N/A	Oct-14
Fort Meade	1.37	1.00	N/A	N/A	May-12
Fort Polk	1.27	1.00	N/A	N/A	Oct-15
Fort Riley	1.27	N/A	0.0	N/A	Nov-16
Fort Rucker	1.40	N/A	N/A	N/A	Jan-15
Fort Sam Houston	1.78	N/A	N/A	N/A	Mar-10
Fort Shafter/Schofield Barracks	1.78	N/A	N/A	N/A	Jun-18
Fort Sill	1.63	N/A	N/A	N/A	Aug-17
Fort Stewart FH	1.56, 0.75	1.00	N/A	N/A	Dec-13, Oct-09
Hampton Roads	1.22	N/A	N/A	N/A	Jul-10
Hickam AFB	1.25	N/A	1.17	N/A	Sep-13
Hill AFB	3.83	N/A	2.36	N/A	Dec-13
JB Elmendorf-Richardson (JBER)	1.75	N/A	1.12	N/A	Nov-13
JB McGuire-Dix-Lakehurst	2.15	N/A	1.83	N/A	Dec-11
Kingsville I (sold, no longer MHPI)	N/A	N/A	N/A	N/A	N/A
Kingsville II	2.89	1.45	2.02	N/A	Aug-02
Kirtland AFB	2.12	N/A	1.48	N/A	Aug-06
Lackland AFB	1.81	N/A	1.16	N/A	Jun-13
MidAtlantic	1.29	N/A	N/A	N/A	Mar-15
Nellis AFB	1.46	N/A	1.38	N/A	Jan-11
New Orleans	1.53	1.25	N/A	N/A	Dec-03
Northeast Regional	1.36	N/A	N/A	N/A	Oct-10
Presidio of Monterey / NPS	1.60	N/A	N/A	N/A	Nov-14
Redstone Arsenal	2.09	N/A	N/A	N/A	Mar-09
Robins AFB I	1.46	N/A	0.93	N/A	Jun-02
Robins AFB II	1.50	N/A	N/A	N/A	Feb-12
San Diego UH	1.76	1.20	N/A	N/A	Mar-09
Scott AFB	1.51	N/A	1.31	N/A	Feb-09
South Texas	0.88	1.10	N/A	N/A	May-05
Southeast Regional	1.66	1.15	N/A	N/A	Sep-13
Southern Group	1.82	N/A	1.34	N/A	Jul-16
Tri-Group	1.39	N/A	N/A	N/A	Dec-14
Vandenberg AFB	1.51	N/A	N/A	N/A	Mar-13
West Point	1.80	N/A	N/A	N/A	Jul-16
Western Group	2.74	N/A	1.88	N/A	Feb-17
Wright-Patterson AFB	7.31	N/A	6.17	N/A	Feb-06



Attachment A7: MHPI Unaccompanied Housing Development and Occupancy

As of September 30, 2018, cumulative MHPI program development in the unaccompanied housing (apartments) portfolio includes 3,723 new or replacement unaccompanied housing units (6,660 bedrooms) and 39 major/medium renovations to existing unaccompanied housing units (39 bedrooms). All MHPI unaccompanied housing (apartment) development that has been scheduled for development is currently completed.

MHPI Unaccompanied Housing Scheduled and Completed Construction and Renovation through September 30, 2018

As of Date	Apartment Units				Bedrooms			
	Renovated		New Construction		Renovated		New Construction	
	Scheduled	Completed	Scheduled	Completed	Scheduled	Completed	Scheduled	Completed
ARMY UNACCOMPANIED HOUSING								
30-Sep-18	0	0	1,592	1,592	0	0	2,411	2,411
30-Sep-17	0	0	1,520	1,520	0	0	2,278	2,278
30-Sep-16	0	0	1,520	1,520	0	0	2,278	2,278
30-Sep-15	0	0	1,520	1,520	0	0	2,278	2,278
30-Sep-14	0	0	1,270	1,146	0	0	1,806	1,596
30-Sep-13	0	0	1,038	1,038	0	0	1,394	1,394
NAVY UNACCOMPANIED HOUSING								
30-Sep-18	39	39	2,131	2,131	39	39	4,249	4,249
30-Sep-17	39	39	2,131	2,131	39	39	4,249	4,249
30-Sep-16	39	39	2,131	2,131	39	39	4,249	4,249
30-Sep-15	39	39	2,131	2,131	39	39	4,249	4,249
30-Sep-14	39	39	2,131	2,131	39	39	4,249	4,249
30-Sep-13	39	39	2,131	2,131	39	39	4,249	4,249



Attachment A7: MHPI Unaccompanied Housing Development and Occupancy

As of September 30, 2018, MHPI tenants occupied 93.9 percent of unaccompanied housing apartments available to be leased, approximately the same as the previous year.

MHPI Unaccompanied Housing Occupancy at Fiscal Year End, FY 2014 – FY 2018

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	% Change from FY 2017 to FY 2018
Army UH Apartments Occupancy Rate (Units/Bedrooms)	90.6% / 90.6%	87.4% / 87.0%	86.7% / 87.5%	85.8% / 86.8%	Bedrooms 86.4%	-0.4%
Navy UH Apartments Occupancy Rate (Units/Bedrooms)	96.4% / 96.4%	97.9% / 97.9%	96.9% / 97.0%	96.5% / 96.4%	Bedrooms 96.8%	0.4%
MHPI UH Apartments Occupancy Rate (Units/Bedrooms)	94.9% / 95.3%	94.7% / 95.2%	93.4% / 94.4%	92.6% / 93.8%	Bedrooms 93.9%	0.1%

The alternative tenant waterfall serves as a risk mitigation tool to improve MHPI project occupancy, but the percentage of alternative tenants is small compared to the number of unaccompanied military personnel the program serves. Details on waterfall tenants living in privatized unaccompanied housing are provided in the table below.

Tenant Waterfall Occupancy of MHPI Unaccompanied Housing at Fiscal Year End, FY 2018

Tenant Demographic	FY 2018
TARGET TENANTS	
Unaccompanied Military	7,481
NON-TARGET TENANTS	
Military Families	0
Military Retirees	45
Federal Employees	313
Other Civilians	494
Total Non-Target Tenants (Tenant Waterfall)	852
Total Occupancy	8,333
Waterfall Tenants as a Percent of Total Occupancy	10.2%



Attachment A8: MHPI Resident Satisfaction

This report provides average resident satisfaction rating data for the reporting period October 1, 2017, through September 30, 2018. The MHPI resident satisfaction survey results provided in this report reflect the annual general resident satisfaction survey conducted on behalf of the Military Departments. One primary independent survey company performed the resident satisfaction surveys completed for all MHPI projects in FY 2018, with the exception of the resident satisfaction surveys for Joint Base Elmendorf-Richardson (JBER) III (Air Force), which were conducted by a local survey provider.

An annual MHPI resident satisfaction survey was not conducted during FY 2018 for the following projects: NAS Joint Reserve Base New Orleans (Navy); South Texas (Navy); JBER I (Air Force); JBER II (Air Force); and Wright-Patterson AFB (Air Force). The reasons for the lack of an annual survey at these locations vary by project, but in at least two cases the scheduled FY 2018 survey was delayed until early FY 2019 due to unforeseen events. In FY 2020, DoD put in place measures to ensure that all MHPI housing projects, and all installations with MHPI housing, are included in each year's annual Military Department survey of MHPI resident satisfaction effective in FY 2020.

The below discussion focuses on the survey process and findings from the FY 2018 primary MHPI resident survey contractor, but information about the JBER resident satisfaction surveys is provided at footnotes one and two on page six of Attachment A8.

The survey provider obtained an email address for each occupied MHPI housing unit from the MHPI project company. The survey provider emailed each household, distributing surveys to 184,345 MHPI family and unaccompanied apartment residents during FY 2018, with 80,342 surveys returned, a very good overall survey participation and response rate of 43.6 percent.

One residents for each household responds online to each survey question using a five-point Likert scale:²

- 5: Very Satisfied or Strongly Agree
- 4: Satisfied or Agree
- 3: Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree, Neutral
- 2: Dissatisfied or Disagree
- 1: Very Dissatisfied or Strongly Disagree
- 0: Not Applicable, No Opinion, Don't Know, or No Answer

To help interpret results, the surveys are coded to indicate whether the respondent resides in a newly constructed housing unit, renovated/revitalized housing unit, or an unrenovated/unimproved housing unit, as defined by the government housing team specific.

The survey provider's proprietary scoring system aggregates the respondents' answers by grouping them into three overall categories termed Satisfaction Indexes, and into nine sub-categories termed Business Success Factors. The three Satisfaction Indexes provide the highest-level overview and offer a snapshot of how an MHPI project owner/property manager, project, installation, or single neighborhood is performing, with rankings categorized in the eight ratings summarized in the following table.

² The surveys are tracked by address to ensure that only one response from each household is considered.



Attachment A8: MHPI Resident Satisfaction

Index Scores and Performance Levels	
Outstanding = 85 to 100	Below Average = 65 to 69
Very Good = 80 to 84	Poor = 60 to 64
Good = 75 to 79	Very Poor = 55 to 59
Average = 70 to 74	Crisis = Below 55

- The Overall Satisfaction Index is a composite measure of Resident satisfaction with both the service provided and the physical property. The Overall Satisfaction Index for FY 2018 was 81.5 for the MHPI portfolio, compared to 81.1 for FY 2017.
- The Property Satisfaction Index is a composite measure of Resident satisfaction with the physical property. The Property Satisfaction Index for FY 2018 was 80.2 for the MHPI portfolio, compared to 80.0 for FY 2017.
- The Service Satisfaction Index is a composite measure of Resident satisfaction with the service provided by the management team. The Service Satisfaction Index for FY 2018 was 82.3 for the MHPI portfolio, compared to 81.9 for FY 2017.



Attachment A8: MHPI Resident Satisfaction

Section A8.1: Resident Satisfaction with Property, Services and Overall

The MHPI Portfolio improved its Overall, Property and Service satisfaction scores over the previous reporting year, although the relative change varied across the portfolio. Note the below table highlights the MHPI installations with small resident populations (less than 100 homes) in yellow highlight (see survey legend for color coding key).

Resident Satisfaction with Property, Services and Overall

		Property Satisfaction Score			Service Satisfaction Score			Overall Satisfaction Score		
		FY2018	FY2017	FY2017 to FY2018 Change	FY2018	FY2017	FY2017 to FY2018 Change	FY2018	FY2017	FY2017 to FY2018 Change
Multi-Family Housing Industry	Industry "Best Practice" Scores (provided for comparison to MHPI project scores)	89.6	89.9	(0.3)	92.5	92.7	(0.2)	90.8	90.9	(0.1)
MHPI Project by Mil. Dept.	DoD MHPI PORTFOLIO	80.2	80.0	0.2	82.3	81.9	0.4	81.5	81.1	0.4
Army FH	Aberdeen Proving Ground	80.0	81.8	(1.8)	82.0	83.1	(1.1)	81.0	82.6	(1.6)
	Fort Belvoir	79.8	76.4	3.4	79.5	75.9	3.6	80.0	76.7	3.3
	Fort Benning	78.4	78.2	0.2	82.5	81.6	0.9	80.4	79.8	0.6
	Fort Bliss	75.9	75.6	0.3	76.8	71.1	5.7	76.5	73.2	3.3
	Fort Bragg	71.6	76.0	(4.4)	77.4	81.2	(3.8)	75.2	79.3	(4.1)
	Fort Campbell	81.4	80.1	1.3	86.4	85.4	1.0	84.2	82.8	1.4
	Carlisle Barracks	88.0	88.5	(0.5)	87.9	87.6	0.3	87.2	87.4	(0.2)
	Fort Carson	70.2	70.5	(0.3)	69.5	69.8	(0.3)	69.5	70.0	(0.5)
	Fort Detrick	79.6	80.9	(1.3)	72.5	78.0	(5.5)	75.7	79.5	(3.8)
	Fort Drum	81.8	82.2	(0.4)	86.7	86.8	(0.1)	84.6	84.6	0.0
	JB Langley-Eustis – Fort Eustis	76.7	75.7	1.0	76.0	70.3	5.7	76.6	73.0	3.6
	Fort Gordon	79.0	76.2	2.8	80.0	77.0	3.0	79.4	76.5	2.9
	Fort Greely	89.1	86.1	3.0	88.1	87.3	0.8	88.6	86.6	2.0
	Fort Hamilton	66.4	77.6	(11.2)	71.1	80.9	(9.8)	69.9	80.2	(10.3)
	Fort Hood	78.4	75.9	2.5	81.5	80.8	0.7	80.3	78.9	1.4
	Fort Huachuca	87.7	86.9	0.8	90.0	89.2	0.8	89.1	88.3	0.8
	Hunter Army Airfield	78.9	78.7	0.2	81.5	77.9	3.6	80.4	78.2	2.2
	Fort Irwin	77.3	77.4	(0.1)	81.8	82.0	(0.2)	79.4	79.5	(0.1)
	Fort Jackson	81.9	85.1	(3.2)	80.0	85.4	(5.4)	80.3	85.1	(4.8)
	Fort Knox	82.2	82.7	(0.5)	87.9	87.9	0.0	85.3	85.7	(0.4)
Army FH	Fort Leavenworth	80.0	82.1	(2.1)	81.2	82.5	(1.3)	80.4	81.7	(1.3)



Attachment A8: MHPI Resident Satisfaction

	Fort Lee	83.2	81.4	1.8	86.9	87.1	(0.2)	85.1	84.4	0.7
	Fort Leonard Wood	79.1	78.7	0.4	83.3	80.7	2.6	81.2	79.6	1.6
	JB Lewis-McChord	81.2	78.5	2.7	84.2	81.0	3.2	82.6	79.6	3.0
	JEB Little Creek-Fort Story – Fort Story	80.2	78.8	1.4	88.6	83.1	5.5	85.0	81.4	3.6
	Fort Meade	74.5	77.6	(3.1)	74.7	78.8	(4.1)	75.1	78.6	(3.5)
	Moffett Field	75.2	67.6	7.6	75.6	62.8	12.8	74.7	65.2	9.5
	Camp Parks RFTA	83.2	82.7	0.5	80.3	82.7	(2.4)	81.6	82.4	(0.8)
	Picatinny Arsenal	82.3	86.2	(3.9)	84.2	87.9	(3.7)	83.1	87.4	(4.3)
	Fort Polk	69.8	71.9	(2.1)	77.5	79.7	(2.2)	74.3	76.2	(1.9)
	Presidio of Monterey / Naval Postgraduate School	72.0	74.9	(2.9)	68.8	75.9	(7.1)	69.0	75.0	(6.0)
	Redstone Arsenal	89.1	87.4	1.7	90.8	89.4	1.4	90.1	88.5	1.6
	Fort Riley	83.5	82.6	0.9	86.9	83.5	3.4	85.6	83.3	2.3
	Fort Rucker	81.4	83.4	(2.0)	83.6	88.0	(4.4)	82.9	86.2	(3.3)
	JB San Antonio – Fort Sam Houston	76.3	73.9	2.4	81.1	78.5	2.6	78.6	76.1	2.5
	Fort Shafter / Schofield Barracks (Army Hawaii)	79.2	78.5	0.7	83.3	82.3	1.0	81.8	81.0	0.8
	Fort Sill	79.1	83.1	(4.0)	82.1	84.4	(2.3)	81.0	84.0	(3.0)
	Fort Stewart	75.1	76.3	(1.2)	78.5	76.9	1.6	76.6	76.4	0.2
	Fort Wainwright	84.5	83.1	1.4	85.8	86.5	(0.7)	85.3	85.0	0.3
	Walter Reed Army Medical Center (WSMR)	79.7	76.4	3.3	74.4	71.3	3.1	76.1	73.0	3.1
	West Point	75.8	71.4	4.4	75.8	67.3	8.5	75.8	69.3	6.5
	White Sands Missile Range	85.0	86.7	(1.7)	85.5	82.8	2.7	85.5	84.4	1.1
	Yuma PG	81.4	81.1	0.3	84.3	88.9	(4.6)	83.2	85.7	(2.5)
Army UH	Fort Bragg	90.6	93.0	(2.4)	91.8	94.9	(3.1)	91.7	94.1	(2.4)
	Fort Drum	92.7	93.9	(1.2)	94.9	94.5	0.4	94.1	94.3	(0.2)
	Fort Irwin	84.4	82.0	2.4	84.0	81.3	2.7	84.1	81.2	2.9
	Fort Meade	87.6	88.1	(0.5)	84.8	87.0	(2.2)	86.4	87.7	(1.3)
	Fort Stewart	90.5	90.9	(0.4)	90.5	90.0	0.5	90.8	90.3	0.5
Navy FH	Marine Corps Base (MCB) Camp Pendleton I (DeLuz Housing)	74.2	80.2	(6.0)	73.4	78.3	(4.9)	74.0	79.8	(5.8)
	Cherry Point/Camp Lejeune Overview (Atlantic Marines) (AMCC)	81.4	80.2	1.2	83.3	81.9	1.4	82.8	81.5	1.3
	Hawaii Regional	72.4	78.8	(6.4)	72.9	80.0	(7.1)	73.1	79.8	(6.7)
	Naval Air Station (NAS) Kingsville II (Hunters Cove)	80.1	77.3	2.8	83.0	83.7	(0.7)	81.9	81.1	0.8
	Mid-Atlantic Regional	81.4	77.2	4.2	83.3	79.4	3.9	82.4	78.4	4.0



Attachment A8: MHPI Resident Satisfaction

Navy FH	Midwest Regional	75.9	78.3	(2.4)	76.9	79.8	(2.9)	76.8	79.1	(2.3)
	NAS Joint Reserve Base New Orleans ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Northeast Regional	84.5	85.3	(0.8)	87.1	88.0	(0.9)	86.2	87.0	(0.8)
	Northwest Regional	74.6	77.3	(2.7)	76.8	79.3	(2.5)	76.0	78.6	(2.6)
	PE/QU/YU (Camp Pendleton II) (CPQH)	82.2	79.2	3.0	84.7	81.3	3.4	83.8	80.5	3.3
	San Diego Naval Complex (SDFH)	84.0	82.0	2.0	88.4	86.1	2.3	86.6	84.3	2.3
	South Texas ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Southeast Regional	84.8	82.0	2.8	86.6	84.0	2.6	86.0	83.3	2.7
Navy UH	Hampton Roads	84.7	84.3	0.4	86.5	86.0	0.5	85.8	85.4	0.4
	San Diego (Pacific Beacon)	95.4	94.8	0.6	96.5	96.3	0.2	96.0	95.6	0.4
Air Force FH	Air Combat Command (ACC) Group II	80.3	79.7	0.6	82.9	82.1	0.8	81.5	81.0	0.5
	ACC Group III	88.9	89.2	(0.3)	89.5	90.8	(1.3)	89.4	90.3	(0.9)
	Air Education & Training Command (AETC) Group I – Altus AFB	87.8	89.7	(1.9)	87.8	90.5	(2.7)	87.8	90.1	(2.3)
	AETC Group I – Luke AFB	82.0	86.1	(4.1)	84.5	87.8	(3.3)	83.4	86.9	(3.5)
	AETC Group I – Sheppard AFB	85.3	85.9	(0.6)	88.0	88.9	(0.9)	86.8	87.7	(0.9)
	AETC Group I – Tyndall AFB	84.8	88.7	(3.9)	84.6	89.3	(4.7)	84.5	89.1	(4.6)
	AETC Group II	75.3	74.2	1.1	79.4	72.8	6.6	77.7	73.8	3.9
	Air Force Academy (USAFA)	73.1	83.2	(10.1)	73.8	86.1	(12.3)	73.7	85.1	(11.4)
	Air Mobility Command (AMC) East – Andrews AFB	76.6	75.7	0.9	79.4	78.2	1.2	78.7	77.5	1.2
	AMC East – MacDill AFB	82.2	80.5	1.7	79.0	76.9	2.1	80.6	78.8	1.8
	AMC West	80.8	82.3	(1.5)	80.4	82.0	(1.6)	80.3	82.0	(1.7)
	BLB Group	78.1	78.4	(0.3)	74.9	73.2	1.7	76.5	75.9	0.6
	Buckley AFB	81.2	81.6	(0.4)	81.4	82.3	(0.9)	81.2	81.9	(0.7)
	Continental Group	83.0	n/a	n/a	84.4	n/a	n/a	83.9	n/a	n/a
	Dover AFB	85.2	87.5	(2.3)	84.9	87.1	(2.2)	85.4	87.4	(2.0)
	Dyess AFB (Quail Hollow)	86.2	88.8	(2.6)	89.2	90.3	(1.1)	87.9	89.7	(1.8)
	JB Elmendorf-Richardson (JBER I) – Elmendorf AFB ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	JB Elmendorf-Richardson (JBER II) – Elmendorf AFB ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	JB Elmendorf-Richardson (JBER III) – Fort Richardson ²	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Falcon Group	77.5	81.0	(3.5)	78.0	81.6	(3.6)	77.5	81.2	(3.7)
	JB Pearl Harbor-Hickam – Hickam AFB	72.5	76.4	(3.9)	72.1	76.9	(4.8)	72.6	77.0	(4.4)



Attachment A8: MHPI Resident Satisfaction

	Hill AFB	81.0	78.2	2.8	83.4	79.0	4.4	82.2	78.1	4.1
	Kirtland AFB	81.1	82.0	(0.9)	83.2	84.3	(1.1)	82.2	83.3	(1.1)
	JB San Antonio – Lackland AFB	75.5	75.6	(0.1)	72.2	74.3	(2.1)	73.8	75.2	(1.4)
	JB McGuire-Dix-Lakehurst – McGuire AFB / JB McGuire-Dix- Lakehurst – Fort Dix	80.4	89.7	(9.3)	81.4	94.0	(12.6)	80.7	92.1	(11.4)
	Nellis AFB	78.3	80.2	(1.9)	77.3	80.7	(3.4)	77.7	80.2	(2.5)
	Northern Group	83.7	84.8	(1.1)	83.5	84.5	(1.0)	83.5	84.7	(1.2)
	Offutt AFB	76.7	82.6	(5.9)	75.8	87.4	(11.6)	76.6	85.7	(9.1)
	Robins AFB I	73.0	71.2	1.8	79.9	74.4	5.5	76.9	72.7	4.2
	Robins AFB II	74.0	78.8	(4.8)	70.4	70.9	(0.5)	71.8	74.6	(2.8)
	Scott AFB	80.0	77.5	2.5	84.7	83.3	1.4	82.6	80.8	1.8
	Southern Group	84.3	85.1	(0.8)	85.6	87.3	(1.7)	85.6	86.7	(1.1)
	Tri-Group	84.4	83.5	0.9	82.8	80.2	2.6	83.6	81.7	1.9
	Vandenberg AFB	79.0	83.1	(4.1)	84.7	88.7	(4.0)	82.1	86.1	(4.0)
	Western Group ³	87.1	n/a	n/a	84.8	n/a	n/a	85.9	n/a	n/a
	Wright-Patterson AFB ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

1. An annual MHPI resident satisfaction survey was not conducted during FY 2018 for the following projects: NAS Joint Reserve Base New Orleans (Navy); South Texas (Navy); JB Elmendorf-Richardson I (Air Force); JB Elmendorf-Richardson II (Air Force); and Wright-Patterson AFB (Air Force). The reasons for the lack of an annual survey vary by project, but will be remedied to ensure all MHPI family and unaccompanied housing residents at all installations with MHPI housing are included in each year's annual Military Department survey effective no later than FY 2021.
2. The JBER III project (Air Force) survey is administered by a local survey company. This company's survey methodology and reporting is not directly comparable to primary MHPI survey provider's methodology and reporting, and therefore, are not included in this table. The local survey provider's November 2017 survey report for JBER III stated that, overall, 78 percent of JBER III residents report being "very satisfied" or "somewhat satisfied" with the MHPI housing community.
3. An annual resident satisfaction survey was not conducted during FY 2017 for the Western Group project.

LEGEND: Small Samples

- Installation A = Small resident population (<100 homes in survey population)
- Installation B = Small resident population and less than 30 survey responses

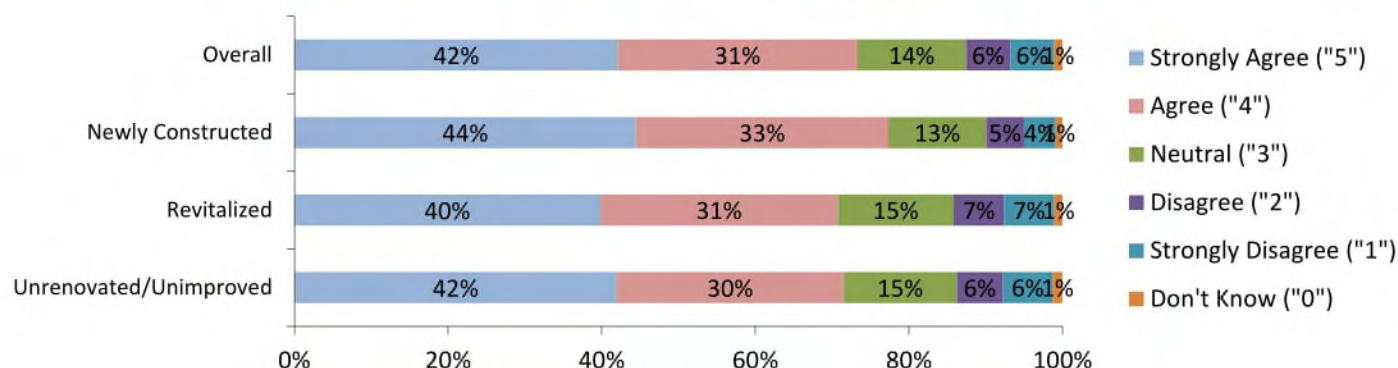


Attachment A8: MHPI Resident Satisfaction

Section A8.2: Resident Responses to Statement “I Would Recommend This Community to Others”

One of the survey questions asks residents whether they agree or disagree with the statement “I would recommend this community to others.” Seventy-three percent of all residents responding to the survey agreed with the statement (42 percent strongly agreed). As expected, residents living in newly constructed homes were the most likely to recommend the community to others: 77 percent agreed with the statement (44 percent strongly agreed). Residents were still likely, although slightly less likely, to agree with the statement if they lived in revitalized/renovated homes (71 percent, 40 percent strongly) or unrenovated/unimproved homes (72 percent, 42 percent strongly).

“I Would Recommend This Community to Others”



Unrenovated/unimproved housing units typically have been “refreshed” with new paint and flooring, but have not been substantially remodeled/revitalized. In many cases, these homes were less than 10 years old when the housing was privatized, and in some cases these homes were less than one year old when they were privatized. Such units, for example, did not warrant immediate replacement of cabinetry or remodeling of the floorplan. However, these unrenovated/unimproved housing units are scheduled for revitalization during the out-year development period of the projects, for example, when the units are 20-30 years old.



Attachment A8: MHPI Resident Satisfaction

Section A8.3: Percentage Allocation of Resident Responses to the Statement “I Would Recommend This Community to Others”

Survey respondents selected an option between 0 and 5 to reflect their level of agreement with the statement “I would recommend this community to others.” The table below shows the percentage allocation of their responses.

		FY 2018 – Percentage of MHPI Survey Respondents Who Answered ...					
		Strongly Agree ----- “5”	Agree ----- “4”	Neither Agree nor Disagree / Neutral ----- “3”	Disagree ----- “2”	Strongly Disagree ----- “1”	Have No Opinion, Don't Know, or Have No Answer ----- “0”
ALL MHPI	PORTFOLIO	42%	31%	14%	6%	6%	1%
Army FH	Aberdeen Proving Ground	38%	35%	15%	7%	4%	1%
	Fort Belvoir	40%	36%	14%	5%	5%	1%
	Fort Benning	42%	34%	14%	5%	5%	1%
	Fort Bliss	32%	35%	17%	6%	9%	1%
	Fort Bragg	33%	35%	15%	9%	7%	2%
	Fort Campbell	49%	30%	12%	5%	4%	1%
	Carlisle Barracks	46%	34%	11%	4%	4%	1%
	Fort Carson	19%	31%	21%	11%	17%	1%
	Fort Detrick	28%	35%	17%	11%	9%	0%
	Fort Drum	46%	31%	13%	5%	4%	1%
	JB Langley-Eustis – Fort Eustis	33%	33%	15%	7%	11%	1%
	Fort Gordon	31%	33%	17%	8%	11%	1%
	Fort Greely	63%	23%	7%	5%	2%	0%
	Fort Hamilton	27%	37%	17%	3%	15%	2%
	Fort Hood	41%	32%	15%	6%	5%	1%
	Fort Huachuca	62%	29%	5%	1%	2%	1%
	Hunter Army Airfield	36%	39%	14%	6%	5%	0%
	Fort Irwin	34%	34%	14%	7%	9%	1%
	Fort Jackson	37%	30%	18%	6%	7%	1%
	Fort Knox	48%	34%	11%	4%	2%	1%
	Fort Leavenworth	43%	33%	10%	6%	7%	1%
	Fort Lee	46%	30%	14%	5%	4%	1%
	Fort Leonard Wood	39%	35%	15%	5%	5%	1%
	JB Lewis-McChord	41%	32%	15%	6%	5%	1%



Attachment A8: MHPI Resident Satisfaction

	JEB Little Creek-Fort Story – Fort Story	52%	28%	14%	4%	1%	1%
	Fort Meade	28%	34%	19%	9%	9%	1%
	Moffett Field	34%	36%	16%	9%	4%	1%
	Camp Parks RFTA	40%	40%	12%	3%	3%	3%
	Picatinny Arsenal	37%	35%	16%	2%	6%	4%
	Fort Polk	30%	31%	19%	9%	11%	1%
	Presidio of Monterey / Naval Postgraduate School	19%	35%	22%	11%	11%	1%
	Redstone Arsenal	58%	25%	9%	4%	3%	0%
	Fort Riley	55%	30%	9%	4%	2%	1%
	Fort Rucker	47%	37%	10%	3%	2%	0%
	JB San Antonio – Fort Sam Houston	36%	34%	15%	7%	8%	0%
	Fort Shafter / Schofield Barracks (Army Hawaii)	47%	33%	11%	5%	4%	1%
	Fort Sill	40%	37%	12%	4%	5%	1%
	Fort Stewart	29%	33%	21%	8%	9%	1%
	Fort Wainwright	52%	28%	12%	4%	4%	1%
	Walter Reed Army Medical Center (WSMR)	34%	23%	11%	11%	18%	3%
	West Point	31%	38%	17%	8%	5%	0%
	White Sands Missile Range	45%	33%	10%	7%	2%	2%
	Yuma PG	45%	25%	15%	7%	5%	2%
Army UH	Fort Bragg	74%	21%	2%	0%	2%	1%
	Fort Drum	73%	16%	7%	2%	0%	1%
	Fort Irwin	38%	29%	19%	0%	14%	0%
	Fort Meade	50%	27%	10%	7%	3%	3%
	Fort Stewart	68%	22%	4%	1%	3%	1%
Navy FH	Marine Corps Base (MCB) Camp Pendleton I (DeLuz Housing)	30%	35%	14%	10%	10%	1%
	Cherry Point/Camp Lejeune Overview (Atlantic Marines) (AMCC)	47%	30%	12%	5%	5%	1%
	Hawaii Regional	34%	36%	15%	6%	7%	1%
	Naval Air Station (NAS) Kingsville II (Hunters Cove)	50%	20%	16%	6%	6%	2%
	Mid-Atlantic Regional	44%	28%	13%	7%	7%	1%
	Midwest Regional	40%	30%	15%	6%	7%	1%
	NAS Joint Reserve Base New Orleans ¹	n/a	n/a	n/a	n/a	n/a	n/a
	Northeast Regional	56%	24%	11%	4%	3%	1%



Attachment A8: MHPI Resident Satisfaction

	Northwest Regional	35%	27%	18%	8%	9%	2%
	PE/QU/YU (Camp Pendleton II) (CPQH)	50%	29%	12%	4%	4%	1%
	San Diego Naval Complex (SDFH)	52%	30%	10%	4%	3%	1%
	South Texas ¹	n/a	n/a	n/a	n/a	n/a	n/a
	Southeast Regional	57%	21%	11%	4%	5%	1%
Navy UH	Hampton Roads	56%	25%	11%	3%	4%	1%
	San Diego (Pacific Beacon)	86%	11%	2%	0%	0%	1%
Air Force FH	Air Combat Command (ACC) Group II	36%	37%	15%	6%	4%	1%
	ACC Group III	63%	21%	11%	1%	1%	2%
	Air Education & Training Command (AETC) Group I – Altus AFB	56%	23%	15%	2%	4%	0%
	AETC Group I – Luke AFB	50%	24%	12%	5%	6%	3%
	AETC Group I – Sheppard AFB	60%	19%	12%	3%	4%	1%
	AETC Group I – Tyndall AFB	53%	18%	13%	7%	8%	1%
	AETC Group II	32%	32%	16%	9%	9%	2%
	Air Force Academy (USAFA)	32%	35%	19%	5%	8%	2%
	Air Mobility Command (AMC) East – Andrews AFB	41%	32%	14%	7%	5%	0%
	AMC East – MacDill AFB	41%	31%	17%	5%	6%	1%
	AMC West	38%	28%	17%	8%	8%	2%
	BLB Group	34%	33%	16%	9%	7%	1%
	Buckley AFB	41%	26%	15%	10%	8%	0%
	Continental Group	48%	28%	12%	6%	5%	1%
	Dover AFB	46%	36%	10%	4%	4%	1%
	Dyess AFB (Quail Hollow)	50%	34%	11%	2%	3%	0%
	JB Elmendorf-Richardson (JBER I) – Elmendorf AFB ¹	n/a	n/a	n/a	n/a	n/a	n/a
	JB Elmendorf-Richardson (JBER II) – Elmendorf AFB ¹	n/a	n/a	n/a	n/a	n/a	n/a
	JB Elmendorf-Richardson (JBER III) – Fort Richardson ²	n/a	n/a	n/a	n/a	n/a	n/a
	Falcon Group	33%	34%	17%	7%	8%	2%
	JB Pearl Harbor-Hickam – Hickam AFB	24%	38%	19%	9%	8%	1%
	Hill AFB	35%	36%	17%	6%	5%	1%
	Kirtland AFB	42%	35%	14%	5%	4%	1%
	JB San Antonio – Lackland AFB	35%	20%	15%	14%	13%	2%



Attachment A8: MHPI Resident Satisfaction

JB McGuire-Dix-Lakehurst – McGuire AFB / JB McGuire-Dix- Lakehurst – Fort Dix	36%	34%	12%	8%	8%	2%
Nellis AFB	32%	36%	15%	6%	9%	1%
Northern Group	48%	30%	13%	4%	4%	2%
Offutt AFB	32%	29%	22%	7%	8%	2%
Robins AFB I	32%	34%	14%	8%	11%	2%
Robins AFB II	18%	42%	19%	8%	14%	0%
Scott AFB	38%	37%	15%	5%	3%	2%
Southern Group	58%	25%	10%	3%	3%	1%
Tri-Group	47%	33%	10%	5%	4%	1%
Vandenberg AFB	41%	26%	22%	5%	4%	1%
Western Group	54%	25%	14%	4%	2%	1%
Wright-Patterson AFB ¹	n/a	n/a	n/a	n/a	n/a	n/a

1. An annual MHPI resident satisfaction survey was not conducted during FY 2018 for the following projects: NAS Joint Reserve Base New Orleans (Navy); South Texas (Navy); JB Elmendorf-Richardson I (Air Force); JB Elmendorf-Richardson II (Air Force); and Wright-Patterson AFB (Air Force). The reasons for the lack of an annual survey vary by project, but will be remedied to ensure all MHPI family and unaccompanied housing residents at all installations with MHPI housing are included in each year's annual Military Department survey effective no later than FY 2021.
2. The JBER III project (Air Force) survey is administered by a local survey company. This company's survey methodology and reporting is not directly comparable to primary MHPI survey provider's methodology and reporting, and therefore, are not included in this table. The local survey provider's November 2017 survey report for JBER III stated that, overall, 78 percent of JBER III residents report being "very satisfied" or "somewhat satisfied" with the MHPI housing community.

LEGEND: Small Samples

- Installation A** = Small resident population (<100 homes in survey population)
- Installation B** = Small resident population and less than 30 survey responses



Attachment A8: MHPI Resident Satisfaction

Section A8.4: Additional Information on Resident Responses to the Statement “I Would Recommend This Community to Others”

Tenants’ 0-to-5 responses to the statement “I would recommend this community to others” were converted into a satisfaction index score similar to the Property, Service and Overall satisfaction index scores. The table below also includes the number of surveys distributed, surveys received, and response rate for each project/installation.

		Satisfaction Score			Survey Responses		
		FY2018	FY2017	FY2017 to FY2018 Change	Surveys Distributed	Surveys Received	Response Rate
ALL MHPI	PORTFOLIO	n/a	n/a	n/a	184,345	80,342	43.6%
Army FH	Aberdeen Proving Ground	79.4	81.6	(2.2)	670	316	47.2%
	Fort Belvoir	80.2	77.5	2.7	2,119	1,188	56.1%
	Fort Benning	80.8	80.1	0.7	3,552	1,090	30.7%
	Fort Bliss	75.0	71.0	4.0	3,947	976	24.7%
	Fort Bragg	75.5	79.5	(4.0)	5,517	1,384	25.1%
	Fort Campbell	83.1	79.8	3.3	3,906	1,673	42.8%
	Carlisle Barracks	83.3	83.3	0.0	261	80	30.7%
	Fort Carson	65.0	65.5	(0.5)	3,223	998	31.0%
	Fort Detrick	72.5	77.0	(4.5)	327	109	33.3%
	Fort Drum	82.4	81.3	1.1	3,482	1,827	52.5%
	JB Langley-Eustis – Fort Eustis	74.0	67.7	6.3	816	292	35.8%
	Fort Gordon	73.2	69.9	3.3	984	292	29.7%
	Fort Greely	87.9	81.7	6.2	66	43	65.2%
	Fort Hamilton	71.5	82.2	(10.7)	189	60	31.7%
	Fort Hood	79.4	77.1	2.3	5,091	2,535	49.8%
	Fort Huachuca	89.8	88.8	1.0	1,043	309	29.6%
	Hunter Army Airfield	79.0	73.8	5.2	638	274	42.9%
	Fort Irwin	75.7	73.5	2.2	2,124	699	32.9%
	Fort Jackson	77.2	82.1	(4.9)	751	228	30.4%
	Fort Knox	84.7	85.8	(1.1)	2,190	1,091	49.8%
	Fort Leavenworth	79.9	81.1	(1.2)	1,534	643	41.9%
	Fort Lee	82.0	80.8	1.2	1,466	1,092	74.5%
	Fort Leonard Wood	80.0	78.1	1.9	1,634	416	25.5%
	JB Lewis-McChord	79.6	76.8	2.8	4,912	2,347	47.8%



Attachment A8: MHPI Resident Satisfaction

	JEB Little Creek-Fort Story – Fort Story	85.2	81.6	3.6	247	164	66.4%
	Fort Meade	72.8	76.2	(3.4)	2,345	739	31.5%
	Moffett Field	77.4	68.0	9.4	171	92	53.8%
	Camp Parks RFTA	83.0	77.1	5.9	109	75	68.8%
	Picatinny Arsenal	79.6	85.4	(5.8)	65	49	75.4%
	Fort Polk	72.0	73.4	(1.4)	2,945	803	27.3%
	Presidio of Monterey / Naval Postgraduate School	67.9	75.8	(7.9)	1,842	683	37.1%
	Redstone Arsenal	86.5	86.1	0.4	352	223	63.4%
	Fort Riley	86.6	82.5	4.1	3,331	776	23.3%
	Fort Rucker	84.8	86.4	(1.6)	1,278	436	34.1%
	JB San Antonio – Fort Sam Houston	76.5	73.3	3.2	859	479	55.8%
	Fort Shafter / Schofield Barracks (Army Hawaii)	83.0	82.6	0.4	7,488	3,036	40.5%
	Fort Sill	80.9	83.1	(2.2)	1,700	562	33.1%
	Fort Stewart	73.1	73.6	(0.5)	2,192	691	31.5%
	Fort Wainwright	84.1	83.7	0.4	1,752	906	51.7%
	Walter Reed Army Medical Center (WSMR)	68.9	63.3	5.6	207	65	31.4%
	West Point	76.3	69.2	7.1	712	279	39.2%
	White Sands Missile Range	82.7	81.5	1.2	302	166	55.0%
	Yuma PG	80.0	82.9	(2.9)	176	55	31.3%
Army UH	Fort Bragg	93.2	94.6	(1.4)	521	121	23.2%
	Fort Drum	92.6	89.9	2.7	196	98	50.0%
	Fort Irwin	75.2	71.3	3.9	88	21	23.9%
	Fort Meade	83.4	84.7	(1.3)	456	108	23.7%
	Fort Stewart	90.7	84.5	6.2	242	72	29.8%
Navy FH	Marine Corps Base (MCB) Camp Pendleton I (DeLuz Housing)	73.1	82.4	(9.3)	675	242	35.9%
	Cherry Point/Camp Lejeune Overview (Atlantic Marines) (AMCC)	82.3	81.0	1.3	7,482	2,333	31.2%
	Hawaii Regional	77.1	82.2	(5.1)	4,294	845	19.7%
	Naval Air Station (NAS) Kingsville II (Hunters Cove)	80.8	82.5	(1.7)	139	50	36.0%
	Mid-Atlantic Regional	79.3	75.6	3.7	5,341	2,458	46.0%
	Midwest Regional	78.1	80.4	(2.3)	1,670	402	24.1%
	NAS Joint Reserve Base New Orleans ¹	n/a	n/a	n/a	n/a	n/a	n/a



Attachment A8: MHPI Resident Satisfaction

	Northeast Regional	85.4	85.8	(0.4)	3,077	1,570	51.0%
	Northwest Regional	74.6	76.7	(2.1)	3,229	752	23.3%
	PE/QU/YU (Camp Pendleton II) (CPQH)	83.4	78.4	5.0	10,793	5,557	51.5%
	San Diego Naval Complex (SDFH)	85.3	82.4	2.9	11,405	5,830	51.1%
	South Texas ¹	n/a	n/a	n/a	n/a	n/a	n/a
	Southeast Regional	84.3	81.0	3.3	4,788	2,409	50.3%
Navy UH	Hampton Roads	85.5	86.4	(0.9)	2,125	568	26.7%
	San Diego (Pacific Beacon)	96.7	96.1	0.6	2,033	789	38.8%
Air Force FH	Air Combat Command (ACC) Group II	79.1	78.8	0.3	2,242	1,052	46.9%
	ACC Group III	89.5	91.2	(1.7)	753	541	71.8%
	Air Education & Training Command (AETC) Group I – Altus AFB	84.9	86.9	(2.0)	500	317	63.4%
	AETC Group I – Luke AFB	81.8	85.8	(4.0)	505	235	46.5%
	AETC Group I – Sheppard AFB	85.8	85.9	(0.1)	652	501	76.8%
	AETC Group I – Tyndall AFB	80.3	88.0	(7.7)	620	386	62.3%
	AETC Group II	74.1	70.0	4.1	2,036	853	41.9%
	Air Force Academy (USAFA)	75.5	85.5	(10.0)	652	187	28.7%
	Air Mobility Command (AMC) East – Andrews AFB	79.2	76.1	3.1	855	294	34.4%
	AMC East – MacDill AFB	79.3	77.9	1.4	547	173	31.6%
	AMC West	76.0	79.1	(3.1)	2,382	1,142	47.9%
	BLB Group	75.7	75.4	0.3	3,106	1,411	45.4%
	Buckley AFB	76.0	79.0	(3.0)	330	182	55.2%
	Continental Group	82.1	n/a	n/a	3,530	1,034	29.3%
	Dover AFB	83.2	86.1	(2.9)	900	427	47.4%
	Dyess AFB (Quail Hollow)	85.1	87.5	(2.4)	371	134	36.1%
	JB Elmendorf-Richardson (JBER I) – Elmendorf AFB ¹	n/a	n/a	n/a	n/a	n/a	n/a
	JB Elmendorf-Richardson (JBER II) – Elmendorf AFB ¹	n/a	n/a	n/a	n/a	n/a	n/a
	JB Elmendorf-Richardson (JBER III) – Fort Richardson ²	n/a	n/a	n/a	1,174	225	19.2%
	Falcon Group	75.7	80.5	(4.8)	2,366	774	32.7%
	JB Pearl Harbor-Hickam – Hickam AFB	72.0	78.7	(6.7)	2,297	1,141	49.7%
	Hill AFB	78.1	72.6	5.5	1,062	543	51.1%
	Kirtland AFB	81.6	83.4	(1.8)	1,233	439	35.6%



Attachment A8: MHPI Resident Satisfaction

	JB San Antonio – Lackland AFB	70.2	73.5	(3.3)	780	238	30.5%
	JB McGuire-Dix-Lakehurst – McGuire AFB / JB McGuire-Dix-Lakehurst – Fort Dix	76.5	92.8	(16.3)	2,040	277	13.6%
	Nellis AFB	75.5	78.7	(3.2)	1,128	356	31.6%
	Northern Group	83.4	84.2	(0.8)	4,022	2,862	71.2%
	Offutt AFB	74.1	86.1	(12.0)	1,638	441	26.9%
	Robins AFB I	74.0	63.5	10.5	583	146	25.0%
	Robins AFB II	68.4	72.7	(4.3)	227	74	32.6%
	Scott AFB	80.6	79.2	1.4	1,552	1,065	68.6%
	Southern Group	86.8	87.7	(0.9)	2,262	1,203	53.2%
	Tri-Group	83.2	79.8	3.4	1,470	850	57.8%
	Vandenberg AFB	79.3	84.9	(5.6)	921	373	40.5%
	Western Group ³	84.9	n/a	n/a	3,049	1,971	64.6%
	Wright-Patterson AFB ¹	n/a	n/a	n/a	n/a	n/a	n/a

1. An annual MHPI resident satisfaction survey was not conducted during FY 2018 for the following projects: NAS Joint Reserve Base New Orleans (Navy); South Texas (Navy); JB Elmendorf-Richardson I (Air Force); JB Elmendorf-Richardson II (Air Force); and Wright-Patterson AFB (Air Force). The reasons for the lack of an annual survey vary by project, but will be remedied to ensure all MHPI family and unaccompanied housing residents at all installations with MHPI housing are included in each year's annual Military Department survey effective no later than FY 2021.
2. The JBER III project (Air Force) survey is administered by a local survey company. This company's survey methodology and reporting is not directly comparable to primary MHPI survey provider's methodology and reporting, and therefore, are not included in this table. The local survey provider's November 2017 survey report for JBER III stated that, overall, 78 percent of JBER III residents report being "very satisfied" or "somewhat satisfied" with the MHPI housing community.
3. An annual resident satisfaction survey was not conducted during FY 2017 for the Western Group project.

LEGEND: Small Samples

- Installation A = Small resident population (<100 homes in survey population)
Installation B = Small resident population and less than 30 survey responses



Attachment A9: MHPI Government Contributions

The below table identifies the Military Department utilization of the MHPI authorities to provide Government cash equity, differential lease payments, or federal credit contributions on a project by project basis as of September 30, 2018.

MHPI Government Contributions as of September 30, 2018

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	-	-	-
Army	Fort Knox	Lendlease	X	-	-	-
Army	Fort Leavenworth	Michaels Military Housing	X	-	-	-
Army	Fort Lee	Hunt Companies/Falcon Properties	X	-	-	-



Attachment A9: MHPI Government Contributions

(Table continued)

MHPI Government Contributions as of September 30, 2018						
Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
FAMILY HOUSING (continued)						
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 ²	Lincoln Property Company	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 MHPI Family Housing Total			29	0	0	3



Attachment A9: MHPI Government Contributions

(Table continued)

MHPI Government Contributions as of September 30, 2018						
Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
FAMILY HOUSING (continued)						
Navy	Marine Corps Base (MCB) Camp Pendleton I	Hunt Companies	-	-	X	-
Navy	Cherry Point/Camp Lejeune Overview (Atlantic Marines)	Lendlease	X	-	-	-
Navy	Corpus Christi/Kingsville I ³	Landmark Residential, LLC	X	X	-	-
Navy	Naval Station (NS) Everett I ⁴	Forest City Enterprises Inc.	-	X	-	-
Navy	NS Everett II ⁵	Gateway Development Group and CED Military Group	X	X	-	-
Navy	Hawaii Regional ⁶	Hunt Companies	X	-	-	-
Navy	Naval Air Station (NAS) Kingsville II	Hunt Companies	X	-	X	-
Navy	Mid-Atlantic Regional	Lincoln Family Communities, LLC	X	-	-	-
Navy	Midwest Regional ⁶	Hunt Companies	X	-	-	-
Navy	NAS Joint Reserve Base New Orleans	Patrician Development	X	-	-	-
Navy	Northeast Regional	Balfour Beatty Communities	-	-	-	-
Navy	Northwest Regional ⁶	Hunt Companies	X	-	-	-
Navy	PE/QU/YU (Camp Pendleton II)	Hunt/Lincoln/Clark	X	-	-	-
Navy	San Diego Naval Complex Overview	Lincoln/Clark San Diego LLC	X	-	-	-
Navy	South Texas	Landmark Organization (Faulkner USA)	X	X	-	-
Navy	Southeast Regional	Balfour Beatty Communities	X	-	-	-
Navy MHPI Family Housing Total			13	4	2	0



Attachment A9: MHPI Government Contributions

(Table continued)

MHPI Government Contributions as of September 30, 2018						
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 ⁶	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 ⁷	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	-
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 ⁷	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	-



Attachment A9: MHPI Government Contributions

(Table continued)

MHPI Government Contributions as of September 30, 2018						
Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
FAMILY HOUSING (continued)						
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 ⁶	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 MHPI Family Housing Total			3	1	27	8
MHPI Family Housing Total			45	3	29	11



Attachment A9: MHPI Government Contributions

(Table continued)

MHPI Government Contributions as of September 30, 2018						
Military Department	Project ¹	Developer/Partner Name	Equity Investment	Differential Lease Payments	Government Direct Loan	Government Loan Guarantee
UNACCOMPANIED HOUSING AND LODGING						
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 and Lodging Total			0	0	0	0
Navy	Homeport Hampton Roads	Hunt ELP LTD and American Campus Communities OP, LLC	X	-	-	-
Navy	NS San Diego	California Naval Communities, LLC	X	-	-	-
Navy MHPI Unaccompanied Housing Total			2	0	0	0
MHPI Unaccompanied Housing and Lodging Total			2	0	0	0

- For reporting purposes, the following projects are combined and reported as single projects:
 - San Diego Naval Complex Overview: San Diego Phases I, II, III, IV, V, and VI.
 - Cherry Point/Camp Lejeune Overview (Atlantic Marine Corps Communities - AMCC): MCB Camp Lejeune/MCAS Cherry Point Phases I, II, and III; and Tri-Command.
 - 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; MCB Camp Pendleton Phase VI/MCAGCC Twentynine Palms Phase II; MCB Camp Pendleton Phase VII; MCB Camp Pendleton Phase VIII/MCAGCC Twentynine Palms Phase III; and MCB Camp Pendleton Phase IX..
 - Hawaii Regional: Hawaii Regional Phases I, II, III, IV, V, and VI.
 - Hickam AFB: Hickam AFB Phases I and II.
 - Mid-Atlantic Regional: Mid-Atlantic Regional Phases I, II, and III.
 - Midwest Regional: Midwest Regional Phases I and II.
- The original MHPI developer/partner, Equity Residential, sold its interest in the JB Lewis-McChord project to Lincoln Property Company in fiscal year 2016.
- Project sold in fiscal year 2016: no longer MHPI.
- Project sold prior to fiscal year 2014: no longer MHPI.
- Project sold in fiscal year 2017: no longer MHPI.
- The original MHPI developer/partner, Forest City Enterprises Inc., sold its interest in all MHPI projects to the Hunt Companies in fiscal year 2016.
- The Limited Government Loan Guarantees at Lackland AFB Phase I and JBER I (Elmendorf AFB I) have been retired.



Attachment A10: Limited Government Loan Guarantees on MHPI Projects

DoD has provided Limited Government Loan Guarantees on 11 MHPI family housing projects for their senior, private debt. 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 Limited Government Loan Guarantee agreements were executed for seven of the 11 MHPI family housing 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 Guarantee Threshold criteria for the Robins AFB I, Georgia, project uses a sliding scale based on the occurrence of either of two events – a percentage decrease of eligible families that is greater than 30 percent 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 Guarantee Threshold criteria for the Wright-Patterson AFB, Ohio project is solely a reduction in the number of eligible families to privatized homes below a ratio of 1.5:1.

The Limited Government Loan Guarantees for the Lackland AFB Phase I and Joint Base Elmendorf Richardson I (JBER I, aka Elmendorf AFB I) projects have been retired. The Air Force negotiated to retire the guarantee at JBER I when the Project refinanced in 2004. The Air Force negotiated for the elimination of the guarantee for Lackland AFB Phase I when the Project was sold to a new project owner. Elimination of additional loan guarantees may occur during future private 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 Government Loan Guarantee for an MHPI project.

The possibility of a reduction in eligible personnel due to the deployment actions remains of interest. A reduction in eligible personnel could affect projects that carry a Limited Government 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 Guarantee Threshold reduction in the percentage of eligible personnel had occurred and, despite all appropriate action taken by the MHPI project 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. **No MHPI project has ever experienced a Guarantee Threshold event.**

Although all nine of the projects with existing Limited Government Loan Guarantees were healthy in terms of occupancy in FY 2018, 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 military families (starting point for the current change calculation), current eligible military families, and defined threshold reduction percentage for each of the active



Attachment A10: Limited Government Loan Guarantees on MHPI Projects

Limited Government Loan Guarantees, and, if applicable, the baseline and current ratios of eligible military families to privatized homes for the nine currently executed Limited Government Loan Guarantee agreements. As previously mentioned, two MHPI projects, Lackland AFB Phase I and JBER I (aka Elmendorf AFB I), have retired Limited Government Loan Guarantees.

As of the end of FY 2018, five MHPI Family Housing projects – Fort Polk, Louisiana; Kirtland AFB, New Mexico; Fort Wainwright/Fort Greely, Alaska; and Air Force's Northern Group and ACC Group III —had eligible populations less than their baseline number, and one – Kirtland AFB – had experienced a material reduction. **However, no MHPI project has experienced a Guarantee Threshold event that would trigger the Government's Limited Loan Guarantee of the project's senior, private debt loan.**

Loan Guarantee Thresholds, Threshold Ratios and Status as of September 30, 2018 for Active Limited Government Loan Guarantees

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-17	Sep-04	Jan-06	Aug-06	Apr-09	Aug-13	Sep-13	Jun-14
Eligible Military Families as of Baseline Date	9,373	3,513	6,215	4,368	2,183	4,449	9,718	15,329	5,080
Eligible Military Families as of September 30, 2018	11,315	3,664	5,502	5,129	1,742	3,977	9,561	20,141	4,815
Guarantee Threshold ²	-40%	-30%	-30%	N/A	-25%	-33%	-30%	-30%	-30%
Current Change as of September 30, 2018 ³	21%	4%	-11%	N/A	-20%	-11%	-2%	31%	-5%
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, 2018 ⁵	N/A	5.5:1	N/A	3.3:1	N/A	N/A	N/A	N/A	N/A

1. The Baseline Date reflects the effective date of the Limited 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, 2016, to September 30, 2017.
4. The Robins AFB I and Wright-Patterson AFB projects have Limited 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.



Attachment A11: MHPI Lodging Project Scope

The table below identifies, on an installation-level basis, any end state modifications that have occurred subsequent to the last OSD and OMB approval of the Privatization of Army Lodging (PAL) program, as well as total existing PAL lodging guestroom inventory as of September 30, 2018. As of FY 2018 year end, no other Military Department had privatized any of its lodging program under the Military Housing Privatization Initiative.

The “OMB-Approved End State” inventories at each installation with PAL lodging are notional IDP scopes that comprised the overall final OSD/OMB approved project end state. During the development of a major multi-site lodging project, particularly a project that was built over an extended number of years at multiple locations, the actual installation-level end state values may have been changed due to shifts in official demand requirements, facility usage determinations (renovate vs. replace), or unforeseen increases in construction costs. Material changes in installation-level end states are approved by the Department of the Army, unless the aggregated lodging project end state changes and the resulting investment requires re-approval by OSD and OMB.

MHPI Lodging Approved End States and Existing Inventory (Online + Offline) as of September 30, 2018¹

Military Dept.	Project/MHPI Partner <i>(Installations/separate geographic sites listed in italics on lines below)</i>	OMB- Approved End State Guestrooms ²	MilDep- Approved End State Guestrooms ³	Existing Guestroom Inventory ⁴	Existing Unit Inventory Category ⁴				Fiscal Year of Transfer to Privatized Operation
					Holiday Inn Express	Candlewood Suites	Staybridge Suites	IHG Army Hotels / Historia Collection	
LODGING									
Army	Privatization of Army Lodging (PAL) / Lendlease-IHG	14,398	12,431	13,445	3,917	1,529	141	7,858	(multiple, see below)
	Fort Hood	367	367	367	274	93	0	0	2009
	Joint Base San Antonio - Sam Houston	983	994	983	350	309	0	324	2009
	Yuma Proving Ground	102	102	102	0	92	0	10	2009
	Joint Base Myer-Henderson Hall	31	31	31	0	0	0	31	2009
	Fort Sill	724	724	724	619	0	0	105	2009
	Fort Riley	109	109	109	0	100	0	9	2009
	Fort Leavenworth	329	321	321	308	0	0	13	2009
	Tripler Army Medic Center / Ft Shafter	42	42	42	0	0	0	42	2009
	Fort Rucker	563	651	652	193	0	0	459	2009
	Fort Polk	148	126	126	126	0	0	0	2009
	Fort Campbell	188	132	132	132	0	0	82	2011
	Fort Knox	482	314	612	301	0	0	31	2011
	Fort Gordon	855	567	550	150	0	0	400	2011
	White Sands Missile Range	58	69	58	0	0	0	58	2011
	Fort Bliss	400	271	271	148	123	0	114	2011
	Fort Belvoir	477	360	479	219	0	141	119	2011
	Fort Leonard Wood	1,538	1,539	1,540	347	234	0	959	2011
	Fort Buchanan	73	73	73	73	0	0	0	2011
	Fort Huachuca	403	403	487	0	243	0	244	2011



Attachment A11: MHPI Lodging Project Scope

(Table continued)

MHPI Lodging Approved End States and Existing Inventory (Online + Offline) as of 9/30/2018 ¹									
Military Dept.	Project/MHPI Partner (Installations/separate geographic sites listed in italics on lines below)	OMB-Approved End State Guestrooms ²	MilDep-Approved End State Guestrooms ³	Existing Guestroom Inventory ⁴	Existing Unit Inventory Category ⁴				Fiscal Year of Transfer to Privatized Operation
					Holiday Inn Express	Candlewood Suites	Staybridge Suites	IHG Army Hotels / Historia Collection	
	<i>Fort Wainwright</i>	90	90	90	90	0	0	0	2011
	<i>Fort Hamilton</i>	46	46	46	46	0	0	0	2011
	<i>Fort Stewart</i>	161	95	169	0	0	0	169	2013
	<i>Hunter Army Airfield</i>	77	77	77	0	0	0	77	2013
	<i>Fort Carson</i>	186	128	95	0	0	0	95	2013
	<i>Dugway Proving Ground</i>	59	59	60	0	0	0	60	2013
	<i>Parks Reserve Force Training Area</i>	53	54	64	0	0	0	64	2013
	<i>Fort McCoy</i>	218	218	218	0	0	0	218	2013
	<i>Fort Hunter Liggett</i>	54	49	49	0	0	0	49	2013
	<i>Presidio of Monterey</i>	66	66	66	0	0	0	66	2013
	<i>Joint Base Lewis-McChord</i>	544	496	640	334	0	0	306	2013
	<i>Redstone Arsenal</i>	114	92	150	0	92	0	58	2013
	<i>Fort Meade</i>	243	243	243	0	243	0	0	2013
	<i>Aberdeen Proving Ground</i>	144	69	148	0	0	0	148	2013
	<i>Fort Jackson</i>	833	674	845	207	0	0	638	2013
	<i>Fort Bragg</i>	620	520	540	0	0	0	540	2013
	<i>West Point</i>	76	78	78	0	0	0	78	2013
	<i>Carlisle Barracks</i>	45	45	45	0	0	0	45	2013
	<i>Fort Drum</i>	346	99	111	0	0	0	111	2013
	<i>B.T. Collins⁵</i>	54	0	0	0	0	0	0	2013
	<i>Fort Lee</i>	1,577	1,128	1,138	0	0	0	1,138	2016
	<i>Fort Benning</i>	920	910	914	0	0	0	914	2016
Total MHPI Lodging		14,398	12,431	13,445	3,917	1,529	141	7,858	

1. "Units" are lodging rooms / guestrooms.
2. Notional installation-level breakout of the aggregate project's "OMB-Approved End State" as per the most recent Approved Scoring Report.
3. Installation-level values for "MilDep-Approved Unit End State" are the planned development values approved by applicable Military Department.
4. Existing unit inventory includes both offline and online units as of 9/30/2017. Additional columns show inventory counts by hotel brand. Most IHG Army Hotels are transient lodging facilities transferred to privatized operations that will be replaced in the short term, or rebranded to an IHG brand (Holiday Inn Express, Candlewood Suites or Staybridge Suites) in the long term. The lodging facilities included in the Historia Collection are fully renovated historic guestrooms that, due to historic renovation restrictions, are unable to provide physical attributes/amenities that are representative of existing IHG brands.
5. Privatized lodging ceased operations at B.T. Collins on 9/30/2016.



Attachment A12: Acronyms

Below is an alphabetical list of acronyms that may 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
CY	Calendar Year
DSCR	Debt Service Coverage Ratio (also referred to as debt coverage ratio, DCR)
DoD	Department of Defense
FY	Fiscal Year
GDL	Government Direct Loan
GLG	Government Loan Guarantee
IDP	Initial Development Period
JB	Joint Base
JBER	Joint Base Elmendorf-Richardson
JEB	Joint Expeditionary Base
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 Recruit 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 A12: Acronyms

(Table continued)

Acronym	Definition
NAWS	Naval Air Weapons Station
NB	Naval Base
NCBC	Naval Construction Battalion Center
NH	Naval Hospital
NIOC	Navy Information Operations Command
NOI	Net Operating Income
NPS	Naval Postgraduate 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
ODP	Out-Year Development Plan
OMB	Office of Management and Budget
ORA	Operating Reserve Account
OSD	Office of the Secretary of Defense
PAL	Privatization of Army Lodging
PER	Program Evaluation Report
PMRF	Pacific Missile Range Facility
PE/QU/YU	MCB Pendleton/MCB Quantico/MCAS Yuma
PRA	Project Reserve Account
RCI	Residential Communities Initiative
RECP	RCI Energy Conservation Program or Resident Energy Conservation Program
RFTA	Reserve Forces Training Area
SB	Submarine Base
U.S.C.	United States Code
UH	Unaccompanied Housing
USMC	United States Marine Corps
WPNSTA	Weapons Station