



Military Housing Privatization Initiative

Program Report for the Reporting Period October 1, 2018 – September 30, 2019

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

March 2022

The estimated cost of this report or study for the Department of Defense is approximately \$901,000 in Fiscal Years 2021 - 2022. This includes \$735,000 in expenses and \$166,000 in DoD labor.
Generated on 2022Mar23 RefID: 3-19A3E10



Executive Summary

Military Housing Privatization Initiative Program Report for the Reporting Period October 1, 2018 – September 30, 2019

Office of the Assistant Secretary of Defense (Sustainment)

Overview

This Military Housing Privatization Initiative (MHPI) Program Report covers the reporting period October 1, 2018, through September 30, 2019 (Fiscal Year (FY) 2019), and provides information on MHPI project and program performance as required by:

- Section 2884(c) of title 10, United States Code, as amended by the National Defense Authorization Act (NDAA) for FY 2020 (Public Law (P.L.) 116-92) and the William M. (Mac) Thornberry NDAA for FY 2021 (P.L. 116-283); and
- Section 606(c) of the John S. McCain National Defense Authorization Act for FY 2019 (P.L. 115-232), as amended.

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 the 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 resident satisfaction scores 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, 2019, which will instead be captured in the next MHPI Program Report for the period ending September 30, 2020, and future MHPI Program Reports.

Program Status Summary

MHPI PROGRAM STATUS	Oct 2018 through Sept 2019
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
Deficit Reduction UH Units / Bedrooms	3,700 / 6,600
Deficit Reduction Lodging Constructed	0
Project Initial Development Period Completed (for the Current FH, UH and Lodging Projects)	79 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	11%
UH Occupancy (%)	95%
Average Resident Satisfaction Rating for MHPI Housing	78%
Lodging Guestroom Occupancy (%)	77%
Projects Making Scheduled Debt Payments	100%
Projects Out of Initial Development Phase Making 100% of Scheduled Reinvestment Deposits (Used for Future Redevelopment)	51%

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MILITARY HOUSING PRIVATIZATION INITIATIVE PROGRAM REPORT FOR THE PERIOD OCTOBER 1, 2018 - SEPTEMBER 30, 2019

I. INTRODUCTION AND OVERVIEW

Congress established the Military Housing Privatization Initiative (MHPI) in 1996 to enable the Department of Defense to leverage private sector financing, expertise and innovation to provide high-quality housing for Service members and their families more quickly than traditional military construction. Since then, privatization has dramatically improved the quality of on-base housing and has established mechanisms for the long-term investment necessary to maintain high-quality, affordable housing where military members and their families want and choose to live.

The Department remains confident that housing privatization was the right thing to do. Privatization has dramatically improved the quality of on-base housing and has provided mechanisms for the long-term investment necessary to maintain high-quality, affordable housing where our military members and their families want and choose to live. Concerns raised in early fiscal year (FY) 2019 by Service members and their families in the media and at congressional hearings regarding unsafe or unhealthy conditions in some privatized housing units highlighted that the Department had a lapse in oversight, and in some cases, lost focus on delivering a positive experience to all MHPI housing residents. Since February 2019, the Department's focus has been, and continues to be, on implementing actions to enhance the MHPI program, consistent with our commitment to ensure housing privatization projects provide safe, quality, well-maintained housing where our military members and their families will want and choose to live.

Starting in February 2019, the Department began implementing actions to reform the MHPI program and its oversight of MHPI projects, consistent with our commitment to ensure MHPI housing projects provide safe, quality, well-maintained housing, as well as remain financially viable over the long term. We recognized the need to reconstitute the level of DoD oversight that was the cornerstone of the success enjoyed over the first 20 years of the program, and we worked to restore trust with military families living in privatized housing and enhance the spirit of collaboration with our private sector partners that is critical to ensuring the viability of the program well into the future. Our efforts were focused on five key areas: 1) senior leader engagement to collaborate internally and with MHPI project owners (POs) on housing issues and necessary corrective actions; 2) rebuilding trust with Service members and their families; 3) accountability at all levels within DoD and by MHPI POs to perform our oversight as originally intended at the outset of housing privatization; 4) transparency and more frequent communication with MHPI residents (i.e., Service members and their families who reside in MHPI housing); and 5) ensuring the long-term financial viability of the MHPI projects and MHPI program.

Actions completed or underway during fiscal year 2019 included: increasing DoD senior leadership engaged to resolve the immediate challenges as well as reform the oversight processes to ensure that these challenges are not repeated in the future; drafting a Resident Bill of Rights and Resident Responsibilities Document informed by responses to a DoD survey of MHPI housing tenants; drafting an incentive fee policy that establishes a common performance incentive fee framework across the MHPI project portfolio that the Military Departments can quickly implement to ensure project incentive fee metrics reflect the importance of service work responsiveness and customer satisfaction; directing the Military Departments to a review each of their MHPI projects' business practices (e.g., the processing of maintenance records and other performance assessment-related data) for appearances of inappropriate handling of data that informs Military Department decisions regarding incentive fees payments and the need to take corrective measures to address individual project performance; and improving

communication with residents and other stakeholders. In addition, the Military Departments conducted, or offered residents the option for the Military Department to conduct home condition inspections of each MHPI housing unit; accelerated hiring of about 500 additional installation staff and resident advocates to augment oversight, quality assurance, and customer care services; and directed MHPI projects to provide online and/or mobile app-enabled maintenance web portals for residents to enter and monitor the status of maintenance orders.

The Department of Defense and the MHPI POs are committed to working together to increase our collective communication with military families and better ensure they have a positive experience living in privatized housing. In addition, the Department will provide oversight of the MHPI portfolio as envisioned at the start of the program to ensure delivery of safe, quality, well-maintained housing for Service members and their families, and the long-term success of the MHPI projects and MHPI program.

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 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, 2018, through September 30, 2019 (FY 2019). This report is a snapshot in time and generally does not address MHPI project, program, or management changes since September 30, 2019, which will instead be captured in the MHPI Annual Program Report covering the reporting period that ends September 30, 2020.**

Appendix A includes 12 attachments (**Attachments A1** through **A12**) that contain graphs and tables to provide additional detail about the MHPI program for FY 2019. **Attachment A1** specifically provides Military Department status updates for FY 2019 on 14 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 POs to bring homes to adequate condition is executed during the initial development period (IDP). During the IDP, the POs 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, 2019, 72 of 79 existing privatized family housing projects and seven 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 2019. **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 2019. 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 Service 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 2019

As of September 30, 2019, cumulative MHPI program development in the family housing portfolio included approximately 77,000 new or replacement homes and more than 53,000 major/medium renovations to existing homes. On a portfolio level, actual deliveries of new homes through September 2019 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 have completed their IDPs, the OSD's focus has shifted from monitoring construction and renovations to a primary focus on monitoring project delivery of safe, quality, well-maintained housing, as well as 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:

- ✓ Projects provide safe, quality, well-maintained housing where our Service members and their families will want and choose to live;
- ✓ POs meet their financial and operational obligations;
- ✓ Projects remain financially viable and provide adequate funds for long-term recapitalization; and
- ✓ Projects continue to address changing requirements and market conditions

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 private-sector 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 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 residents 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 became 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 that 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 residents to maintain strong project financial performance or reverse

negative trends. MHPI family housing project occupancy rates continued to report strong occupancy rates in FY 2019, 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, 2019. The percentage of alternative tenants remains small compared to the number of military families the program serves.

OPERATIONAL PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2019

As of September 30, 2019, MHPI residents occupied more than 94 percent of homes available to be leased, approximately the same as 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 2019.

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 project 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 the categories above. The following MHPI projects were rated Red in the short term as of the end of FY 2019:

Military Department	Project ¹	Primary Near-Term Performance Issue
Army	Fort Irwin / Moffett Field / Camp Parks, CA	BAH increases in recent years have not yet offset the effects of previously sustained low BAH growth rates due to local economic conditions. Persistent occupancy challenges correlating to Fort Irwin's geographic isolation.
Army	Fort Leavenworth, KS	Revenue and occupancy challenges.
Navy	Midwest	Low military demand and low BAH have contributed to persistent revenue and operating expense challenges.
Navy	South Texas	This off-base project location sustained extensive damage from Hurricane Harvey in August 2017 to all 155 units, requiring the evacuation and lease termination of homes. All units were brought back online by September 2019; however, the project is still experiencing lower-than-projected occupancy due to hurricane effects.
Navy	Atlantic Marines	Occupancy, revenue and redevelopment challenges have arisen since Hurricane Florence damaged 3,818 homes at Camp Lejeune, NC, and Cherry Point, NC, in September 2018. Inbound leasing of Camp Lejeune and Cherry Point homes stopped for six months so damage assessment and repairs could be made to all 3,818 homes. As of September 2019, Camp Lejeune was 737 homes below the budgeted requirement of 4,448. Cherry Point was 151 homes below the budgeted requirement of 1,357. Budget constraints have impacted repairs.
Air Force	Scott AFB, IL	Capital Repair and Replacement funding shortfalls are projected starting 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

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

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 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 relatively healthy as of September 30, 2019, 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, we reiterate that the Government's interests are not always aligned with our MHPI POs' interests, and therefore Government oversight and engagement is necessary in a public-private partnership over the long term to ensure success.

GOVERNMENT CONTRIBUTIONS

GOVERNMENT EQUITY INVESTMENTS

As of the end of FY 2019, 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

As of the end of FY 2019, 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 approximately \$500,000.

GOVERNMENT DIRECT LOANS

As of the end of FY 2019, 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 \$145.6 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 2019, 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 2019 is zero.

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 2019

Military Department	Project	Description
Army	Aberdeen Proving Grounds, MD; Fort Meade, MD; Fort Bragg, NC; Fort Rucker, AL; Fort Sill, OK; and Fort Riley, KS	The Corvias Army MHPI Project Owners are not generating sufficient funds to address the replacement and renovation needs of the older homes in the Corvias Army MHPI portfolio. Thus, the Army asked Corvias to identify financing opportunities on a portfolio basis. In FY 2019, Corvias proposed the Army Investment Modernization and Utilities Program (AIMUP) that provided financing through an integrated LLC framework for Aberdeen Proving Grounds, Fort Meade, Fort Bragg, Fort Rucker, Fort Sill, and Fort Riley. The agreement was finalized with financial closing in July 2019. In FY 2019, a portion of the financing was drawn for scope related to the modernization effort across the Corvias Army MHPI portfolio.
Army	Renewable Energy Program	The Army and its MHPI Private Partners are committed to developing renewable energy solutions to reduce or limit future utility cost increases. The Army has approved renewable energy projects to provide more than 62 MW of electric generation on multiple Army installations. In partnership with energy companies, including SolarCity (now Tesla Energy) and Solar Mission, the future cost of electricity to be paid by the

Army MHPI Companies has been significantly reduced. The maximum output capacity of systems online at the end of FY 2019 was 60.9 MW. During FY 2019, 75.5M KWh of energy has been produced, of which 23.5M KWh is certified Renewable Energy Certificates (RECs) conveyed to the Army. At 7.4M KWh, certified RECs account for 33 percent of the total renewable energy produced during the Q3 2019 (FY Q4). In FY 2019, it was estimated about 7,500 homes were powered using the renewable energy generated by the Army MHPI Companies or certified RECs conveyed to the Army MHPI Companies. Additionally, based on the KWh generated, almost 38,000 tons of CO2 emissions were avoided based on the power generated through renewable energy projects.

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 Base 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 2019

As of September 30, 2019, 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 2019

As of September 30, 2019, MHPI residents occupied greater than 95 percent of UH units available to be leased, higher than the occupancy rate of the previous year. Unaccompanied personnel resided in 89 percent of available homes; the remaining six 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 2019.

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 2019 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, where the survey contractor asked the same questions as the primary survey contractor and the JBER project scoring results were converted to be compatible with the rest of the MHPI portfolio results.

The remainder of this section (Section V) focuses on the survey process and findings from the primary MHPI resident survey contractor for FY 2019. 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 PO/property manager, 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 POs/property managers and Military Departments are the first two steps in customer service performance improvement. The POs/property managers and Military Departments work together to create and implement specific corrective action plans, which is the key third step in increasing resident satisfaction through improved performance.

PERFORMANCE HIGHLIGHTS FOR FISCAL YEAR 2019

The primary survey contractor distributed surveys to 154,051 MHPI residents during FY 2019, and 54,288 surveys were returned for a very good response rate of 35.2 percent. The Overall Satisfaction Index for FY 2019 was 78.4 for the MHPI portfolio, compared to 81.5 for FY 2018. The Property Satisfaction Index for FY 2019 was 77.0 for the MHPI portfolio, compared to 80.2 for FY 2018.

The Service Satisfaction Index for FY 2019 was 79.2 for the MHPI portfolio, compared to 82.3 for FY 2018. **Attachment A8** summarizes the MHPI program satisfaction survey results collected in FY 2019, 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.

The PAL program 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 2019

During FY 2019, PAL opened two new hotels: a 99-guestroom Candlewood Suites at Fort Drum, NY, and a 128-guestroom Candlewood Suites at Fort Carson, CO. Renovations continued apace, with existing lodging facilities at three installations reaching the Holiday Inn Express brand standard: the 1,000-guestroom hotel at Fort Lee, VA; the 854-guestroom hotel at Fort Benning, GA; and the 60-guestroom hotel at Dugway Proving Ground, UT.

Through the close of FY 2019, the project had spent more than \$852 million on construction and renovation of the privatized hotel facilities on Army installations. This amount does not include sustainment funds spent from the project Reserves for Replacement set-aside account, \$150 million the project paid to retire Army Lodging's FY 2015 construction loan, or the project's \$2 million purchase of the former private lodge at Hunter Army Airfield. The average age of a room in the PAL inventory is 30 years old.

The PAL portfolio averaged approximately 13,059 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, 2019.

The average annual PAL occupancy was 72.5 percent during the reporting period. The PAL average daily rate for official travelers during FY 2019 was \$80.10, which equated to 75.0 percent of the average lodging per diem for all room nights sold. Market segmentation was 91.0 percent official travelers. Guest satisfaction rose in FY 2019 from 4.18 to 4.29 on a scale of 5.00, equating to an “Excellent” rating, which indicated that the PAL program continues to provide high-quality service while delivering measurable improvements to the PAL facilities on Army installations.



Appendix A: MHPI Program Report for the Reporting Period October 1, 2018 – September 30, 2019

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, 2018, through September 30, 2019.

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, 2019.

Attachment A3 identifies, on a project basis, the MHPI project scope and existing inventory as of September 30, 2019.

Attachment A4 graphically displays the scheduled and completed new construction and renovation portfolio totals for MHPI family housing as of September 30, 2019.

Attachment A5 provides informational tables on MHPI family housing occupancy rates by Military Department and a summary of MHPI residents by demographic category as of the end of September 30, 2019.

Attachment A6 lists the debt service coverage ratios for MHPI projects that had completed their initial development period as of September 30, 2019.

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, 2019.

Attachment A8 displays the resident satisfaction results for MHPI family and unaccompanied apartment projects as of September 30, 2019.

Attachment A9 displays the type(s) of Government contribution(s) received by MHPI project as of as of September 30, 2019.

Attachment A10 provides detailed information on the active government loan guarantees on MHPI projects as of September 30, 2019.

Attachment A11 identifies, on an installation-level basis, end states and existing inventory for the one MHPI lodging project as of September 30, 2019.

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.

(7) An assessment of the condition of housing units based on the average age of those units and the estimated time until recapitalization.

Instructions: Describe in a few paragraphs the results of annual housing inspections of privatized projects, providing summaries of housing conditions based on unit age, and the sustainment plan for the housing. Provide additional context for those projects where the housing inspections indicated that development/redevelopment was needed within the next five years (e.g., FY 2020 through FY 2024 for the report covering the reporting period October 1, 2018, through September 30, 2019) to address significant issues.

(8) An assessment of tenant complaints.

Instructions: Provide a general overview and assessment of housing complaints received from tenants of privatized housing projects. (Starting with the report covering the FY 2020 reporting period and going forward, this response will include, but not be limited to, a summary assessment of complaints received in the database required by section 2894a of title 10, United States Code.)

(9) An assessment of maintenance response times and completion of maintenance requests.

Instructions: Provide a general overview and assessment of maintenance response times and completion of maintenance requests at privatized housing projects for (a) emergency; (b) urgent; and (c) routine maintenance requests. (Starting with the report covering the FY 2020 reporting period and going forward, this response will include, but not be limited to, a summary assessment of information accessed by Department of Defense personnel in the database required for each privatized housing project by section 2892 of title 10, United States Code.)



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

(10) An assessment of the dispute resolution process, which shall include a specific analysis of each denied tenant request to withhold rent payments and each instance in which the dispute resolution process resulted in a favorable outcome for the landlord.

Instructions: Provide a general overview and assessment of the dispute resolution process at privatized housing projects as of the end of the FY 2019 reporting period. (Starting with the report covering the FY 2020 reporting period and going forward, this response will include, but not be limited to, (a) a list of tenant requests to withhold rent payment during the dispute resolution process required by section 2894 of title 10, United States Code that were denied, and the reason why the request was denied; and (b) a list of dispute resolution decisions where the landlord prevailed, and a summary statement of each decision.)

(11) An assessment of overall customer service for tenants.

Instructions: Provide a general assessment of customer service provided to tenants during the reporting period, and include any customer service initiatives implemented during the reporting period at your privatized housing projects.

(12) A description of the results of any no-notice housing inspections conducted.

Instructions: If any no-notice housing inspections were conducted during the reporting period, provide a summary description of the results. If no such inspections during the reporting period, provide a negative response.

(13) The results of any resident surveys conducted.

Instructions: Provide a summary assessment of the results of tenant surveys conducted during the reporting period on the behalf of the Military Departments or at the request of the Military Departments.

(14) With regard to issues of lead-based paint in housing units, a summary of data relating to the presence of lead-based paint in such housing units, including the following by military department:

Instructions: Military Department responses to parts (A), (B), (C), and (D) should cover the findings of lead-based paint inspections conducted during the reporting period.

(A) The total number of housing units containing lead-based paint.

Instructions: Provide the total number of housing units containing lead-based paint.

(B) A description of the reasons for the failure to inspect any housing unit that contains lead-based paint.

Instructions: If there was a failure to inspect housing unit(s) for the presence of lead-based paint in accordance with federal, State, and local laws in effect during the reporting period, provide an explanation why the unit(s) were not inspected. If there were no such failures to inspect during the reporting period, provide a negative response.

(C) A description of all abatement or mitigation efforts completed or underway in housing units containing lead-based paint.



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

Instructions: Provide a summary total by military department of the number of housing units known to have lead-based paint at the time of transfer to the privatized housing project, and provide a summary of cumulative actions taken by the privatized projects to remove or remediate lead-based paint since acquiring the housing units, and specifically describe actions taken by the project companies during the reporting year to remove or remediate lead-based paint.

(D) A certification as to whether military housing under the jurisdiction of the Secretary concerned complies with requirements relating to lead-based paint, lead-based paint activities, and lead-based paint hazards, as described in section 408 of the Toxic Substances Control Act (15 U.S.C. 2688).

Instructions: Provide a statement certifying whether the privatized housing complies with the requirements in section 2688 of 15 United States Code. If a certification cannot be made, provide a reason why.

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 2019

(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, 2019, 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) 2019.

(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:

None of the projects in the Army 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. One project, Fort Leavenworth, had months of shortfalls of net operating income relative to debt during the reporting period, but not sustained for more than a few months.

(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:

The majority of the RCI Projects are meeting or exceeding reinvestment account expectations.

Joint Base (JB) Langley-Eustis - Fort Eustis/JEB Little Creek-Fort Story -Fort Story: As of September 30, 2019, the recapitalization account for the Fort Eustis-Story project is 81.6 percent of the anticipated account balance. To date, the recapitalization account balance trails pro forma expectations of \$28.2M by \$5.2M.

Fort Hamilton: As of September 30, 2019, the recapitalization account for the Fort Hamilton project is 44.8 percent of the anticipated account balance. To date, the recapitalization account balance trails pro forma expectations of \$9.4M by \$5.2M.

Army Hawaii: As of September 30, 2019, the recapitalization account for the Army Hawaii project is 70.7 percent of the anticipated account balance. To date, the recapitalization account balance trails pro forma expectations of \$103.4M by \$30.3M.

Fort Leavenworth: As of September 30, 2019, the recapitalization account for the Fort Leavenworth project is 73.8 percent of the anticipated account balance. To date, the recapitalization account balance trails pro forma expectations of \$9.7M by \$2.5M.



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

Fort Polk: As of September 30, 2019, the recapitalization account for the Fort Polk project is 73.2 percent of the anticipated account balance. To date, the recapitalization account balance trails pro forma expectations of \$21.2M by \$5.7M.

(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 2019, the Army approved Major Decisions for out-year development using Project Recapitalization Account funding for multiple projects. The Army grants approval when proposed recapitalization account uses are determined to be the best course of action to protect and preserve the health of a project.

Fort Hood: Reinvestment Account withdrawals continue to fund the approved MSP which included roof flashing repairs, roof replacements, and exterior painting. The RIA balance went from \$20.4M at the end of last period to \$15.7M at the end of FY 2019.

Fort Hamilton: Reinvestment Account withdrawals continue to fund the approved MSP which included full exterior renovations, deck and stair replacement, and vinyl plank flooring replacement. The RIA balance went from \$7.5M at the end of last period to \$4.2M at the end of FY 2019.

(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 has reviewed utility rates charged to on-post housing residents as compared to off-post rates, and in almost all cases, electricity and natural gas rates charged to on-post residents are at or lower than off-post. In all cases the Army and RCI POs review utility rates to ensure they are accurate and meet the requirements detailed in the DASA (IH&P) Policy "Utility and Services Reimbursement Policy for Residential Communities Initiative (RCI) and Privatization of Army Lodging (PAL) Partnerships."

As of September 30, 2019, the RCI Energy Conservation Program (RECP) remains suspended. The suspension was initially requested per ASA (IE&E) memorandum dated February 25, 2019, and later mandated for all the Services per OSD memorandum dated February 25, 2020, as a result of program concerns arising from the privatized housing crisis. As of September 30, 2019, over 90 percent of occupied, privatized homes remain in the RECP, with all in mock billing. During the suspension, residents are provided monthly consumption reports (mock bills) showing their calculated usage. During the suspension, residents are not billed for excess usage above the calculated baseline and do not receive rebates for decreased consumption of their electric and natural



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

gas utilities. Reinstatement of the RECP is contingent upon completing a rigorous meter certification program IAW OSD guidance.

(7) An assessment of the condition of housing units based on the average age of those units and the estimated time until recapitalization.

ARMY RESPONSE:

During the reporting period, the Army attempted to complete inspections on 100 percent of the homes in its privatized housing portfolio. This inspection plan was a direct result of the issues raised from the housing crisis.

Prior to approving project out-year development plans, the Army works with the RCI PO to assess housing conditions in all neighborhoods. These assessments are used to determine the priority for use of reinvestment funding for development and construction as well as large-scale capital repair and replacement for the housing.

In addition, the installation housing team reviews, and the Army approves, the annual capital repair and replacement budget for each RCI project.

(8) An assessment of tenant complaints.

ARMY RESPONSE:

During the reporting period, the Army did not track individual tenant complaints. All complaints are normally dealt with at the installation level by either the property management company, the Army Housing Office staff, or the Garrison Commander.

(9) An assessment of maintenance response times and completion of maintenance requests.

ARMY RESPONSE:

For FY19, the RCI Companies received 92,649 emergency work orders of which 81,674 (88.2 percent) met required response times. RCI Companies received 107,282 urgent work orders of which 95,920 (89.4 percent) met required response times. In FY19 the Army did not track response times for routine work orders. The Army target to meet required maintenance response times is 96 percent.

(10) An assessment of the dispute resolution process, which shall include a specific analysis of each denied tenant request to withhold rent payments and each instance in which the dispute resolution process resulted in a favorable outcome for the landlord.

ARMY RESPONSE:

During the time period, the dispute resolution process was determined by each in-force tenant lease. The Army did not track disputes or resolution at the portfolio level as the installation housing office staff is responsible to work through issues which cannot be resolved by the property manager.

(11) An assessment of overall customer service for tenants.

ARMY RESPONSE:

Based on the Spring 2019 Resident Satisfaction Survey, the Service Satisfaction Index score for Family Housing was 75.9 (Good) and Unaccompanied Housing 86.4 (Outstanding). For Family Housing, the highest scoring



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

factor for Service was Quality of Maintenance Services at 78.0. For Unaccompanied Housing the highest scoring factor was also Quality of Maintenance Services at 87.8.

(12) A description of the results of any no-notice housing inspections conducted.

ARMY RESPONSE:

The DOD IG has been completing inspections as part of their audit of MHPI projects. In addition, starting in early 2019, the USAG Housing Management teams began completing inspections of all housing undergoing a change of occupancy throughout the portfolio. Through the end of the period the Army had inspected 13,000 homes undergoing a change of occupancy. Overall, the pass rate for these inspections was 88 percent. Furthermore, the USAG Housing Management teams began completing 100 percent life, health, and safety inspections of all housing throughout the portfolio. Through the end of the period the Army had inspected 200 homes with life, health and safety issues. Overall, the pass rate for this type of inspections was 96 percent.

(13) The results of any resident surveys conducted.

ARMY RESPONSE:

The Resident Satisfaction survey was conducted between April and May 2019 for Family Housing and Unaccompanied Housing.

a. RCI Housing

There were 79,388 surveys distributed and 23,431 of those surveys were received back with a response rate of 29.5 percent. The scores of the three Satisfaction Indexes measured were Overall Satisfaction (74.6, Average), Property Satisfaction (72.5, Average) and Service Satisfaction (75.9, Good). On average, there was approximately a 6-point decrease across the indexes compared to the prior scores.

b. Unaccompanied Housing

There were 1,783 surveys distributed and 358 of those surveys were received back with a response rate of 19.8 percent. The scores of the three Satisfaction Indexes measured were Overall Satisfaction (86.7, Outstanding), Property Satisfaction (86.5, Outstanding) and Service Satisfaction (86.4, Outstanding). On average, there was approximately a 3.6-point decrease across the indexes compared to the previous survey.

(14) With regard to issues of lead-based paint in housing units, a summary of data relating to the presence of lead-based paint in such housing units, including the following by military department:

(A) The total number of housing units containing lead-based paint.

ARMY RESPONSE:

All Army RCI projects comply with federal law which requires that before signing a lease for housing, including most buildings built before 1978, the landlord must provide tenants with an EPA-approved information pamphlet on identifying and controlling lead-based paint hazards and any known information concerning the presence of lead-based paint or lead-based paint hazards in the home or building. The Army does not have a comprehensive database of housing units that contain lead-based paint. Consistent with EPA guidance, all homes built before



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

1978 are assumed to potentially contain lead-based paint (approximately 33,800 units or 38.5 percent of the Army portfolio).

(B) A description of the reasons for the failure to inspect any housing unit that contains lead-based paint.

ARMY RESPONSE:

The Army expects all POs to comply with the applicable federal, State, and local laws in effect during the reporting period regarding the inspection of housing units for lead-based paint. USAG Housing Managers inspect the condition of homes, including noting the condition of painted surfaces, during change of occupancy maintenance (COM) inspections. During the period of this report, USAGs began inspecting all units that had completed COM before tenants moved in. Additionally, POs confirm the condition of painted surfaces during preventative maintenance inspections. The Army is not aware of any failures by the POs to conduct required inspections.

(C) A description of all abatement or mitigation efforts completed or underway in housing units containing lead-based paint.

ARMY RESPONSE:

The Army's MHPI portfolio includes approximately 33,800 units that were built before 1978 (38.5 percent of the portfolio) and therefore are assumed to contain lead-based paint. During the period of this report, the Army did not maintain a database of homes containing lead-based paint or efforts to remediate homes suspected of containing lead-based paint. POs maintain this information in accordance with federal, State, and local laws in effect during the reporting period.

(D) A certification as to whether military housing under the jurisdiction of the Secretary concerned complies with requirements relating to lead-based paint, lead-based paint activities, and lead-based paint hazards, as described in section 408 of the Toxic Substances Control Act (15 U.S.C. 2688).

ARMY RESPONSE:

To the best of its knowledge and belief, the Army certifies that housing under the jurisdiction of the Secretary complies with, all federal, State, interstate, and local requirements, both substantive and procedural (including any requirement for certification, licensing, recordkeeping, or reporting or any provisions for injunctive relief and such sanctions as may be imposed by a court to enforce such relief) respecting lead-based paint, lead-based paint activities, and lead-based paint hazards.



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 2019

(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:

Atlantic Marine Corps Communities, LLC: The backlog of maintenance and repair at AMCC was 25 percent at the end of the reporting period. Significant maintenance and repair backlog existed during FY 2019 primarily due to financial burden of recovery efforts associated with Hurricane Florence repairs. Additionally, impacts associated with Hurricane Dorian in September 2019 further contributed to the backlog. The estimated cost to eliminate the AMCC backlog is \$237,000, based on an average work order cost of \$136 for the period.

Ohana Military Communities, LLC (Navy phases): The calculated backlog for the HI Navy project is 37.4 percent, which is above the 20 percent reporting threshold. This is primarily due to staff vacancies and inefficient processes. The estimated cost to eliminate the backlog is \$602,000 based on an average cost of approximately \$300 per work order to complete a service call. PO agreed to use necessary carve-outs when work orders require extra time due to a delay in parts available, continue to work on filling vacancies, and develop a plan to improve processes.

Ohana Military Communities, LLC (USMC phases): The calculated backlog for the HI-MC project is 47.6 percent, which is above the 20 percent reporting threshold. This is primarily due to lack of carve-outs, staff vacancies and inefficient processes. Estimated cost to eliminate backlog is \$462,000 based on an average cost of approximately \$224 per work order to complete a service call. PO agreed to use necessary carve-outs when work orders require extra time due to a delay in parts available, continue to work on filling vacancies, and provide a plan to improve processes.

(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:

Atlantic Marine Corps Communities, LLC: For the reporting period, there was a 90 percent negative variance in deposits to reserve accounts as compared to pro forma expectations. Due to Hurricane Florence recovery efforts, the monthly application of revenues does not reach PRA/ORR. Revenues remaining after funding debt



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service are diverted to the Casualty Condemnation Account to fund hurricane recovery expenses (rather than flowing to recapitalization reserves).

Hampton Roads PPV, LLC: Actual deposits are only 40.3 percent of pro forma deposits (\$2.4M actual vs. \$5.9M pro forma). Overall, the Project has had multiple BAH decreases over time negatively impacting financial performance. The result is less income, deferment of earned fees and no deposits to ORA. Cash flow is insufficient to significantly reduce the prior years' deferred fees balance. The struggle to pay off deferred fees will remain for the foreseeable future. ORA will be funded only when deferred fees are paid.

Mid Atlantic Military Family Communities LLC (Navy phases): Actual deposits totaled \$1.8M, while pro forma projected deposits of \$13.42M for this period, a negative variance of 87 percent. Efforts to replenish the PRA account continue, but funding to reserves cannot keep pace with pro forma due to constrained cash flow. Until expenses decrease, minimal funds will flow to reserves and fees, and Phase I (Navy) will continue to receive funds from the Phase III (USMC) project to supplement cash flow needs. Due to the aging inventory, it is projected that many neighborhoods in the project will need to be demolished and replaced, but the reserve accounts needed to do so will be underfunded. The deficit in funding for recapitalization over the next 25 years of the project approaches \$1B. Maintenance costs will only increase as the units get older, putting pressure on debt service coverage.

New Orleans Navy Housing, LLC: The 52 percent negative variance from pro forma deposits is due to revenues continuing to be below pro forma projections. The tenant mix has been comprised of lower paying occupants (civilians and lower ranked military) than pro forma projected. These factors have lessened the cash flow to the recapitalization accounts.

Ohana Military Communities, LLC (USMC Phases): Deposits to the recapitalization accounts were 69 percent below Pro Forma. This is primarily due to the revenue projected in pro forma not being realized since BAH decreased annually by 1 percent instead of the 3 percent annual increases that were anticipated. Reduction in recapitalization funding is also due to occupancy rates consistently being lower than the planned 95 percent, resulting in less funds being available to flow down the waterfall into reserves.

Pacific Beacon, LLC: Deposits to reserve accounts were significantly higher than pro forma expectations as the project paid off deferred fees in 2017 and since then has maintained high occupancy and implemented many cost savings measures to lower operating costs.

Pacific Northwest Communities, LLC: Significant favorable variance to pro forma projections for deposits to reserve accounts due to higher revenue from BAH and strong occupancy.

San Diego Family Housing, LLC: Deposits to reserve accounts materially outpaced pro forma projections due to higher BAH and tenant mix and continued high occupancy in a strong market, all contributing to high debt coverage allowing funds to flow to reserves.

South Texas Military Housing, LP: A 73 percent negative variance from pro forma deposits occurred due to low revenue caused by tenant mix, higher vacancy rate than pro forma and lack of online units during the first half of the reporting period. The average occupancy during the reporting period was 92 percent. The project was impacted by Hurricane Harvey, which struck in August 2017. Due to extensive hurricane damage and slow repair progress, a majority of the on-line units did not become available until after March 2019.



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

NAVY RESPONSE:

Atlantic Marine Corps Communities, LLC: The entire \$11.1M balance in the PRA account was transferred to the Casualty Condemnation Account in August 2019 to fund hurricane recovery obligations. The remaining total reserve balances as of September 30, 2019, were \$13.5M.

(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:

Navy Working Capital Fund (NWCF) utilities and USMC installation public works utilities are provided to many (not all) of the DON MHPI projects, where utility rates are established by the Facilities Engineering Command (FEC) geographic Area of Responsibility for an entire Fiscal Year. In accordance with the DON MHPI business agreements, service members are charged a pass-through utility rate that is equal to what the landlord is charged, however, utility expenses are included in service member's Basic Allowance for Housing (BAH). This means that rates only impact the service member if the household exceeds the Resident Energy Conservation Program (RECP) threshold (electricity and gas only) described below. Otherwise, the expense is borne by the project and affects the service members indirectly by reducing available funding to reserve accounts.

The Navy privatized housing program implemented the Resident Energy Conservation Program (RECP) that authorizes and encourages projects to combine individually metered housing units into like type groups (LTG) of comparable energy characteristics including size, construction style, and other energy usage related component characteristics. Residents receive monthly bills for their electricity and gas usage based on how they compare to the average costs of utilities for their LTG.

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 5 percent of users (except for like type groups of less than 20 homes when all occupied homes are included in the average).

A buffer of 10 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. Residents may elect to roll over their utility credits to offset costs if future monthly



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usage is above the normal usage band. Residents over the normal usage band must pay when their accumulated amount owed exceeds \$25.

(7) An assessment of the condition of housing units based on the average age of those units and the estimated time until recapitalization.

NAVY RESPONSE:

Navy Projects

FY 2019		Weighted Project Age		Partner Inventory Rating	Last Year of Recapitalization Spending		
MHPI Project	Years Built	Age	Mod Age		Calendar Year	Lease Term Year	Years Remaining on Term
HAMPTON ROADS UNACCOMPANIED HOUSING	1939-2010	31.2	12.3	B	2057	50	0
HAWAII-NAVY	1911-2009	27.6	17.8	B	2054	50	0
KINGSVILLE II	2002	17.0	17.0	A	2027	27	3
MID ATLANTIC-NAVY	1810-2012	41.4	16.0	B	2055	50	0
MIDWEST	1909-2013	36.8	18.3	B	2054	49	1
NEW ORLEANS	1965-2003	32.7	12.9	C	2051	50	0
NORTHEAST	1877-2008	41.7	20.2	B	2054	50	0
NORTHWEST	1894-2018	14.9	12.2	A	2054	49	1
SAN DIEGO FAMILY HOUSING	1903-2019	31.6	11.1	B	2050	49	1
SAN DIEGO UNACCOMPANIED HOUSING	2005-2009	10.9	10.9	A	2056	50	0
SOUTH TEXAS	1938-2005	17.9	17.9	*	*	*	*
SOUTHEAST	1930-2012	38.1	16.7	B	2056	49	1

Age-Original Construction
Mod Age- Modified Age based on most recent major renovations
Partner Inventory Rating - based on 2019 annual Partner Inventory Assessment
- Weighted average by neighborhood
-A = Excellent: Routine Maintenance only, does not require major renovation near-term
-B = Good: Normal wear and tear; some component replacement needed near-term
-C = Fair: Renovation work may be required near-term to address critical maintenance issues(s)
Last Year of Recap Spending - Per 2019 Sustainment models, last year of lease term with projected recap projects
*ST did not produce a Sustainment model in 2019 due to project uncertainties related to financial restructuring

Midwest Family Housing, LLC scored Red for Short-Term Outlook based on lack of sustainment reserves and unknown ability to meet sustainment requirements. While the project currently maintains strong performance operationally, it remained challenged in FY 2019 and into future years due to larger than anticipated debt service requirements (~\$2M/yr.), payment of deferred fees, along with fewer full-BAH paying occupants. Project success requires continued focus on land sales, continued payment of deferred PM incentive fees with associated interest, monitoring of expenses, increased military referrals (and capture rates), and increased reliance on civilian residents. Sustainment model indicates a shortfall in the first 10 years, meaning projects will be deferred and/or reduced in scope.

South Texas Military Housing, LP was impacted by Hurricane Harvey, which struck August 2017. Due to extensive hurricane damage and slow repair progress, a majority of the on-line units did not become available until after March 2019.



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

USMC Projects

FY 2019		Weighted Project Age		Partner Inventory Rating	Last Year of Recapitalization Spending		
MHPI Project	Years Built	Age	Mod Age		Calendar Year	Lease Term Year	Years Remaining on Term
ATLANTIC MARINE CORPS COMMUNITIES	1900-2015	29.9	9.9	*	*	*	*
CAMP PENDLETON I	1953-2004	29.8	16.0	C	2047	47	3
CAMP PENDLETON QUANTICO HOUSING	1925-2011	21.4	8.7	B	2053	50	0
HAWAII-MC	1941-2018	10.1	9.5	A	2054	50	0
MID ATLANTIC-MC	2012-2014	5.0	5.0	A	2054	49	1

Age-Original Construction
Mod Age- Modified Age based on most recent major renovations
Partner Inventory Rating - based on 2019 annual Partner Inventory Assessment
- Weighted average by neighborhood
-A = Excellent: Routine Maintenance only, does not require major renovation near-term
-B = Good: Normal wear and tear; some component replacement needed near-term
-C = Fair: Renovation work may be required near-term to address critical maintenance issues(s)
Last Year of Recap Spending - Per 2019 Sustainment models, last year of lease term with projected recap projects
* AMCC did not produce a Sustainment model in 2019 due to project uncertainties related to hurricane damage recovery.

Atlantic Marine Corps Communities, LLC: No FY 2019 sustainment projects were planned due to expected financial challenges as a result of storm damage from Hurricane Florence in September 2018. Property management operations received and responded to over 64,000 service calls and handled more than 7,100 resident move ins/move outs as part of normal business. In FY 2019, occupancy continued to be a challenge and was exacerbated due to the impacts from Hurricane Florence. Disaster recovery stressed reserve accounts and associated repair cost exceeded insurance proceeds. Repair of project inventory will continue to be an enduring financial strain on the project. Local area construction cost factors are highly elevated due to high demand for labor and materials. FY 2019 resulted in a continuation of reduced revenue from concessions in the amount of \$9.9M. In order to attract and retain residents, further expansion of waterfall category move-ins will be necessary in order to maximize occupancy and revenue. However, YTD economic occupancy trended lower from the beginning of FY 2019 (85 percent) to 80 percent at the end of the reporting period.



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

(8) An assessment of tenant complaints.

NAVY RESPONSE:

Navy Projects

The MHPI FY 2019 Report to Congress covering reporting period October 1, 2018, to September 30, 2019, general overview of tenant complaints received in the eMH (Enterprise Military Housing) data base required by section 2894a of Title 10, United States Code, provides the following assessment. Listed are the categories with the highest percent of tenant complaints across the entire Navy enterprise:

- 29% - Mold
- 18% - Maintenance and Repair
- 12% - Residence/Dwelling
- 6% - Deposit Damages
- 6% - Pest Control
- 4% - HVAC
- 3% - Move-in
- 3% - Plumbing
- 2% - Electric
- 17% - Other (categories that represent less than 2 percent of tenant complaints).

USMC Projects

The MHPI FY 2019 Report to Congress covering reporting period October 1, 2018, to September 30, 2019, general overview of tenant complaints received in the eMH data base required by section 2894a of Title 10, United States Code, provides the following assessment. Listed are the categories with the highest percent of tenant complaints across the entire USMC enterprise:

- 61% - Mold
- 24% - Plumbing
- 7% - Maintenance and Repair
- 5% - HVAC
- 2% - Pest Control
- 1% - Other (categories that represent less than 2 percent of tenant complaints).

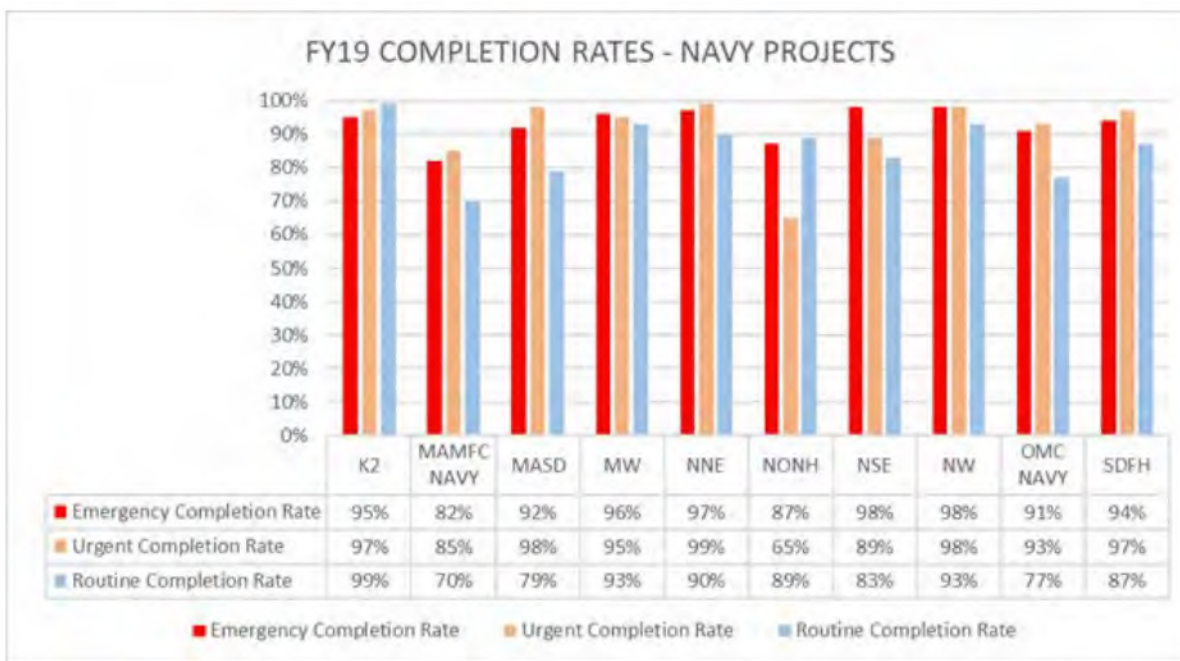
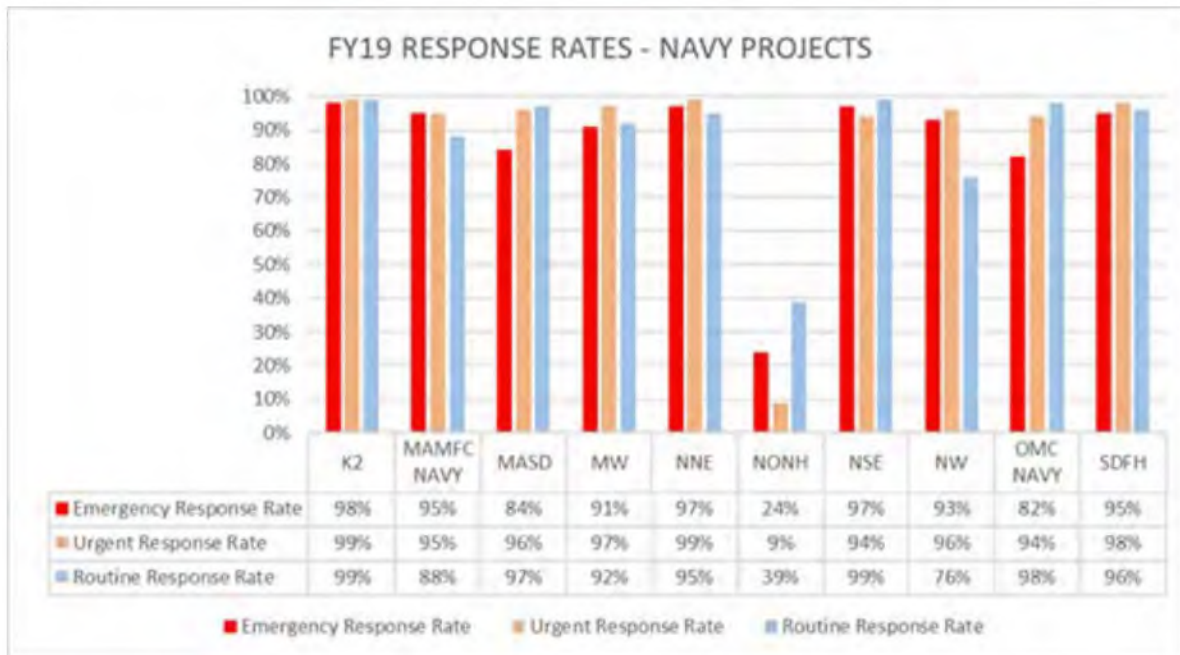


Attachment A1: Military Department Reports in Response to Section 2884(c) of Title 10, United States Code

(9) An assessment of maintenance response times and completion of maintenance requests.

NAVY RESPONSE:

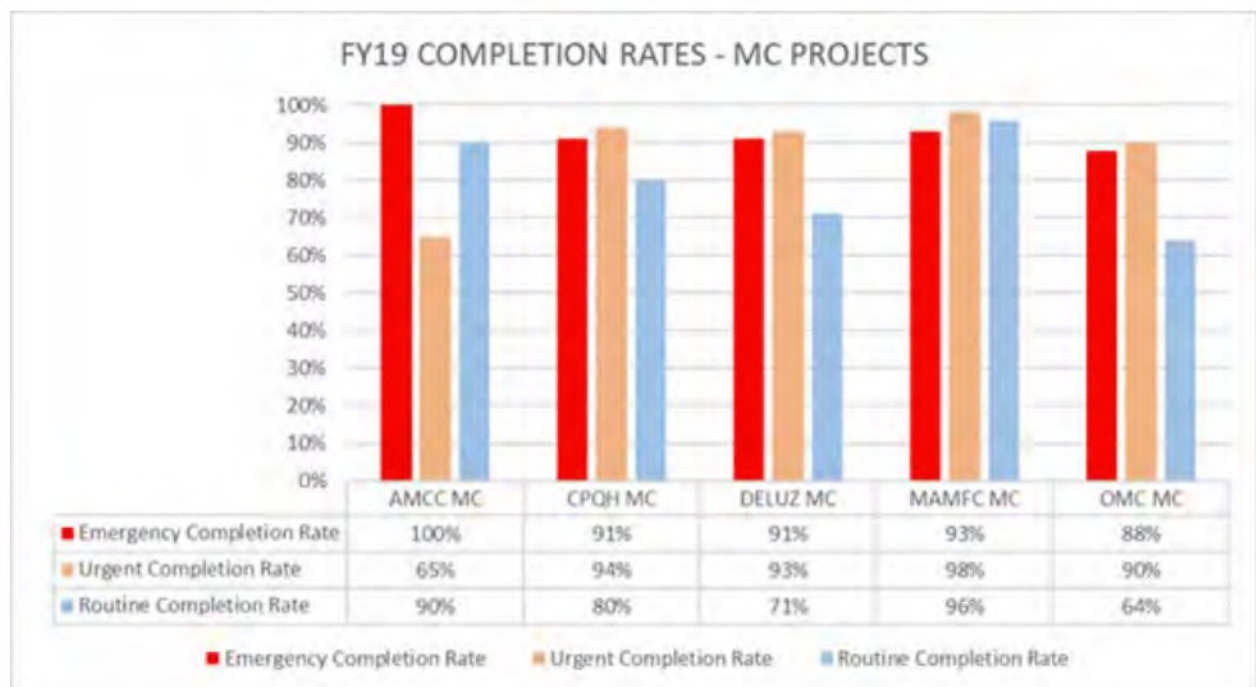
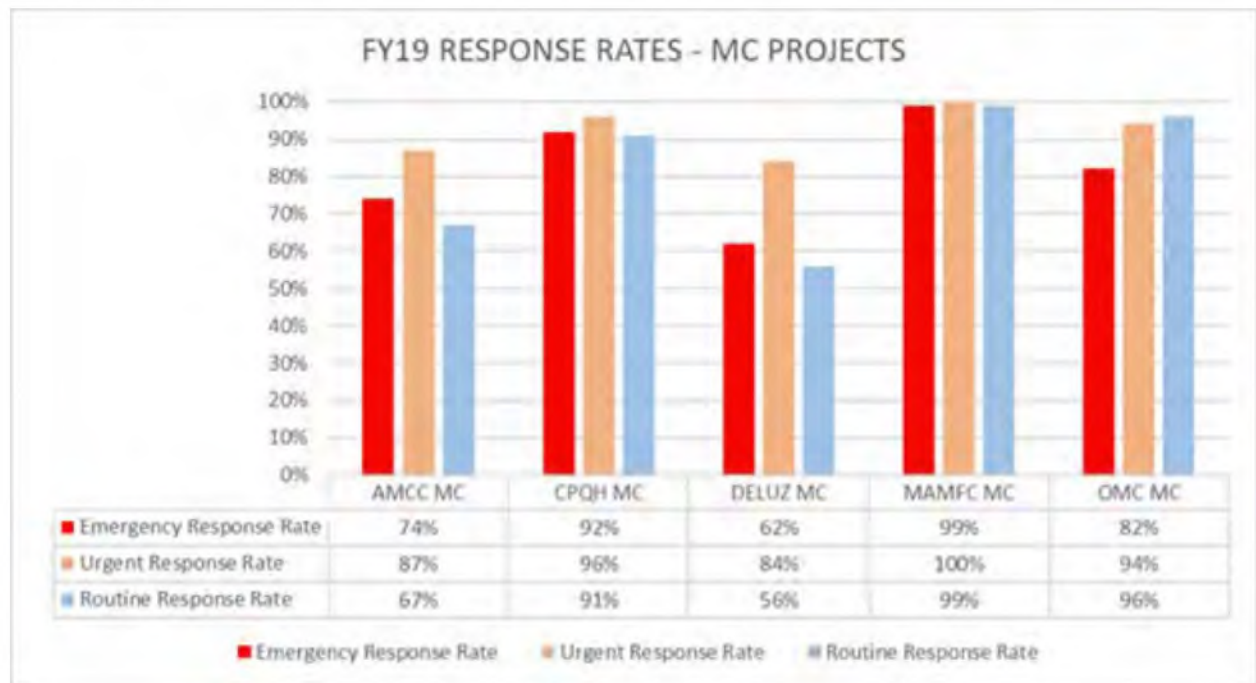
Navy Projects:



Navy Projects with Response/Completion Rates Below 70 Percent

New Orleans Navy Housing, LLC: Low rates are due to a difference in calculation of on-time completion and response. NAVFAC is working with the New Orleans MHPI PO to bring methodology in line with the rest of the DON portfolio. In FY 2019, Patrician gave all work orders an automatic “pass” for response because they sent out an automated email. NAVFAC calculations included here are based on considering a response to be the actual time a technician is at the site actively beginning repairs.

USMC Projects:



Marine Corps Projects with Response/Completion Rates Below 70 Percent

Atlantic Marine Corps Communities, LLC: A large backlog of service orders occurred during FY 2019 primarily due to the extent of the damage to homes because of Hurricane Florence (September 2018). The recovery efforts were hampered by the immediate lack of available resources, damage to nearly half of the project inventory and to most homes in North Carolina locations. Losses exceeded property insurance which, when compounded by the loss of over 1,200 residents due to relocation and a pause to PCS of families to North Carolina installations, created a substantial financial burden on the operating and reserve accounts of the project company. Hurricane Dorian in September 2019 further hindered the efforts to eliminate the backlog.

De Luz Housing LLC: For FY 2019, the De Luz project scored <70 percent response rates for Emergency and Routine work orders. The primary reason was due to work orders (WOs) that were entered into property management system YARDI as emergency or urgent for environmental mold work in order to track homes placed into the remediation project efforts associated with the water intrusion/mold related issues discovered in FY 2019. These WOs were not placed under carve-out as they should have been, thus resulting in an inaccurate rate. Therefore, for this reporting period, it should be highlighted that the low response rates are inclusive of both occupied homes' generated WOs and the remediation project (non-occupied) generated WOs.

Ohana Military Communities, LLC (Marine phases): During FY 2019, the PO was incorrectly assuming they had 10 days to complete routine service calls based on their interpretation of the business agreement at that time. This was an inaccurate assessment of the requirement and resulted in reporting a higher percentage completed during FY 2019. As agreed with the PO and documented on the maintenance analytical tool (MAT) criteria acceptance letter, FY 2020 and future year evaluations will use the currently established criteria of three business days. The results displayed above in this MHPI Report to Congress were generated using the accurate, current criteria of three business days, which resulted in lower completion rates than what the POs were reporting at that time.

(10) An assessment of the dispute resolution process, which shall include a specific analysis of each denied tenant request to withhold rent payments and each instance in which the dispute resolution process resulted in a favorable outcome for the landlord.

NAVY RESPONSE:

Navy Dispute Resolution Process:

Prior to the instruction signed April 2021, "Navy Public Private Venture Dispute Resolution Process", the Navy did not have a formal dispute resolution process in place for tenants of privatized family housing.

The Navy's Issue Resolution Process is outlined in CNIC Manual 11103.1 CH-8 Navy Housing Referral Services. Per the policy, if resolution is not achieved or additional action is necessary, the Navy Housing Service Center (HSC) counselor may provide recommendations for further action. For issues that cannot be resolved, or are outside of the HSC's purview, the HSC must provide contact information to Navy law offices, the Fleet and Family Support Center, or contact the command as required.



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

USMC Dispute Resolution Process:

The Marine Corps' resident initiative included the "Three Step Issue Resolution Process" was utilized in FY 2019. The process consisted of three steps to assist tenants that were not satisfied with any service.

Three Step Issue Resolution Process

Step 1: Identify the issue with Property Management Office

Step 2: If issue resolution is incomplete or not satisfied, contact Property Management Manager

Step 3: If issue remains unresolved, contact the Military Housing Office.

(11) An assessment of overall customer service for tenants.

NAVY RESPONSE:

Navy Projects:

The FY 2019 Resident Satisfaction Survey shows an average Service Satisfaction of 83.4. The Service Satisfaction rates the quality of customer service provided to residents. The rating covers five specific areas: Readiness to Resolve Problems, Responsiveness & Follow-Through, Quality of Management Services, Quality of Maintenance Services, and Relationship Rating. Readiness to Resolve Problems pertains to the perceptions of how willing or receptive the on-site personnel are to solving a particular problem. Responsiveness & Follow-Through pertains to the perceptions of how responsive the on-site manager and/or staff is to resolving existing and/or potential problems. This category evaluates how the problem-resolution actions were perceived, and whether the property management staff followed up to make sure the corrective actions were completed satisfactorily. Quality of Management Services assesses the perceived quality of services being rendered by the on-site management team and the property management company. Quality of Maintenance Services rates the maintenance services including responsiveness and follow-through, overall level of service provided and relationship with the maintenance personnel. Relationship Rating measures the relationship between the Property Manager and the Resident.

USMC Projects:

The FY 2019 Resident Satisfaction Survey shows an average Service Satisfaction of 78.6. The Service Satisfaction rates the quality of customer service provided to residents. The rating covers five specific areas: Readiness to Resolve Problems, Responsiveness & Follow-Through, Quality of Management Services, Quality of Maintenance Services, and Relationship Rating. Readiness to Resolve Problems pertains to the perceptions of how willing or receptive the on-site personnel are to solving a particular problem. Responsiveness & Follow-Through pertains to the perceptions of how responsive the on-site manager and/or staff is to resolving existing and/or potential problems. This category evaluates how the problem-resolution actions were perceived, and whether the property management staff followed up to make sure the corrective actions were completed satisfactorily. Quality of Management Services assesses the perceived quality of services being rendered by the on-site management team and the property management company. Quality of Maintenance Services rates the maintenance services including responsiveness and follow-through, overall level of service provided and



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

relationship with the maintenance personnel. Relationship Rating measures the relationship between the Property Manager and the Resident.

(12) A description of the results of any no-notice housing inspections conducted.

NAVY RESPONSE:

This question is not applicable to Department of Navy family or unaccompanied housing. No-notice housing inspections are not permitted.

(13) The results of any resident surveys conducted.

NAVY RESPONSE:

Navy Projects:

The FY 2019 Resident Satisfaction Survey resulted in an increase in Overall Satisfaction, Property Satisfaction, and Service Satisfaction. The average increase was 8 points in Overall Satisfaction, 6.5 points in Property Satisfaction, and 9.1 points in Service Satisfaction. The average response rate was 38.7 percent.

USMC Projects:

No survey was conducted during FY 2019 for AMCC due to Hurricane Florence. CPQH calendar year (CY) 2018 survey was performed before the FY 2019 reporting period and the CY 2019 survey was completed after the end of the FY 2019 reporting period.

FEC	Project	Project Name	FY2019 Overall	FY2019 Service	FY2019 Property
SW	CP1	Camp Pendleton 1 (De Luz)	68.3	66.3	69.3
SW	CP2	Camp Pendleton 2 (CPQH)			
ML	AMCC	Camp Lejeune Cherry Point Stewart			
ML	MA (MC)	Mid-Atlantic Marine Corps	94.3	95.3	92.2
HI	HI-(MC)	Hawaii Marine Corps	71.6	71.0	71.5

(14) With regard to issues of lead-based paint in housing units, a summary of data relating to the presence of lead-based paint in such housing units, including the following by military department:

(A) The total number of housing units containing lead-based paint.

NAVY RESPONSE:

Navy: 17,256 units

USMC: 5,333 units

Note: This total includes all homes in the DON privatized portfolio that were constructed prior to 1978 and therefore likely to contain or have contained lead-based paint.

(B) A description of the reasons for the failure to inspect any housing unit that contains lead-based paint.

NAVY RESPONSE:

When properly notified of the presence of exposed LBP by a resident and/or at change of occupancy, units are inspected.



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

(C) A description of all abatement or mitigation efforts completed or underway in housing units containing lead-based paint.

NAVY RESPONSE:

All abatement efforts were completed on housing units containing lead-based paint during the initial development period and before occupancy of any affected unit. Overall building condition is observed during annual preventative maintenance inspections and condition of lead-based paint is visually assessed. Lead-based paint condition is also observed during unit turnover and needed abatement or mitigation is completed.

Abatement Methods:

- Component replacement
- Encapsulation
- Enclosure
- Removal

(D) A certification as to whether military housing under the jurisdiction of the Secretary concerned complies with requirements relating to lead-based paint, lead-based paint activities, and lead-based paint hazards, as described in section 408 of the Toxic Substances Control Act (15 U.S.C. 2688).

NAVY RESPONSE:

Annually, all DON MHPI POs are required to sign a certification regarding compliance with various business agreement provisions and existing laws. The following two paragraphs are excerpted from the FY 2019 Annual Certification:

“The Lessee is in compliance with the Environmental requirements contained in the Business Agreements that are applicable to the Lessee’s activities on the Leased Premises. The Lessee has all environmental permits (including air permits) or authorizations required for its operations under the Ground Lease or Environmental Laws.

“The Lessee has developed, implemented and is in compliance with all environmental management plans (including, as applicable and without limitation, Hazardous Materials, Pesticide Management, Storm Water Pollution Prevention, ACM/LBP, and Mold Management) required pursuant to the Ground Lease, and has updated such plans from time to time as required by changes to Environmental Laws or at the reasonable request of the Government.”



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 (DAF) 10 U.S.C. 2884 (c) Semi-Annual Report on Privatized Housing for Fiscal Year 2019

(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.

DAF RESPONSE:

None of the 32 projects in the Department of Air Force (DAF) portfolio had a maintenance backlog of 20 percent or greater as of September 30, 2019.

(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.

DAF RESPONSE:

None of the projects in the DAF portfolio had debt exceeding net operating income for more than one year or an average monthly occupancy below 75 percent for more than one year. Four projects (AETC Group I, Dover, Robins AFB I, and Southern Group) 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.

DAF RESPONSE:

ACC Group II: A 25.5 percent variance. The Reinvestment Account is behind the pro forma plan by \$1.3M.

AETC Group I: A 72.5 percent variance. The Reinvestment Account is behind the pro forma plan by \$12.8M. Disbursements in 2018 totaling \$8.3M to fund work on the renovation of the homes demolished as a result of Hurricane Michael are the primary reason for the variance.

AETC Group II: A 75.2 percent variance. The Reinvestment Account is behind the pro forma plan by \$9.5M. 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 did not commence until after the preferred return balance was paid off in April 2019.

AMC East: A 78.3 percent variance. The Reinvestment Account is behind the pro forma plan by \$12.7M as of September 30, 2019. The project has used \$25.7M of Reinvestment Account funds whereas the pro forma did not forecast withdrawals until 2024. Projects included work on a fire damaged house, siding re-clad projects at MacDill AFB, sustainment needs, a water conservation project, and window modifications at MacDill AFB.

BLB: A 100.0 percent variance. The Reinvestment Account is behind the pro forma plan by \$1.1M because of amounts owed to the Design Builder and PO 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, 2019, the project owed



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

\$24.4M in deferred fees and \$55.0M to the PO for an outstanding preferred return. Post-restructure, forecasts indicate the project will payoff outstanding fee obligations and commence funding the Reinvestment Account in 2028.

Buckley: A 83.4 percent variance. The Quality of Life Account has been funded, but the Reinvestment Account has not been funded and is behind the pro forma plan by \$1.9M 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 percent variance. The Reinvestment Account is behind the pro forma plan by \$7.7M because of an extension of the initial development plan (IDP) from September 2018 to December 2021. As a result, no deposits have been made to the Reinvestment Account.

Dover: A 100 percent variance. The Reinvestment Account has not been funded and is behind the pro forma plan by \$0.7M because the project has a \$16.1M deferred fee that must be paid off before cash flow splits to the Reinvestment Account will commence.

Elmendorf AFB I: A 32.6 percent variance. As of September 30, 2019, the Reinvestment Account had a balance of \$23.5M, which was \$11.4M behind the pro forma plan. The occupancy assumption in the pro forma was overly optimistic and the actual cumulative operating expenses through September 30, 2019, were 21 percent greater than the pro forma, resulting in less cash flow to contribute to Reinvestment Account deposits.

Falcon Group: A 37.3 percent variance. The Reinvestment Account is behind the pro forma plan by \$9.0M because: 1) BAH rates declined for several years, 2) Little Rock AFB struggled with occupancy below 90 percent for years, 3) Hanscom and Little Rock 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.

Lackland: A 68.4 percent variance. The Reinvestment Account is behind the pro forma plan by \$6.1M partially because of the need to fund demolition of 24 units in 2018 due to unanticipated safety concerns.

Nellis: A 100 percent variance. The Reinvestment Account has not been funded and is behind the pro forma plan by \$560.3K because the project has \$1.2M in outstanding liabilities (asset management fees and performance incentive fees) that must be paid off before cash flow splits to the Reinvestment Account will commence. Contributing to the delayed payoff of the outstanding liabilities is the decrease in revenue associated with the decline in rental rates and subsequently BAH rates after the financial collapse in 2008.

Offutt: A 100 percent variance. The Reinvestment Account has not been funded and is behind the pro forma plan by \$3.2M 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 fully funds a \$3.3M demolition account.

Robins II: A 75.8 percent variance. The Reinvestment Account has only been marginally funded due to a prior existing deferred fee balance and an existing \$5.3M preferred return balance. The project paid off its deferred fees in August 2017, and as a result, now 10 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 lease term.



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

Scott: A 100 percent variance. No funds have been deposited into the Reinvestment Account because of outstanding preferred return and deferred fee balances (\$100.3M 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 fees during the remaining lease term.

Southern Group: A 31.9 percent variance. The Reinvestment Account is behind the pro forma plan by \$6.0M mostly because of the need to use Reinvestment Account funds to pay for moisture remediation of units at Keesler AFB.

Tri-Group: A 83.6 percent variance. The Reinvestment Account is behind the pro forma plan by \$3.7M because cash flow split deposits to the Reinvestment Account commenced in August 2019 when the preferred return balance was paid off rather than in 2014 as assumed in the original pro forma.

(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.

DAF RESPONSE:

AMC West: During the reporting period, the PO disbursed \$11.5M from the Reinvestment Account to fund PEX litigation expenses at Tinker AFB and for sustainment work at all AMC West installations (Fairchild, Tinker, and Travis AFBs). The PO is seeking reimbursement from the manufacturer because of manufacturer's defects in the PEX piping in 398 housing units and the costs to repair damage caused by leaking pipes.

BLB: During the reporting period, the PO disbursed \$1.9K from the Reinvestment Account because it had been erroneously transferred to that account at the end of the IDP. Amounts owed to the Design Builder and PO for deferred fees and preferred return balances were supposed to be paid off before cash flow splits to the Reinvestment Account.

Southern Group: During the reporting period, the PO disbursed \$4.1M from the Reinvestment Account to fund moisture remediation of units at Keesler AFB.

No other projects in the Air Force portfolio had withdrawals of 20 percent or greater from the recapitalization account.

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

DAF RESPONSE:

Not applicable.



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

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

DAF 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 2019 reporting period, 38 of 68 DAF project locations had implemented utility allowances whereby Service members were 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 paid a local utility company, the rates were those of the local utility company. If the project paid the installation on a reimbursable basis, the rates were those that the installation charged the project (the government rate which is usually less than the local rate). Service members 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.

(7) An assessment of the condition of housing units based on the average age of those units and the estimated time until recapitalization.

DAF RESPONSE:

During the reporting period, the DAF completed Health and Life Safety inspections on 100 percent of the units in its privatized housing portfolio. Those inspections helped the DAF identify and correct over 5,200 issues. Additionally, the DAF conducts Capital Repair & Replacement (CR&R) reviews of every project location approximately every five years. During those assessments, the DAF reviews the housing stock and based on the installed equipment (roofs, appliances, sidewalks, infrastructure, etc.), estimates when that equipment will need to be replaced and what it will cost to do so. During the period covered by this report, that did not include an inspection of every housing unit.

The DAF uses the results of these assessments during discussions with the POs regarding annual and long-term CR&R planning and budgeting. Combined with the DAF's annual reforecast of each project's long-term outlook, these assessments help identify projected shortfalls between the CR&R funds that are expected to be available and the needs of the project. They also inform the DAF's actions regarding budget approvals, prioritization of spending, and identification of projects that may need to be restructured in order to remain competitive with the local housing markets.

Forecasts for the following projects indicate significant shortfalls and an inability to fully fund CR&R needs in the next five years:

AETC Group I (Tyndall, Sheppard, Luke and Altus AFBs): Based on the DAF's reforecast, in addition to challenges presented by Hurricane Michael and rebuilding the housing project at Tyndall AFB, the project will have a shortfall of approximately \$700K to complete necessary Capital Repair and Replacement (CR&R) needs starting in FY 2020, growing to \$9.8M in the five-year outlook. During the period of this report, the DAF and



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

the PO were working on a financial restructure that would include addressing the requirement to rebuild at Tyndall AFB, cover debt service obligations, and provide sufficient funding for sustainment.

Offutt: The DAF's reforecast indicates the project will have a shortfall of approximately \$1.0M to complete necessary Capital Repair and Replacement (CR&R) needs starting in 2020, growing to \$7.0M in the five-year outlook. During the period of this report, the DAF and the PO were working on a financial restructure that would cover debt service obligations and provide sufficient funding for sustainment.

Robins I: The DAF's reforecast indicates the project will have a shortfall of approximately \$219K to complete necessary Capital Repair and Replacement (CR&R) needs starting in 2020, growing to \$5.2M in the five-year outlook. During the period of this report, the DAF and the PO were working on a financial restructure that would cover debt service obligations and provide sufficient funding for sustainment. DAF divestiture of this asset may be the best solution since the project is off-base and military families account for only 24.5 percent of the occupied units.

Robins II: The DAF's reforecast indicates the project will have a shortfall of approximately \$317K to complete necessary Capital Repair and Replacement (CR&R) in the five-year outlook. During the period of this report, the DAF was considering a financial restructure that would provide sufficient funding for sustainment. Since the DAF contributed equity to this project at closing, not a government direct loan (GDL), the DAF could potentially contribute additional equity to improve the project's outlook.

Scott: The DAF's reforecast indicates the project will have a shortfall of approximately \$7.8M to complete necessary Capital Repair and Replacement (CR&R) needs starting in 2020, growing to \$33.5M in the five-year outlook. During the reporting period, the Air Force and the PO were working on a financial restructure that would provide sufficient funding for sustainment. The potential restructure includes a GDL modification and PO forgiveness of deferred development fees and the preferred return balance.

(8) An assessment of tenant complaints.

DAF RESPONSE:

The DAF is implementing eMH, a common database to track tenant complaints. Each installation's military housing office (MHO) collects and responds to tenant complaints. The MHOs keep track of the complaints they receive and respond to locally. The DAF established a 1-800 call center in March 2019 to receive resident feedback regarding DAF privatized housing. The call center is available 24 hours a day, 7 days per week. Upon receiving a call, Project Managers from the Air Force Civil Engineer Center (AFCEC) investigate the resident's complaint, work with the resident, the MHO, and the PO to gather information and assist in the resolution of the situation. During the reporting period, the DAF Call Center received and resolved 33 calls. Examples of the issues reported include questions regarding move-in and move-out procedures and charges, resident break-lease fees, questions about mold and moisture, fence installation and removal policies, sewage and plumbing issues including clogged toilets, and air conditioning not cooling enough. The DAF Call Center received an average of eight calls per month during the reporting period.



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

(9) An assessment of maintenance response times and completion of maintenance requests.

DAF RESPONSE:

Projects across the DAF portfolio responded to 89.9 percent of emergency, urgent and routine service calls within the timeframes set forth in their project transaction documents. Projects completed 91.5 percent of all work orders within the timeframes set forth in their project transaction documents. The on-time response and completion percentages were below the DAF target of 96.0 percent. The DAF portfolio saw a large increase in the number of work orders in CY 2019 Q3 versus historical averages, likely due to the impacts of the 100 percent Health and Life Safety inspections. There were 124,856 total work orders across the portfolio in Q3 2019. The portfolio typically sees an average of around 114,000 total work orders during CY Q3. During CY 2019 Q3, the total was over 10,000 work orders higher, an increase of over 9 percent. Additionally, many PO reported higher than usual vacancy in their maintenance staffing and reported general difficulty in finding qualified maintenance technician candidates due to the strong labor market in many areas of the country. These factors combined resulting in poor maintenance responsiveness during the quarter.

(10) An assessment of the dispute resolution process, which shall include a specific analysis of each denied tenant request to withhold rent payments and each instance in which the dispute resolution process resulted in a favorable outcome for the landlord.

DAF RESPONSE:

The tenant leases of most MHPI projects include procedures for resolving tenant disputes. In general, the goal is to resolve tenant disputes at the lowest level. If a tenant discovers a problem with their home, the tenant first communicates the issue directly to the landlord. For example, if a tenant discovers that an appliance is not functioning correctly, the tenant should submit a work order request to the landlord, in the manner that is required by the tenant lease agreement. If the initial communication or request does not result in action to resolve the issue, tenants are advised to proceed with the following steps:

Follow-up with the landlord's property management staff. If the landlord has not resolved the issue after the initial communication or request, the tenant should follow-up with the local property management staff. Depending on the circumstances, the tenant may also communicate the issue to the Military Housing Office (MHO) for their awareness (and direct engagement, if necessary).

If the issue is not resolved by the landlord, the tenant may seek assistance from their MHO, to include sharing details on previous efforts to resolve the matter directly with the landlord. The MHO staff can then engage directly with the landlord's local property management staff to resolve the issue. If further engagement with the local staff is not successful, the MHO can elevate the issue within the landlord's management structure, as necessary, and the MHO can elevate the issue within the chain of command, up to the first O-5 or civilian equivalent in the chain, depending on the nature of the issue.

Members are also advised to use their chain of command or the installation chain of command to try to resolve housing issues if they feel their issues are not being resolved – the chain of command is a good resource for members when they need assistance and other informal sources are not working.



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

If the tenant does not believe the issue can be resolved at the local level, the tenant may contact the Air Force Housing Call Center (1-800-482-6431) to assist with resolution of their issue.

Tenants can also contact their Resident Advocate, the installation medical staff, and/or the installations Legal Assistance Office for legal advice on landlord/tenant rights and assistance in resolving disputes with the landlord short of litigation.

(11) An assessment of overall customer service for tenants.

DAF RESPONSE:

Customer service across the DAF portfolio of MHPI projects was acceptable during the reporting period with a few locations experiencing challenges, such as at Tinker AFB where manufacturer defects in PEX piping caused leaks that damaged the homes and inconvenienced the tenants. The PO was overwhelmed by the volume of work and was not thorough in their resolution of problems or communication with the tenants regarding repairs. Similar problems with the volume of work, resolution of root causes and communications with tenants were experienced at Barksdale, MacDill, Keesler, Maxwell and Randolph AFBs.

(12) A description of the results of any no-notice housing inspections conducted.

DAF RESPONSE:

The EPA conducted some no notice inspection of the asbestos and lead based paint programs. They identified a few POs who did not maintain on site the documentation demonstrating the credentials of their remediation contractors. MHOs conducted no-notice inspections of housing units (no notice to the landlord) at the request of tenants. Condition 13 of each project's Lease of Property grants the government the right to enter and inspect the property with at least twenty-four hours' notice to the Lessee of its intent to do so unless the government determines the entry is required for safety, environmental, operations, or security purposes.

(13) The results of any resident surveys conducted.

DAF RESPONSE:

POs of 64 of 68 MHPI project locations conducted CEL Tenant Satisfaction Surveys during the reporting period in accordance with the requirements of their transaction documents (surveys were not required nor conducted at Wright-Patterson AFB and Joint-Base Elmendorf-Richardson Phases I, II, or III). The DAF portfolio CY 2018 Overall score was 79.1, down from 81.7 the prior year. The response rate was 36.3 percent, down from 48.3 percent the prior year. This Overall score places the DAF portfolio at Very Good compared to other residential properties CEL surveys. The DAF Overall score has been declining since a high of 83.1 in 2016. This decline is believed to be due to a loss of residents' confidence after the negative media attention on privatized housing.



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

(14) With regard to issues of lead-based paint in housing units, a summary of data relating to the presence of lead-based paint in such housing units, including the following by military department:

(A) The total number of housing units containing lead-based paint.

DAF RESPONSE:

All DAF MHPI projects comply with federal law which requires that before signing a lease for housing, including most buildings built before 1978, the landlord must provide tenants with an EPA-approved information pamphlet on identifying and controlling lead-based paint hazards and any known information concerning the presence of lead-based paint or lead-based paint hazards in the home or building. The DAF does not have a comprehensive database of housing units that contain lead-based paint. Consistent with EPA guidance, all homes built before 1978 are assumed to potentially contain lead-based paint (approximately 13,660 units, or 25.8 percent of the DAF portfolio). As such, before commencing any work that could potentially disturb painted surfaces in housing units built before 1978, those surfaces must be tested. In accordance with the EPA's Lead Renovation, Repair and Painting Rule (RRP), any renovation, repair and painting projects that disturb lead-based paint in homes built before 1978 must be completed by personnel certified by the EPA, use certified renovators who are trained by EPA-approved training providers, and follow lead-safe work practices.

(B) A description of the reasons for the failure to inspect any housing unit that contains lead-based paint.

DAF RESPONSE:

The DAF expects all MHPI POs to comply with the applicable federal, State, and local laws in effect during the reporting period regarding the inspection of housing units for lead-based paint. MHOs inspect the condition of homes, including noting the condition of painted surfaces, during change of occupancy maintenance (COM) inspections. During the period of this report, MHOs inspected 10 percent of the units that had completed COM before tenants moved in. The requirement to inspect homes prior to tenants moving in was increased to 100 percent of units after the period of this report. Additionally, POs confirm the condition of painted surfaces during preventative maintenance inspections. The DAF is not aware of any failures by the MHPI POs to conduct required inspections. The generally accepted practice for controlling lead-based paint exposure is encapsulation. Most testing requires a physical sample of the paint; the act of disturbing suspected lead-based paint creates the risk damaging the encapsulation. As such, the DAF does not inspect or test for lead-based paint except for requiring that surfaces be tested before commencing any work that could potentially disturb painted surfaces or when paint is peeling in housing units built before 1978.

(C) A description of all abatement or mitigation efforts completed or underway in housing units containing lead-based paint.

DAF RESPONSE:

The DAF's MHPI portfolio includes approximately 13,660 units that were built before 1978 (25.8 percent of the portfolio) and therefore are assumed to contain lead-based paint. During the period of this report, the DAF did not maintain a database of homes containing lead-based paint or efforts to remediate homes suspected of containing lead-based paint. POs maintain this information in accordance with federal, State, and local laws in effect during the reporting period.



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

(D) A certification as to whether military housing under the jurisdiction of the Secretary concerned complies with requirements relating to lead-based paint, lead-based paint activities, and lead-based paint hazards, as described in section 408 of the Toxic Substances Control Act (15 U.S.C. 2688).

DAF RESPONSE:

The Deputy Assistant Secretary of the Air Force for Installations certifies that to his knowledge, the DAF MHPI projects comply with section 2688 of 15 United States Code in that each officer, agent, or employee of the Air Force, having jurisdiction over MHPI units and engaged in any activity resulting, or which may result, in a lead-based paint hazard shall be subject to, and comply with, all Federal, State, interstate, and local requirements, both substantive and procedural, respecting lead-based paint, lead-based paint activities, and lead-based paint hazards in the same manner, and to the same extent as any nongovernmental entity is subject to such requirements.



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, 2019.

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)* [Naval Base (NB) 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)* [NB 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	JB ER 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; 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)* [NB 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	JB ER 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, 2019. 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 9/30/19	Actual Unit Scope as of 9/30/19	Existing Inventory as of 9/30/19
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	6,104
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	3,782
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	1,072
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 9/30/19	Actual Unit Scope as of 9/30/19	Existing Inventory as of 9/30/19
FAMILY HOUSING (continued)					
Army	Fort Hood	Lendlease	5,912	5,912	5,617
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	5,159
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	3,827
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	8,120
Army	Fort Sill	Corvias Military Living	1,728	1,728	1,813
Army	Fort Stewart / Hunter Army Airfield	Balfour Beatty Communities	3,610	3,404	3,404
Army	Fort Wainwright / Fort Greely	Lendlease	1,872	1,926	1,926
Army	West Point	Balfour Beatty Communities	824	824	825
Army MHPI Family Housing Total			86,687	85,323	87,819



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 9/30/19	Actual Unit Scope as of 9/30/19	Existing Inventory as of 9/30/19
FAMILY HOUSING (continued)					
Navy	Marine Corps Base (MCB) Camp Pendleton I	Hunt Companies	712	712	714
Navy	Cherry Point/Camp Lejeune Overview (Atlantic Marines)	Lendlease	8,060	7,931	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	6,330	6,377
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	3,370	3,369	3,377
Navy	PE/QU/YU (Camp Pendleton II)	Hunt/Lincoln/Clark	11,471	11,471	11,556
Navy	San Diego Naval Complex Overview	Lincoln/Clark San Diego LLC	12,906	12,901	12,929
Navy	South Texas	Landmark Organization (Faulkner USA)	665	417	417
Navy	Southeast Regional	Balfour Beatty Communities	5,269	4,673	5,260
Navy MHPI Family Housing Total			64,168	61,477	62,360



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 9/30/19	Actual Unit Scope as of 9/30/19	Existing Inventory as of 9/30/19
FAMILY HOUSING (continued)					
Air Force	Air Combat Command (ACC) Group II	Lendlease	1,838	1,884	2,239
Air Force	ACC Group III	Balfour Beatty Communities	858	775	775
Air Force	Air Education & Training Command (AETC) Group I ⁷	BBC AF Management / Development LLC	2,607	2,387	1,794
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	1,685
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	4,008
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	2,495
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	1,303
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 9/30/19	Actual Unit Scope as of 9/30/19	Existing Inventory as of 9/30/19
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	4,549
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	1,528
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	53,017	55,043
MHPI Family Housing Total			204,186	199,817	205,222



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 9/30/19	Actual Unit Scope as of 9/30/19	Existing Inventory as of 9/30/19
UNACCOMPANIED HOUSING (APARTMENTS / BEDROOMS)⁸					
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	NB 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

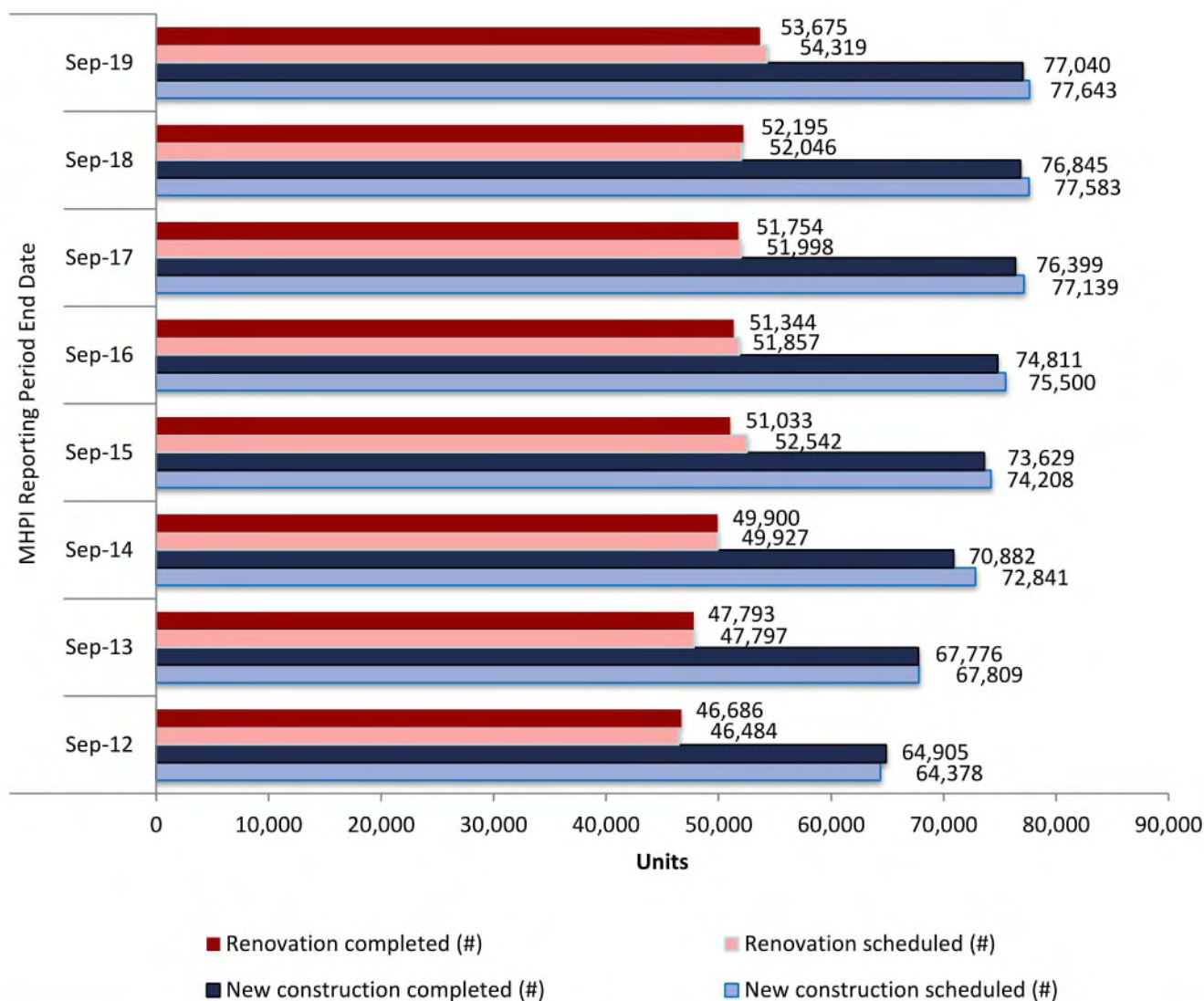
- For reporting purposes, the following projects are combined and reported as single projects:
 - San Diego Naval Complex Overview: San Diego Phases I, II, III, IV, V, and VI.
 - Cherry Point/Camp Lejeune Overview (Atlantic Marine Corps Communities - AMCC): MCB Camp Lejeune/MCAS Cherry Point Phases I, 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 FY 2016.
- Project sold in FY 2016: no longer MHPI.
- Project sold prior to FY 2014: no longer MHPI.
- Project sold in FY 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 FY 2016.
- AETC Group I existing units reflects zero Tyndall AFB units online due to Hurricane Michael impact, and reflecting expected Tyndall unit rebuild of 593 units.
- 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 September 2012.

Scheduled and Completed Construction and Renovation through September 30, 2019, Cumulative Basis





Attachment A5: MHPI Family Housing Occupancy and Resident Demographics

The table below summarizes MHPI family housing occupancy for homes available to be leased (i.e., on-line units) as of September 30, 2019, with data for four prior fiscal years.

MHPI Family Housing Occupancy at Fiscal Year End, FY 2015 – FY 2019

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	% Change from FY 2018 to FY 2019
Army MHPI Family Housing Occupancy	91.2%	91.3%	92.0%	93.2%	94.2%	1.0%
Navy MHPI Family Housing Occupancy	94.5%	94.8%	93.9%	94.9%	93.2%	-1.7%
Air Force MHPI Family Housing Occupancy	95.6%	95.1%	94.3%	94.9%	95.2%	0.3%
MHPI Family Housing Occupancy Rate	93.4%	93.4%	93.2%	94.2%	94.2%	0.0%

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 2015 – FY 2019

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
TARGET TENANTS					
Military Families	174,218	172,708	169,905	170,447	165,516
NON-TARGET TENANTS					
Unaccompanied Military	5,310	5,761	5,670	6,682	6,253
Military Retirees	2,685	3,404	4,040	4,118	4,254
Federal Employees	3,477	3,979	4,752	5,174	5,179
Other Civilians	4,069	4,148	4,601	5,693	5,649
Total Non-Target Tenants (Tenant Waterfall)	15,541	17,292	19,063	21,667	21,335
Total Occupancy	189,759	190,000	188,968	192,114	186,851
Waterfall Tenants as a Percent of Total Occupancy	8.2%	9.1%	10.1%	11.2%	11.4%



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 79 current MHPI family housing and unaccompanied (apartment) housing projects that had completed their Initial Development Periods (IDPs) as of September 30, 2019, meaning they should have sufficient rental revenue to meet debt service requirements. The projects that completed their IDPs during FY 2019 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 19	Required Minimum Senior Loan DSCR to Avoid Default	Average Actual Combined DSCR Including Subordinate (Junior) Loan in FY 19	Required Minimum Combined Senior & Junior Loan DSCR to Avoid Default	IDP Completion Date
ACC Group II	1.68	N/A	1.63	N/A	Feb-15
AETC Group I	1.05	N/A	1.02	N/A	Dec-11
AETC Group II	1.63	N/A	N/A	N/A	Oct-10
AMC East	1.21	N/A	N/A	N/A	Apr-14
AMC West	2.54	N/A	1.72	N/A	Jun-15
Atlantic Marines	1.15	N/A	N/A	N/A	Aug-19
BLB	1.64	N/A	1.16	N/A	Sep-14
Buckley AFB	2.32	N/A	1.64	N/A	Aug-07
Camp Pendleton I	2.05	1.25	N/A	N/A	Feb-04
Carlisle Barracks / Picatinny Arsenal	3.06	N/A	N/A	N/A	Apr-11
Dover AFB	1.64	N/A	1.12	N/A	Jan-09
Dyess AFB	1.92	N/A	N/A	N/A	Sep-02
Elmendorf AFB I	2.50	N/A	1.49	N/A	Sep-03
Elmendorf AFB II	2.22	N/A	1.44	N/A	Dec-06
Falcon Group	1.71	N/A	1.53	N/A	Jun-13
Fort Belvoir	1.53	N/A	N/A	N/A	Nov-11
Fort Benning	1.44	N/A	N/A	N/A	Sep-16
Fort Bliss / White Sands Missile Range	1.43	N/A	N/A	N/A	Jun-11
Fort Bragg FH & UH	1.39	1.00	N/A	N/A	Jun-16, Sep 18
Fort Campbell	2.02	N/A	N/A	N/A	Mar-11
Fort Carson	1.78	N/A	N/A	N/A	Nov-04
Fort Detrick / Walter Reed AMC	1.35	1.00	N/A	N/A	Jul-08
Fort Drum FH & UH	1.43	N/A	N/A	N/A	Feb-11, May-09
Fort Eustis / Fort Story	1.26	N/A	N/A	N/A	Nov-10
Fort Gordon	1.62	N/A	N/A	N/A	Apr-12



Attachment A6: MHPI Project Debt Service Coverage Ratios

Project	Average Actual Senior Loan DSCR in FY 19	Required Minimum Senior Loan DSCR to Avoid Default	Average Actual Combined DSCR Including Subordinate (Junior) Loan in FY 19	Required Minimum Combined Senior & Junior Loan DSCR to Avoid Default	IDP Completion Date
Fort Hamilton	1.54	N/A	N/A	N/A	Nov-09
Fort Hood	2.42	N/A	N/A	N/A	Jun-06
Fort Huachuca / Yuma Proving Ground	1.37	N/A	N/A	N/A	Apr-15
Fort Irwin / Moffett / Parks FH & UH	1.18, N/A	N/A	N/A	N/A	Apr-16, Jun-11
Fort Jackson	1.33	N/A	N/A	N/A	Jan-15
Fort Knox	1.31	N/A	N/A	N/A	Jan-19
Fort Leavenworth	1.09	N/A	N/A	N/A	Oct-18
Fort Lee	2.23	N/A	N/A	N/A	Sep-15
Fort Leonard Wood	1.43	N/A	N/A	N/A	Oct-14
Fort Meade FH	1.35	1.00	N/A	N/A	May-12
Fort Meade UH	1.09	N/A	N/A	N/A	Jan-18
Fort Polk	1.28	1.00	N/A	N/A	Oct-15
Fort Riley	1.19	N/A	N/A	N/A	Nov-16
Fort Rucker	1.35	N/A	N/A	N/A	Jan-15
Fort Sam Houston	1.55	N/A	N/A	N/A	Mar-10
Fort Shafter/Schofield Barracks	1.83	N/A	N/A	N/A	Jun-18
Fort Sill	1.62	N/A	N/A	N/A	Aug-17
Fort Stewart FH & UH	1.66, 1.25	1.00	N/A	N/A	Dec-13, Oct-09
Fort Wainwright / Fort Greely	1.31	N/A	N/A	N/A	Nov-18
Hampton Roads	1.13	N/A	N/A	N/A	Jul-10
Hawaii Regional	1.48	N/A	N/A	N/A	Mar-18
Hickam AFB	1.35	N/A	1.24	N/A	Sep-13
Hill AFB	4.54	N/A	2.72	N/A	Dec-13
JB Elmendorf-Richardson (JBER)	1.93	N/A	1.21	N/A	Nov-13
JB Lewis-McChord	2.14	N/A	N/A	N/A	Dec-18
JB McGuire-Dix-Lakehurst	2.26	N/A	1.99	N/A	Dec-11
Kingsville II	2.94	1.45	2.52	N/A	Aug-02
Kirtland AFB	2.34	N/A	1.64	N/A	Aug-06
Lackland AFB	2.00	N/A	1.28	N/A	Jun-13
MidAtlantic	1.34	N/A	N/A	N/A	Mar-15
Nellis AFB	1.61	N/A	1.52	N/A	Jan-12
New Orleans	1.84	1.25	N/A	N/A	Dec-03
Northeast Regional	2.33	N/A	N/A	N/A	Oct-10
Northwest Regional	2.33	N/A	N/A	N/A	Sep-18
Presidio of Monterey / NPS	1.84	N/A	N/A	N/A	Nov-14
Redstone Arsenal	1.65	N/A	N/A	N/A	Mar-09
Robins AFB I	1.52	N/A	0.97	N/A	Jun-02



Attachment A6: MHPI Project Debt Service Coverage Ratios

Project	Average Actual Senior Loan DSCR in FY 19	Required Minimum Senior Loan DSCR to Avoid Default	Average Actual Combined DSCR Including Subordinate (Junior) Loan in FY 19	Required Minimum Combined Senior & Junior Loan DSCR to Avoid Default	IDP Completion Date
Robins AFB II	1.56	N/A	N/A	N/A	Feb-12
San Diego FH	3.15	N/A	N/A	N/A	Oct-16
San Diego UH	1.77	1.20	N/A	N/A	Mar-09
Scott AFB	1.52	N/A	1.32	N/A	Feb-09
South Texas	1.23	1.10	N/A	N/A	May-05
Southeast Regional	1.71	1.15	N/A	N/A	Sep-13
Southern Group	1.50	N/A	0.97	N/A	Jul-16
Tri-Group	1.38	N/A	N/A	N/A	Dec-14
Vandenberg AFB	1.63	N/A	N/A	N/A	Mar-13
West Point	1.51	N/A	N/A	N/A	Jul-16
Western Group	2.95	N/A	1.88	N/A	Feb-17
Wright-Patterson AFB	2.60	N/A	2.26	N/A	Feb-06



Attachment A7: MHPI Unaccompanied Housing Development and Occupancy

As of September 30, 2019, 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, 2019

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-19	0	0	1,592	1,592	0	0	2,411	2,411
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
NAVY UNACCOMPANIED HOUSING								
30-Sep-19	39	39	2,131	2,131	39	39	4,249	4,249
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



Attachment A7: MHPI Unaccompanied Housing Development and Occupancy

As of September 30, 2018, MHPI residents occupied 95.1 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 2015 – FY 2019

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	% Change from FY 2018 to FY 2019
Army UH Apartments Occupancy Rate (Units/Bedrooms)	87.4% / 87.0%	86.7% / 87.5%	85.8% / 86.8%	Bedrooms 86.4%	Bedrooms 94.4%	2.9%
Navy UH Apartments Occupancy Rate (Units/Bedrooms)	97.9% / 97.9%	96.9% / 97.0%	96.5% / 96.4%	Bedrooms 96.8%	Bedrooms 95.4%	-1.4%
MHPI UH Apartments Occupancy Rate (Units/Bedrooms)	94.7% / 95.2%	93.4% / 94.4%	92.6% / 93.8%	Bedrooms 93.9%	Bedrooms 95.1%	1.2%

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 2019

Tenant Demographic	FY 2019
TARGET TENANTS	
Unaccompanied Military	7,346
NON-TARGET TENANTS	
Military Families	0
Military Retirees	27
Federal Employees	390
Other Civilians	89
Total Non-Target Tenants (Tenant Waterfall)	506
Total Occupancy	7,852
Waterfall Tenants as a Percent of Total Occupancy	6.4%



Attachment A8: MHPI Resident Satisfaction

This report provides average resident satisfaction rating data for the reporting period October 1, 2018, through September 30, 2019. 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 2019, with the exception of the resident satisfaction surveys for Joint Base Elmendorf-Richardson (JBER) III in the DAF portfolio, which were conducted by a local survey provider.

An annual MHPI resident satisfaction survey was not conducted during FY 2019 for the following projects: Cherry Point/Camp Lejeune/Atlantic Marines (USMC); Camp Pendleton II (USMC); San Diego Family Housing (Navy); Southeast Regional (Navy); ACC Group II (DAF); AETC Group I (DAF); JB Elmendorf-Richardson I (DAF); JB Elmendorf-Richardson II (DAF); and JB McGuire-Dix-Lakehurst – McGuire AFB and Fort Dix (DAF). The reasons for the lack of an annual survey at these locations vary by project. 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 2021.

The below discussion focuses on the survey process and findings from the FY 2019 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 154,051 MHPI family and unaccompanied apartment residents during FY 2019, with 54,288 surveys returned, a very good overall survey participation and response rate of 35.2 percent.

One resident 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 PO/property

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



Attachment A8: MHPI Resident Satisfaction

manager, project, installation, or single neighborhood is performing, with rankings categorized in the eight ratings summarized in the following table.

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 2019 was 78.4 for the MHPI portfolio, compared to 81.5 for FY 2018.
- The Property Satisfaction Index is a composite measure of Resident satisfaction with the physical property. The Property Satisfaction Index for FY 2019 was 77.0 for the MHPI portfolio, compared to 80.2 for FY 2018.
- 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 2019 was 79.2 for the MHPI portfolio, compared to 82.3 for FY 2018.



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		
		FY2019	FY2018	FY2018 to FY2019 Change	FY2019	FY2018	FY2018 to FY2019 Change	FY2019	FY2018	FY2018 to FY2019 Change
Multi-Family Housing Industry	Industry "Best Practice" Scores (provided for comparison to MHPI project scores)	90.4	89.6	0.8	93.1	92.5	0.6	91.5	90.8	0.7
MHPI Project by Mil. Dept.	DoD MHPI PORTFOLIO	77.0	80.2	(3.0)	79.2	82.3	(3.1)	78.4	81.5	(3.1)
Army FH	Aberdeen Proving Ground	75.9	80.0	(4.1)	80.5	82.0	(1.5)	78.5	81.0	(2.5)
	Fort Belvoir	72.8	79.8	(7.0)	76.2	79.5	(3.3)	75.2	80.0	(4.8)
	Fort Benning	74.3	78.4	(4.1)	77.1	82.5	(5.4)	76.0	80.4	(4.4)
	Fort Bliss	69.0	75.9	(6.9)	71.2	76.8	(5.6)	70.5	76.5	(6.0)
	Fort Bragg	58.0	71.6	(13.6)	58.0	77.4	(19.4)	58.9	75.2	(16.3)
	Fort Campbell	73.7	81.4	(7.7)	79.7	86.4	(6.7)	77.4	84.2	(6.8)
	Carlisle Barracks	84.4	88.0	(3.6)	83.1	87.9	(4.8)	83.5	87.2	(3.7)
	Fort Carson	63.6	70.2	(6.6)	64.5	69.5	(5.0)	64.0	69.5	(5.5)
	Fort Detrick	75.6	79.6	(4.0)	71.4	72.5	(1.1)	73.0	75.7	(2.7)
	Fort Drum	76.0	81.8	(5.8)	82.3	86.7	(4.4)	80.0	84.6	(4.6)
	JB Langley-Eustis – Fort Eustis	69.2	76.7	(7.5)	67.1	76.0	(8.9)	68.0	76.6	(8.6)
	Fort Gordon	71.4	79.0	(7.6)	75.0	80.0	(5.0)	73.0	79.4	(6.4)
	Fort Greely	88.0	89.1	(1.1)	90.1	88.1	2.0	89.0	88.6	0.4
	Fort Hamilton	74.6	66.4	8.2	76.7	71.1	5.6	75.8	69.9	5.9
	Fort Hood	69.5	78.4	(8.9)	74.3	81.5	(7.2)	72.6	80.3	(7.7)
	Fort Huachuca	84.5	87.7	(3.2)	89.3	90.0	(0.7)	87.5	89.1	(1.6)
	Hunter Army Airfield	71.3	78.9	(7.6)	76.9	81.5	(4.6)	74.5	80.4	(5.9)
	Fort Irwin	75.4	77.3	(1.9)	80.0	81.8	(1.8)	77.7	79.4	(1.7)
	Fort Jackson	72.7	81.9	(9.2)	68.2	80.0	(11.8)	70.1	80.3	(10.2)
	Fort Knox	76.1	82.2	(6.1)	82.0	87.9	(5.9)	79.8	85.3	(5.5)



Attachment A8: MHPI Resident Satisfaction

(Table continued)		Property Satisfaction Score			Service Satisfaction Score			Overall Satisfaction Score		
		FY2019	FY2018	FY2018 to FY2019 Change	FY2019	FY2018	FY2018 to FY2019 Change	FY2019	FY2018	FY2018 to FY2019 Change
Army FH	Fort Leavenworth	69.7	80.0	(10.3)	69.5	81.2	(11.7)	69.5	80.4	(10.9)
	Fort Lee	73.4	83.2	(9.8)	79.6	86.9	(7.3)	77.2	85.1	(7.9)
	Fort Leonard Wood	68.9	79.1	(10.2)	69.1	83.3	(14.2)	68.9	81.2	(12.3)
	JB Lewis-McChord	73.6	81.2	(7.6)	74.4	84.2	(9.8)	74.1	82.6	(8.5)
	JEB Little Creek-Fort Story – Fort Story	68.2	80.2	(12.0)	73.2	88.6	(15.4)	71.2	85.0	(13.8)
	Fort Meade	62.0	74.5	(12.5)	62.1	74.7	(12.6)	62.4	75.1	(12.7)
	Moffett Field	70.4	75.2	(4.8)	66.7	75.6	(8.9)	67.7	74.7	(7.0)
	Camp Parks RFTA	77.7	83.2	(5.5)	76.2	80.3	(4.1)	76.5	81.6	(5.1)
	Picatinny Arsenal	82.6	82.3	0.3	87.4	84.2	3.2	85.4	83.1	2.3
	Fort Polk	63.5	69.8	(6.3)	71.9	77.5	(5.6)	68.4	74.3	(5.9)
	Presidio of Monterey / Naval Postgraduate School	71.6	72.0	(0.4)	72.0	68.8	3.2	71.3	69.0	2.3
	Redstone Arsenal	80.1	89.1	(9.0)	77.6	90.8	(13.2)	79.1	90.1	(11.0)
	Fort Riley	72.7	83.5	(10.8)	76.1	86.9	(10.8)	74.9	85.6	(10.7)
	Fort Rucker	68.5	81.4	(12.9)	74.9	83.6	(8.7)	72.7	82.9	(10.2)
	JB San Antonio – Fort Sam Houston	70.4	76.3	(5.9)	80.9	81.1	(0.2)	76.3	78.6	(2.3)
	Fort Shafter / Schofield Barracks (Army Hawaii)	75.5	79.2	(3.7)	79.8	83.3	(3.5)	78.3	81.8	(3.5)
	Fort Sill	69.6	79.1	(9.5)	70.0	82.1	(12.1)	70.1	81.0	(10.9)
	Fort Stewart	72.5	75.1	(2.6)	76.8	78.5	(1.7)	74.8	76.6	(1.8)
	Fort Wainwright	81.3	84.5	(3.2)	84.5	85.8	(1.3)	83.2	85.3	(2.1)
	Walter Reed Army Medical Center (WSMR)	69.6	79.7	(10.1)	63.2	74.4	(11.2)	65.7	76.1	(10.4)
Army UH	West Point	68.8	75.8	(7.0)	63.9	75.8	(11.9)	65.8	75.8	(10.0)
	White Sands Missile Range	82.8	85.0	(2.2)	82.4	85.5	(3.1)	82.9	85.5	(2.6)
	Yuma PG	78.9	81.4	(2.5)	84.5	84.3	0.2	82.6	83.2	(0.6)
	Fort Bragg	85.4	90.6	(5.2)	85.7	91.8	(6.1)	86.3	91.7	(5.4)
	Fort Drum	93.2	92.7	0.5	95.8	94.9	0.9	94.8	94.1	0.7
	Fort Irwin	79.6	84.4	(4.8)	81.9	84.0	(2.1)	80.4	84.1	(3.7)
	Fort Meade	82.6	87.6	(5.0)	76.2	84.8	(8.6)	79.7	86.4	(6.7)
	Fort Stewart	88.2	90.5	(2.3)	89.9	90.5	(0.6)	89.1	90.8	(1.7)



Attachment A8: MHPI Resident Satisfaction

(Table continued)		Property Satisfaction Score			Service Satisfaction Score			Overall Satisfaction Score		
		FY2019	FY2018	FY2018 to FY2019 Change	FY2019	FY2018	FY2018 to FY2019 Change	FY2019	FY2018	FY2018 to FY2019 Change
Navy FH	Marine Corps Base (MCB) Camp Pendleton I (DeLuz Housing)	69.3	74.2	(4.9)	66.3	73.4	(7.1)	68.3	74.0	(5.7)
	Cherry Point/Camp Lejeune Overview (Atlantic Marines) (AMCC) ¹	n/a	81.4	n/a	n/a	83.3	n/a	n/a	82.8	n/a
	Hawaii Regional (Navy)	70.3	72.4	(2.1)	77.1	72.9	4.2	74.7	73.1	1.6
	Hawaii Regional (USMC)	71.5	72.4	(0.9)	71.0	72.9	(1.9)	71.6	73.1	(1.5)
	Naval Air Station (NAS) Kingsville II (Hunters Cove)	85.0	80.1	4.9	92.4	83.0	9.4	89.5	81.9	7.6
	Mid-Atlantic Regional (Navy)	74.4	81.4	(7.0)	77.5	83.3	(5.8)	76.5	82.4	(5.9)
	Mid-Atlantic Regional (USMC)	92.2	95.4	(3.2)	95.3	95.4	(0.1)	94.3	95.7	(1.4)
	Midwest Regional	80.7	75.9	4.8	80.7	76.9	3.8	77.6	76.8	0.8
	NAS Joint Reserve Base New Orleans ²	80.5	n/a	n/a	83.8	n/a	n/a	82.3	n/a	n/a
	Northeast Regional	82.9	84.5	(1.6)	85.3	87.1	(1.8)	82.9	86.2	(3.3)
	Northwest Regional	72.8	74.6	(1.8)	77.5	76.8	0.7	75.5	76.0	(0.5)
	PE/QU/YU (Camp Pendleton II) (CPQH) ¹	n/a	82.2	n/a	n/a	84.7	n/a	n/a	83.8	n/a
	San Diego Naval Complex (SDFH) ¹	n/a	84.0	n/a	n/a	88.4	n/a	n/a	86.6	n/a
	South Texas ²	81.4	n/a	n/a	85.4	n/a	n/a	84.2	n/a	n/a
	Southeast Regional ¹	n/a	84.8	n/a	n/a	86.6	n/a	n/a	86.0	n/a
Navy UH	Hampton Roads	76.3	84.7	(8.4)	73.6	86.5	(12.9)	75.7	85.8	(10.1)
	San Diego (Pacific Beacon)	93.8	95.4	(1.6)	95.6	96.5	(0.9)	94.8	96.0	(1.2)
Air Force FH	Air Combat Command (ACC) Group II ¹	n/a	80.3	n/a	n/a	82.9	n/a	n/a	81.5	n/a
	ACC Group III	85.4	88.9	(3.5)	87.2	89.5	(2.3)	86.8	89.4	(2.6)
	Air Education & Training Command (AETC) Group I – Altus AFB	84.9	87.8	(2.9)	84.7	87.8	(3.1)	84.5	87.8	(3.3)
	AETC Group I – Luke AFB	86.8	82.0	4.8	89.9	84.5	5.4	88.7	83.4	5.3
	AETC Group I – Sheppard AFB	83.9	85.3	(1.4)	86.9	88.0	(1.1)	85.7	86.8	(1.1)
	AETC Group I – Tyndall AFB ¹	n/a	84.8	n/a	n/a	84.6	n/a	n/a	84.5	n/a
	AETC Group II	75.4	75.3	0.1	75.8	79.4	(3.6)	75.9	77.7	(1.8)
	Air Force Academy (USAFA)	68.4	73.1	(4.7)	69.2	73.8	(4.6)	68.9	73.7	(4.8)



Attachment A8: MHPI Resident Satisfaction

(Table continued)		Property Satisfaction Score			Service Satisfaction Score			Overall Satisfaction Score		
		FY2019	FY2018	FY2018 to FY2019 Change	FY2019	FY2018	FY2018 to FY2019 Change	FY2019	FY2018	FY2018 to FY2019 Change
Air Force FH	Air Mobility Command (AMC) East – Andrews AFB	77.7	76.6	1.1	78.9	79.4	(0.5)	78.7	78.7	0.0
	AMC East – MacDill AFB	82.1	82.2	(0.1)	81.3	79.0	2.3	82.0	80.6	1.4
	AMC West	81.1	80.8	0.3	82.7	80.4	2.3	81.9	80.3	1.6
	BLB Group	78.1	78.1	0.0	75.2	74.9	0.3	76.7	76.5	0.2
	Buckley AFB	79.5	81.2	(1.7)	84.4	81.4	3.0	82.5	81.2	1.3
	Continental Group	83.0	83.0	0.0	84.4	84.4	0.0	84.0	83.9	0.1
	Dover AFB	82.3	85.2	(2.9)	80.1	84.9	(4.8)	81.4	85.4	(4.0)
	Dyess AFB (Quail Hollow)	88.5	86.2	2.3	92.5	89.2	3.3	91.0	87.9	3.1
	JB Elmendorf-Richardson (JBER I) – Elmendorf AFB ^{1,2}	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 ^{1,2}	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 ³	76.3	79.4	(3.1)	85.9	83.4	2.5	80.5	81.3	(0.8)
	Falcon Group	79.7	77.5	2.2	83.0	78.0	5.0	81.4	77.5	3.9
	JB Pearl Harbor-Hickam – Hickam AFB	81.8	72.5	9.3	82.1	72.1	10.0	81.9	72.6	9.3
	Hill AFB	79.1	81.0	(1.9)	81.7	83.4	(1.7)	80.4	82.2	(1.8)
	Kirtland AFB	81.8	81.1	0.7	82.1	83.2	(1.1)	81.9	82.2	(0.3)
	JB San Antonio – Lackland AFB	79.2	75.5	3.7	79.0	72.2	6.8	79.1	73.8	5.3
	JB McGuire-Dix-Lakehurst – McGuire AFB / JB McGuire-Dix-Lakehurst – Fort Dix ¹	n/a	80.4	n/a	n/a	81.4	n/a	n/a	80.7	n/a
	Nellis AFB	83.5	78.3	5.2	83.1	77.3	5.8	83.2	77.7	5.5
	Northern Group	85.7	83.7	2.0	86.2	83.5	2.7	85.9	83.5	2.4
	Offutt AFB	76.8	76.7	0.1	74.2	75.8	(1.6)	76.2	76.6	(0.4)
	Robins AFB I	68.4	73.0	(4.6)	74.9	79.9	(5.0)	72.4	76.9	(4.5)
	Robins AFB II	75.2	74.0	1.2	75.8	70.4	5.4	76.0	71.8	4.2
	Scott AFB	77.9	80.0	(2.1)	82.1	84.7	(2.6)	80.3	82.6	(2.3)
	Southern Group	80.1	84.3	(4.2)	80.3	85.6	(5.3)	80.5	85.6	(5.1)
	Tri-Group	83.8	84.4	(0.6)	81.6	82.8	(1.2)	82.7	83.6	(0.9)
	Vandenberg AFB	85.4	79.0	6.4	87.3	84.7	2.6	86.4	82.1	4.3



Attachment A8: MHPI Resident Satisfaction

(Table continued)		Property Satisfaction Score			Service Satisfaction Score			Overall Satisfaction Score		
		FY2019	FY2018	FY2018 to FY2019 Change	FY2019	FY2018	FY2018 to FY2019 Change	FY2019	FY2018	FY2018 to FY2019 Change
Air Force FH	Western Group	87.8	87.1	0.7	86.2	84.8	1.4	86.9	85.9	1.0
	Wright-Patterson AFB ²	75.4	n/a	n/a	78.1	n/a	n/a	77.0	n/a	n/a

1. An annual MHPI resident satisfaction survey was not conducted during FY 2019 for the following projects: Cherry Point/Camp Lejeune/Atlantic Marines (USMC); Camp Pendleton II (USMC); San Diego Family Housing (Navy); Southeast Regional (Navy); ACC Group II (DAF); AETC Group I (DAF); JB Elmendorf-Richardson I (DAF); JB Elmendorf-Richardson II (DAF); and JB McGuire-Dix-Lakehurst – McGuire AFB and Fort Dix (DAF). 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. 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 (DAF); JB Elmendorf-Richardson II (DAF); and Wright-Patterson AFB (DAF). 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.
3. The JBER III project (DAF) survey is administered by a local survey company. Although this company's survey methodology and reporting is not directly comparable to the primary MHPI survey, the survey contractor asked the same questions as the primary survey contractor and the JBER project scoring results were converted to be compatible with the rest of the MHPI portfolio survey results.

LEGEND: Small Samples

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

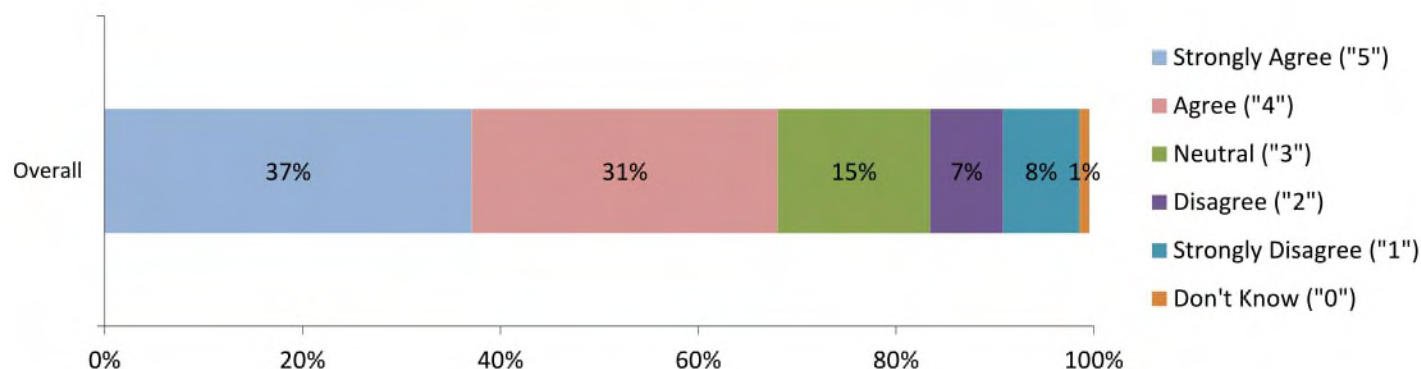


Attachment A8: MHPI Resident Satisfaction

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.” Sixty-eight percent of all residents responding to the survey agreed with the statement (37 percent strongly agreed).

“I Would Recommend This Community to Others”





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 2019 – 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”
MHPI Project by Mil. Dept.	DoD MHPI PORTFOLIO	37%	31%	15%	7%	8%	1%
Army FH	Aberdeen Proving Ground	33%	35%	21%	6%	5%	1%
	Fort Belvoir	30%	37%	17%	8%	7%	1%
	Fort Benning	34%	34%	16%	9%	7%	0%
	Fort Bliss	24%	32%	21%	10%	12%	1%
	Fort Bragg	12%	26%	21%	17%	23%	1%
	Fort Campbell	34%	35%	16%	8%	7%	0%
	Carlisle Barracks	38%	45%	11%	3%	3%	0%
	Fort Carson	16%	30%	19%	12%	22%	1%
	Fort Detrick	25%	30%	23%	7%	13%	1%
	Fort Drum	37%	35%	14%	7%	6%	1%
	JB Langley-Eustis – Fort Eustis	18%	28%	19%	11%	24%	0%
	Fort Gordon	25%	27%	20%	13%	14%	0%
	Fort Greely	57%	23%	14%	0%	7%	0%
	Fort Hamilton	26%	31%	25%	5%	12%	1%
	Fort Hood	29%	29%	20%	9%	12%	1%
	Fort Huachuca	60%	29%	6%	2%	3%	0%
	Hunter Army Airfield	28%	37%	16%	7%	11%	2%
	Fort Irwin	31%	33%	17%	9%	7%	2%
	Fort Jackson	22%	28%	26%	10%	14%	1%
	Fort Knox	38%	37%	14%	6%	5%	0%
	Fort Leavenworth	22%	35%	18%	12%	13%	1%
	Fort Lee	33%	34%	16%	7%	9%	1%
	Fort Leonard Wood	22%	28%	22%	16%	12%	1%
	JB Lewis-McChord	30%	32%	17%	9%	11%	1%



Attachment A8: MHPI Resident Satisfaction

(Table continued)

FY 2019 – 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"
Army FH	JEB Little Creek-Fort Story – Fort Story	30%	25%	21%	13%	11%	0%
	Fort Meade	13%	23%	21%	15%	26%	1%
	Moffett Field	18%	39%	22%	10%	10%	1%
	Camp Parks RFTA	33%	30%	18%	15%	3%	0%
	Picatinny Arsenal	49%	37%	6%	0%	4%	4%
	Fort Polk	21%	23%	22%	12%	21%	1%
	Presidio of Monterey / Naval Postgraduate School	24%	34%	19%	11%	10%	1%
	Redstone Arsenal	36%	29%	19%	9%	7%	0%
	Fort Riley	32%	32%	18%	8%	9%	1%
	Fort Rucker	25%	34%	19%	9%	10%	2%
	JB San Antonio – Fort Sam Houston	26%	37%	17%	9%	8%	2%
	Fort Shafter / Schofield Barracks (Army Hawaii)	39%	35%	15%	6%	5%	1%
	Fort Sill	24%	29%	20%	12%	14%	1%
	Fort Stewart	33%	37%	12%	6%	11%	1%
	Fort Wainwright	45%	32%	13%	5%	5%	1%
	Walter Reed Army Medical Center (WSMR)	16%	26%	24%	18%	16%	0%
	West Point	14%	32%	23%	15%	15%	1%
	White Sands Missile Range	44%	38%	11%	5%	2%	0%
	Yuma PG	43%	26%	17%	7%	4%	1%
Army UH	Fort Bragg	52%	30%	10%	1%	4%	3%
	Fort Drum	74%	17%	9%	0%	0%	0%
	Fort Irwin	30%	41%	8%	5%	16%	0%
	Fort Meade	32%	32%	22%	2%	10%	1%
	Fort Stewart	30%	34%	14%	8%	13%	1%



Attachment A8: MHPI Resident Satisfaction

(Table
continued)

FY 2019 – 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"
Navy FH	Marine Corps Base (MCB) Camp Pendleton I (DeLuz Housing)	27%	31%	18%	10%	13%	0%
	Cherry Point/Camp Lejeune Overview (Atlantic Marines) (AMCC) ¹	n/a	n/a	n/a	n/a	n/a	n/a
	Hawaii Regional (Navy)	28%	38%	18%	9%	6%	1%
	Hawaii Regional (USMC)	27%	40%	18%	8%	6%	1%
	Naval Air Station (NAS) Kingsville II (Hunters Cove)	65%	21%	12%	2%	0%	0%
	Mid-Atlantic Regional (Navy)	37%	27%	16%	9%	11%	1%
	Mid-Atlantic Regional (USMC)	88%	10%	2%	0%	0%	0%
	Midwest Regional	30%	33%	16%	9%	9%	2%
	NAS Joint Reserve Base New Orleans	42%	34%	13%	4%	5%	2%
	Northeast Regional	45%	30%	13%	7%	5%	1%
	Northwest Regional	26%	34%	21%	9%	9%	1%
	PE/QU/YU (Camp Pendleton II) (CPQH) ¹	n/a	n/a	n/a	n/a	n/a	n/a
	San Diego Naval Complex (SDFH) ¹	n/a	n/a	n/a	n/a	n/a	n/a
	South Texas	56%	21%	12%	6%	4%	1%
	Southeast Regional ¹	n/a	n/a	n/a	n/a	n/a	n/a
Navy UH	Hampton Roads	37%	23%	13%	9%	15%	4%
	San Diego (Pacific Beacon)	82%	13%	2%	1%	1%	1%
Air Force FH	Air Combat Command (ACC) Group II ¹	n/a	n/a	n/a	n/a	n/a	n/a
	ACC Group III	60%	23%	9%	4%	1%	2%
	Air Education & Training Command (AETC) Group I – Altus AFB	51%	20%	14%	6%	6%	2%
	AETC Group I – Luke AFB	63%	22%	9%	1%	4%	2%
	AETC Group I – Sheppard AFB	56%	20%	11%	5%	5%	3%
	AETC Group I – Tyndall AFB ¹	n/a	n/a	n/a	n/a	n/a	n/a
	AETC Group II	29%	33%	18%	9%	10%	1%
	Air Force Academy (USAFA)	21%	31%	22%	10%	15%	1%



Attachment A8: MHPI Resident Satisfaction

(Table continued)

FY 2019 – 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"
Air Force FH	Air Mobility Command (AMC) East – Andrews AFB	35%	34%	18%	9%	4%	0%
	AMC East – MacDill AFB	47%	32%	11%	6%	3%	1%
	AMC West	43%	29%	15%	7%	6%	1%
	BLB Group	34%	32%	17%	9%	7%	1%
	Buckley AFB	49%	27%	9%	9%	6%	0%
	Continental Group	49%	32%	11%	4%	4%	1%
	Dover AFB	37%	35%	14%	6%	6%	1%
	Dyess AFB (Quail Hollow)	70%	22%	6%	1%	1%	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	42%	33%	14%	6%	4%	1%
	JB Pearl Harbor-Hickam – Hickam AFB	33%	35%	15%	9%	8%	1%
	Hill AFB	31%	37%	19%	7%	5%	1%
	Kirtland AFB	45%	33%	11%	6%	4%	1%
	JB San Antonio – Lackland AFB	41%	26%	15%	7%	9%	2%
	JB McGuire-Dix-Lakehurst – McGuire AFB / JB McGuire-Dix-Lakehurst – Fort Dix ¹	n/a	n/a	n/a	n/a	n/a	n/a
	Nellis AFB	46%	29%	12%	6%	5%	1%
	Northern Group	54%	27%	12%	3%	2%	1%
	Offutt AFB	33%	31%	19%	7%	8%	1%
	Robins AFB I	25%	27%	17%	11%	14%	6%
	Robins AFB II	29%	35%	20%	9%	7%	1%
	Scott AFB	33%	36%	16%	7%	6%	1%
	Southern Group	40%	33%	15%	5%	5%	1%
	Tri-Group	47%	29%	13%	5%	6%	1%



Attachment A8: MHPI Resident Satisfaction

(Table continued)		FY 2019 – Percentage of MHPI Survey Respondents Who Answered ...					
		Strongly Agree	Agree	Neither Agree nor Disagree / Neutral	Disagree	Strongly Disagree	Have No Opinion, Don't Know, or Have No Answer
		----- "5"	----- "4"	----- "3"	----- "2"	----- "1"	----- "0"
Air Force FH	Vandenberg AFB	55%	24%	14%	3%	3%	2%
	Western Group	58%	24%	11%	3%	2%	1%
	Wright-Patterson AFB	37%	29%	14%	8%	12%	1%

1. An annual MHPI resident satisfaction survey was not conducted during FY 2019 for the following projects: Cherry Point/Camp Lejeune/Atlantic Marines (USMC); Camp Pendleton II (USMC); San Diego Family Housing (Navy); Southeast Regional (Navy); ACC Group II (DAF); AETC Group I (DAF); JB Elmendorf-Richardson I (DAF); JB Elmendorf-Richardson II (DAF); and JB McGuire-Dix-Lakehurst – McGuire AFB and Fort Dix (DAF). 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 (DAF) survey is administered by a local survey company. Although this company's survey methodology and reporting is not directly comparable to the primary MHPI survey, the survey contractor asked the same questions as the primary survey contractor and the JBER project scoring results were converted to be compatible with the rest of the MHPI portfolio survey results.

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”

Residents’ 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.

MHPI Project by Mil. Dept.	DoD MHPI PORTFOLIO	Satisfaction Score			Survey Responses		
		FY2019	FY2018	FY2018 to FY2019 Change	Surveys Distributed	Surveys Received	Response Rate
	DoD MHPI PORTFOLIO	n/a	n/a	n/a	154,051	54,288	35.2%
Army FH	Aberdeen Proving Ground	77.0	79.4	(2.4)	720	214	29.7%
	Fort Belvoir	75.5	80.2	(4.7)	2,081	1,064	51.1%
	Fort Benning	75.5	80.8	(5.3)	3,658	948	25.9%
	Fort Bliss	68.8	75.0	(6.2)	3,936	800	20.3%
	Fort Bragg	57.4	75.5	(18.1)	5,660	884	15.6%
	Fort Campbell	76.2	83.1	(6.9)	4,015	1,559	38.8%
	Carlisle Barracks	82.6	83.3	(0.7)	262	73	27.9%
	Fort Carson	57.6	65.0	(7.4)	3,187	787	24.7%
	Fort Detrick	69.6	72.5	(2.9)	330	69	20.9%
	Fort Drum	76.9	82.4	(5.5)	3,428	1,414	41.2%
	JB Langley-Eustis – Fort Eustis	60.7	74.0	(13.3)	807	227	28.1%
	Fort Gordon	67.3	73.2	(5.9)	930	208	22.4%
	Fort Greely	84.5	87.9	(3.4)	77	44	57.1%
	Fort Hamilton	70.6	71.5	(0.9)	207	121	58.5%
	Fort Hood	70.8	79.4	(8.6)	5,057	1,700	33.6%
	Fort Huachuca	88.3	89.8	(1.5)	1,032	287	27.8%
	Hunter Army Airfield	72.9	79.0	(6.1)	640	167	26.1%
	Fort Irwin	74.7	75.7	(1.0)	2,335	959	41.1%
	Fort Jackson	66.8	77.2	(10.4)	769	145	18.9%
	Fort Knox	79.5	84.7	(5.2)	2,210	862	39.0%
	Fort Leavenworth	68.4	79.9	(11.5)	1,519	382	25.1%
	Fort Lee	75.2	82.0	(6.8)	1,421	791	55.7%
	Fort Leonard Wood	66.4	80.0	(13.6)	1,678	296	17.6%



Attachment A8: MHPI Resident Satisfaction

(Table continued)		Satisfaction Score			Survey Responses		
		FY2019	FY2018	FY2018 to FY2019 Change	Surveys Distributed	Surveys Received	Response Rate
Army FH	JB Lewis-McChord	72.0	79.6	(7.6)	4,903	1,466	29.9%
	JEB Little Creek-Fort Story – Fort Story	69.6	85.2	(15.6)	235	114	48.5%
	Fort Meade	56.4	72.8	(16.4)	2,405	425	17.7%
	Moffett Field	68.9	77.4	(8.5)	175	129	73.7%
	Camp Parks RFTA	75.2	83.0	(7.8)	96	33	34.4%
	Picatinny Arsenal	86.4	79.6	6.8	68	49	72.1%
	Fort Polk	62.2	72.0	(9.8)	3,129	438	14.0%
	Presidio of Monterey / Naval Postgraduate School	70.3	67.9	2.4	1,907	621	32.6%
	Redstone Arsenal	75.5	86.5	(11.0)	352	207	58.8%
	Fort Riley	73.9	86.6	(12.7)	3,518	494	14.0%
	Fort Rucker	71.3	84.8	(13.5)	1,360	193	14.2%
	JB San Antonio – Fort Sam Houston	73.1	76.5	(3.4)	871	308	35.4%
	Fort Shafter / Schofield Barracks (Army Hawaii)	79.3	83.0	(3.7)	7,223	2,883	39.9%
	Fort Sill	67.6	80.9	(13.3)	1,733	283	16.3%
	Fort Stewart	75.5	73.1	2.4	2,249	342	15.2%
	Fort Wainwright	81.4	84.1	(2.7)	1,746	837	47.9%
	Walter Reed Army Medical Center (WSMR)	61.6	68.9	(7.3)	209	38	18.2%
	West Point	62.9	76.3	(13.4)	755	237	31.4%
	White Sands Missile Range	83.3	82.7	0.6	304	139	45.7%
	Yuma PG	79.7	80.0	(0.3)	191	69	36.1%
Army UH	Fort Bragg	85.6	93.2	(7.6)	512	77	15.0%
	Fort Drum	93.1	92.6	0.5	204	78	38.2%
	Fort Irwin	72.4	75.2	(2.8)	120	37	30.8%
	Fort Meade	75.0	83.4	(8.4)	646	81	12.5%
	Fort Stewart	45.6	90.7	(45.1)	301	566	188.0%
Navy FH	Marine Corps Base (MCB) Camp Pendleton I (DeLuz Housing)	69.7	73.1	(3.4)	612	222	36.3%
	Cherry Point/Camp Lejeune Overview (Atlantic Marines) (AMCC) ¹	n/a	82.3	n/a	n/a	n/a	n/a
	Hawaii Regional (Navy)	74.7	77.1	(2.4)	4,177	1,482	35.5%
	Hawaii Regional (USMC)	75.1	77.1	(2.0)	2,289	612	26.7%
	Naval Air Station (NAS) Kingsville II (Hunters Cove)	89.5	80.8	8.7	147	92	62.6%
	Mid-Atlantic Regional (Navy)	76.5	79.3	(2.8)	5,334	1,510	28.3%



Attachment A8: MHPI Resident Satisfaction

(Table continued)		Satisfaction Score			Survey Responses		
		FY2019	FY2018	FY2018 to FY2019 Change	Surveys Distributed	Surveys Received	Response Rate
Navy FH	Mid-Atlantic Regional (USMC)	97.0	79.3	17.7	547	311	56.9%
	Midwest Regional	77.6	78.1	(0.5)	1,344	519	38.6%
	NAS Joint Reserve Base New Orleans ²	82.3	n/a	n/a	835	322	38.6%
	Northeast Regional	82.9	85.4	(2.5)	2,991	883	29.5%
	Northwest Regional	75.5	74.6	0.9	3,226	1,155	35.8%
	PE/QU/YU (Camp Pendleton II) (CPQH) ¹	n/a	83.4	(83.4)	n/a	n/a	n/a
	San Diego Naval Complex (SDFH) ¹	n/a	85.3	n/a	n/a	n/a	n/a
	South Texas ²	84.2	n/a	n/a	354	101	28.5%
	Southeast Regional ¹	n/a	84.3	n/a	n/a	n/a	n/a
Navy UH	Hampton Roads	75.7	85.5	(9.8)	3,358	420	12.5%
	San Diego (Pacific Beacon)	94.8	96.7	(1.9)	2,355	582	24.7%
Air Force FH	Air Combat Command (ACC) Group II ¹	n/a	79.1	n/a	n/a	n/a	n/a
	ACC Group III	88.2	89.5	(1.3)	767	605	78.9%
	Air Education & Training Command (AETC) Group I – Altus AFB	80.9	84.9	(4.0)	505	247	48.9%
	AETC Group I – Luke AFB	88.2	81.8	6.4	526	241	45.8%
	AETC Group I – Sheppard AFB	84.3	85.8	(1.5)	672	495	73.7%
	AETC Group I – Tyndall AFB ¹	n/a	80.3	n/a	n/a	n/a	n/a
	AETC Group II	62.3	74.1	(11.8)	2,127	1,103	51.9%
	Air Force Academy (USAFA)	66.9	75.5	(8.6)	624	306	49.0%
	Air Mobility Command (AMC) East – Andrews AFB	77.1	79.2	(2.1)	913	272	29.8%
	AMC East – MacDill AFB	83.1	79.3	3.8	529	161	30.4%
	AMC West	79.5	76.0	3.5	2,304	1,289	55.9%
	BLB Group	75.4	75.7	(0.3)	3,082	1,682	54.6%
	Buckley AFB	80.5	76.0	4.5	332	148	44.6%
	Continental Group	83.6	82.1	1.5	3,729	1,286	34.5%
	Dover AFB	78.6	83.2	(4.6)	912	417	45.7%
	Dyess AFB (Quail Hollow)	91.6	85.1	6.5	382	208	54.5%
	JB Elmendorf-Richardson (JBER I) – Elmendorf AFB ^{1,2}	n/a	n/a	n/a	n/a	n/a	n/a
	JB Elmendorf-Richardson (JBER II) – Elmendorf AFB ^{1,2}	n/a	n/a	n/a	n/a	n/a	n/a
	JB Elmendorf-Richardson (JBER III) – Fort Richardson ³	n/a	n/a	n/a	1,177	254	21.6%



Attachment A8: MHPI Resident Satisfaction

(Table continued)		Satisfaction Score			Survey Responses		
		FY2019	FY2018	FY2018 to FY2019 Change	Surveys Distributed	Surveys Received	Response Rate
Air Force FH	Falcon Group	80.5	75.7	4.8	2,514	1,244	49.5%
	JB Pearl Harbor-Hickam – Hickam AFB	75.6	72.0	3.6	2,405	1,252	52.1%
	Hill AFB	76.4	78.1	(1.7)	1,039	430	41.4%
	Kirtland AFB	81.8	81.6	0.2	1,257	538	42.8%
	JB San Antonio – Lackland AFB	77.0	70.2	6.8	847	466	55.0%
	JB McGuire-Dix-Lakehurst – McGuire AFB / JB McGuire-Dix-Lakehurst – Fort Dix ¹	n/a	76.5	n/a	n/a	n/a	n/a
	Nellis AFB	81.2	75.5	5.7	1,165	560	48.1%
	Northern Group	85.9	83.4	2.5	4,210	2,144	50.9%
	Offutt AFB	75.0	74.1	0.9	1,733	457	26.4%
	Robins AFB I	68.1	74.0	(5.9)	603	195	32.3%
	Robins AFB II	73.9	68.4	5.5	243	133	54.7%
	Scott AFB	76.7	80.6	(3.9)	1,568	1,221	77.9%
	Southern Group	79.8	86.8	(7.0)	2,301	1,130	49.1%
	Tri-Group	81.6	83.2	(1.6)	1,459	546	37.4%
	Vandenberg AFB	85.5	79.3	6.2	928	676	72.8%
	Western Group ³	86.6	84.9	1.7	3,048	2,027	66.5%
	Wright-Patterson AFB ²	74.5	n/a	n/a	1,410	199	14.1%

1. An annual MHPI resident satisfaction survey was not conducted during FY 2019 for the following projects: Cherry Point/Camp Lejeune/Atlantic Marines (USMC); Camp Pendleton II (USMC); San Diego Family Housing (Navy); Southeast Regional (Navy); ACC Group II (DAF); AETC Group I (DAF); JB Elmendorf-Richardson I (DAF); JB Elmendorf-Richardson II (DAF); and JB McGuire-Dix-Lakehurst – McGuire AFB and Fort Dix (DAF). 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. 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 (DAF); JB Elmendorf-Richardson II (DAF); and Wright-Patterson AFB (DAF). 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.
3. The JBER III project (DAF) survey is administered by a local survey company. Although this company's survey methodology and reporting is not directly comparable to the primary MHPI survey, the survey contractor asked the same questions as the primary survey contractor and the JBER project scoring results were converted to be compatible with the rest of the MHPI portfolio survey results.

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, 2019.

MHPI Government Contributions as of September 30, 2019

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, 2019						
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, 2019						
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	Dujardin Development	-	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, 2019						
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, 2019						
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, 2019						
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	NB 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 resident 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 PO. 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 2019, 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 2019, four MHPI Family Housing projects – Robins AFB I, Georgia; Fort Polk, Louisiana; Fort Wainwright/Fort Greely, Alaska; and Air Force’s ACC Group III —had eligible populations less than their baseline number, and one – Robins AFB I – 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, 2019 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-18	Sep-04	Jan-06	Aug-06	Apr-09	Aug-13	Sep-13	Jun-14
Eligible Military Families as of Baseline Date	9,373	3,664	6,215	4,368	2,183	4,449	9,718	15,329	5,080
Eligible Military Families as of September 30, 2019	16,756	2,129	5,500	5,820	2,888	3,977	12,639	20,141	4,732
Guarantee Threshold ²	-40%	-42%	-30%	N/A	-25%	-33%	-30%	-30%	-30%
Current Change as of September 30, 2019 ³	79%	-39%	-12%	N/A	32%	-11%	30%	31%	-7%
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, 2019 ⁵	N/A	3.2:1	N/A	3.8:1	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 2019, the measurement period is October 1, 2018, to September 30, 2019.
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, 2019. As of FY 2019 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, 2019¹

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	12,294	13,059	5,831	1,757	141	5,330	(multiple, see below)
	<i>Fort Hood</i>	367	367	367	274	93	0	0	2009
	<i>Joint Base San Antonio - Sam Houston</i>	983	993	983	350	310	0	323	2009
	<i>Yuma Proving Ground</i>	102	102	102	0	92	0	10	2009
	<i>Joint Base Myer-Henderson Hall</i>	31	31	31	0	0	0	31	2009
	<i>Fort Sill</i>	724	724	724	619	0	0	105	2009
	<i>Fort Riley</i>	109	109	109	0	100	0	9	2009
	<i>Fort Leavenworth</i>	329	321	321	308	0	0	13	2009
	<i>Tripler Army Medic Center / Ft Shafter</i>	42	42	42	0	0	0	42	2009
	<i>Fort Rucker</i>	563	573	614	193	0	0	421	2009
	<i>Fort Polk</i>	148	116	126	126	0	0	0	2009
	<i>Fort Campbell</i>	188	132	132	132	0	0	0	2011
	<i>Fort Knox</i>	482	314	438	301	0	0	137	2011
	<i>Fort Gordon</i>	855	461	550	150	0	0	400	2011
	<i>White Sands Missile Range</i>	58	69	58	0	0	0	58	2011
	<i>Fort Bliss</i>	400	271	271	148	123	0	0	2011
	<i>Fort Belvoir</i>	477	479	479	219	0	141	119	2011
	<i>Fort Leonard Wood</i>	1,538	1,535	1,540	347	234	0	959	2011
	<i>Fort Buchanan</i>	73	73	73	73	0	0	0	2011
	<i>Fort Huachuca</i>	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 9/30/2019 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	99	169	0	0	0	169	2013
	<i>Hunter Army Airfield</i>	77	76	76	0	0	0	76	2013
	<i>Fort Carson</i>	186	128	128	0	128	0	0	2013
	<i>Dugway Proving Ground</i>	59	60	60	60	0	0	0	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	54	49	0	0	0	49	2013
	<i>Presidio of Monterey</i>	66	54	66	0	0	0	66	2013
	<i>Joint Base Lewis-McChord</i>	544	500	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	660	844	207	0	0	637	2013
	<i>Fort Bragg</i>	620	478	347	0	0	0	347	2013
	<i>West Point</i>	76	62	78	0	0	0	78	2013
	<i>Carlisle Barracks</i>	45	45	45	0	0	0	45	2013
	<i>Fort Drum</i>	346	99	99	0	99	0	0	2013
	<i>B.T. Collins⁵</i>	54	0	0	0	0	0	0	2013
	<i>Fort Lee</i>	1,577	1,138	1,138	1,000	0	0	138	2016
	<i>Fort Benning</i>	920	914	914	854	0	0	60	2016
Total MHPI Lodging		14,398	14,398	12,294	13,059	5,831	1,757	141	5,330

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 9/30/2019. 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