



ARMY SENIOR LEADER'S HOUSING GUIDE

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SENIOR LEADER’S HOUSING GUIDE

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SECTION I - OVERVIEW

EXECUTIVE SUMMARY

Congress has recently placed additional emphasis on its interests in ensuring that quality housing and services are provided to Service members and their Families. Detailed regulations and policies regarding the operations of installation housing have been developed to ensure the effective and efficient execution of the Army's housing programs. These regulations and policies have a myriad of responsibilities under your authority. To assist you, this guide has been developed to provide an overview of the day-to-day operation and execution of the housing programs on your installation.

Army Family Housing (AFH) and Unaccompanied Housing (UH) are primarily Government functions, and the installation housing staffs work to execute these functions as directed by Army policy and regulation. Your input is essential for significant actions such as budget generation, development of projects/initiatives impacting quality of life, responses to HQ-directed taskers and inquiries, or decisions regarding exceptions to policy. Your Housing Manager can provide the most recent DoD and Army housing policies and regulations.

The Residential Communities Initiative (RCI), on the other hand, is a private sector business partnership with the Army where a private company owns and operates housing on the installation, and which will require your oversight and guidance more frequently. You will find the RCI Section of this guide more detailed than the others, as the work associated with this business partnership may be more complex and less familiar to you.

Although this guide is full of important information that will assist you in making housing decisions on your installation(s), it is designed knowing that you may not read it cover-to-cover in one sitting. Each topic is addressed in a separate section with more detailed references identified at the end of each section. This guide will allow you to quickly find the information you need to effectively handle the housing operational matters you will face. Your team of housing experts are standing ready to assist you in making installation housing the home of choice for Service members and their Families, as well as for unaccompanied personnel.

TYPES OF HOUSING

The U.S. Army is committed to ensuring quality housing is made available to military personnel and their Families. The Assistant Secretary of the Army (Installations, Energy and Environment (ASA, IEE), Deputy Chief of Staff, G-9 (DCS, G9), U.S. Army Materiel Command (AMC), and U.S. Army Installation Management Command (IMCOM) oversee and execute an enterprise-wide housing management program focused on improving the quality of life of our Service members and their Families. Below is an overview of the types of housing with additional information provided in the specific sections which follow.

- **Residential Communities Initiative (RCI)** – The majority of Continental United States (CONUS) Family Housing is privatized via partnerships between the Army and privatized housing owners. Private companies (in which the Army is a minority member) manage and maintain Family housing at 44 installations, including Hawaii and Alaska and Unaccompanied Housing (UH) at five CONUS installations. The Garrison Commander is the Secretary of the Army's local representative on the ground. The garrison Army Housing Office (AHO) oversees the RCI Company property management and development. Collection of rent typically equals Basic Allowance for Housing (BAH) and covers the cost of rent, maintenance, and utilities.
- **Traditional Army Housing**
 - **Army Family Housing (AFH)** – Property that is owned, leased, and managed by the Department of Defense; includes all AFH in foreign countries and a few locations in CONUS. The installation's Directorate of Public Works (DPW) in-house workforce or contract personnel maintain and sustain housing. The DPW or Contracting Officer's Representative(s) (COR) ensure housing's Quality Control (QC) for maintenance performed. In addition, AHO inspectors perform Quality Assurance (QA) to validate housing is ready for occupancy. All military personnel with authorized accompanying family members assigned to an installation are eligible to apply for family housing. Residing in AFH in CONUS is voluntary, not mandatory, however is strongly encouraged for personnel assigned to key and essential positions, as designated by the Garrison Commander/Senior Commander. Residing in AFH Outside the Continental United States (OCONUS) is mandatory for eligible military personnel with accompanying command sponsored dependents. Military personnel assigned to AFH forfeit their BAH to cover the cost of rent, maintenance, and utilities. Authorization to live off-post in OCONUS locations may be authorized when the installation is at 95% occupancy or housing is not available. Military personnel will be issued a Certificate of Non-Availability (CNA) from the Garrison Commander

which will authorize an Overseas Housing Allowance (OHA). The Garrison Commander may delegate this authority to the Chief of the Housing Division.

- **Off-Post Housing** – In most locations, the majority of Service members reside on the local economy, in keeping with the Department of Defense’s (DoD) “community first” policy. The Housing Services Office (HSO) provides housing referral support to include maintaining available off-post rental listings, lease preparation and/or review, language translation services (OCONUS), certificates of non-availability (OCONUS), transportation to view listings (OCONUS, when resourced), tenant/landlord disputes, and is the resident’s Army advocate for off-post housing.
- **Army Leased Housing (LH)** - The Army leases privately-owned housing for assignment as Army housing to eligible military and DoD civilian employees as a temporary bridging strategy when adequate Army-owned housing is not available at an installation or duty location; when rental housing costs in an area exceeds a Service member’s authorized housing allowance; and in locations where Military Construction (MILCON) is planned, but not completed.

DCS, G9 establishes the management procedures, controls, and reports associated with the housing leasing program and obtains congressional clearance as required.

The IMCOM Directorates are responsible for oversight of the leasing program within their respective areas. United States Army Corps of Engineers (USACE) executes leases both domestically and in foreign countries within the authority of host nation agreements.

Army Leased Housing in OCONUS mitigates the impact to military personnel when rental housing exceeds Overseas Housing Allowance (OHA) or when other conditions would cause undue hardship to military personnel (i.e., more than 50 miles from the closest military housing area). Government-leased housing units are assigned to a garrison and managed like Army-owned Housing.

For independent duty personnel at CONUS locations where rental costs exceed 7.5% above BAH at various locations, the Army may request leased homes under the Army Leased Housing Program administered by USACE (e.g., Army recruiters).

- **General/Flag Officer Quarters (GFOQ) and Executive Homes** – A GFOQ is housing occupied by a General Officer (GO) or member of the Senior Executive Service (SES), regardless of its original designation. GFOQs can be privatized (Executive homes), Army-owned, or leased housing and require that all expenditures associated with

the home be tracked and reported. All GFOQs and Executive homes are intensively monitored by congressional mandate.

- Executive Homes exceeding \$50K Operations and Maintenance (O&M) are reported to Congress. All expenditures are reported quarterly through the Portfolio and Asset Management Report and annually through Congressional notification.
- Government managed GFOQ annual expenditures cannot exceed \$35K O&M, without HQ or Congressional prior approval. A major maintenance and repair project estimated to cost \$30K also require congressional approval. Incidental improvement (new work) exceeding \$3K annually require prior HQ level or Congressional approval. All expenditures are reported on a quarterly/annually basis utilizing the enterprise Military Housing (eMH) General Flag Officer Module (GFOM).
- A Six-Year Maintenance Plan (SYMP) must be prepared and submitted for all housing assigned to a GO or SES. Executive Homes report government-provided management and furnishings costs quarterly and within the SYMP. The garrison AHO submits the quarterly report and SYMP electronically via the eMH database. The Garrison Commander is responsible for the prudent management of these homes. The AHO provides a briefing on the quarterly costs and SYMP cost at every change of occupancy. GFOQ and Executive Home residents personally sign any request for actions and items not addressed in the approved SYMP. Signatures of the spouse, aide or an executive officer are not acceptable.

DCS, G9 is responsible to the Chief of Staff of the Army for ensuring the spirit and intent of the GFOQ and Executive home management are met, for the review/validation/approval of quarterly/annual cost reports and the SYMP, and for obtaining Congressional approval and notification when required.

- **Unaccompanied Housing (UH)** – Housing provided to personnel without dependents, or with dependents not residing with Service members. Unaccompanied Housing is for Junior Enlisted and Junior NCOs, Senior Enlisted, and Officers, either in government-owned, government leased, or privatized.

The primary goal of the UH enterprise is to provide facilities, services, and management to the Army mission to house unaccompanied Service members when they are at their permanent duty station (Title 10 USC personnel), in training, or deployed for all three Army Components (Active Army, Reserve, and Army National Guard).

For management purposes, Army UH is divided into three UH groups 1) Permanent Party (PP), 2) Institutional Training (IT), and 3) Collective Training (CT) UH:

- **Permanent Party UH** – Permanent Party UH is intended for Service Members either (a) without dependents, (b) with dependents, but without custody, or (c) with dependents but on an unaccompanied tour. Unaccompanied Service Members married to another Service member on separate tours will be assigned to housing on the same basis as unmarried personnel. Unaccompanied Service Members in pay grade E-5 or below if stationed in the U.S. and in pay grade E-6 or below if stationed Outside of the U.S. will reside in permanent party UH. In certain locations, Outside the U.S., the requirement to live in UH may be higher than E-6.
 - “Geographic Bachelor” is a term referring to unaccompanied personnel with dependents who voluntarily reside separately from their dependents. Unaccompanied personnel with dependents must submit an exception to policy through their chain of command to the AHO to request permission to reside in UH. If approved by the Garrison Commander, the housing assignment is on a “space available” basis. Military personnel, with dependents, on an OCONUS unaccompanied tour are required to occupied available UH space and only allowed to go off-post when government housing is not available.

The Army database of record, eMH, provides efficient and equitable management of UH assignments; and supports efforts to increase the number of personnel living in barracks; reducing the requirements for housing allowance payments.

- **Bachelor Officer Quarters (BOQ) /Bachelor Enlisted Quarters (BEQ)** – The Army does not program unaccompanied housing projects for Senior enlisted personnel (E6-E9 CONUS and E7-E9 OCONUS, except in Korea), and all officers (O-1 to O-10) unless community housing is not available, or on-post housing is required due to military necessity. While some installations may have legacy inventories of these asset types, most Service members in these ranks prefer to utilize their housing allowances to reside in the local community. Five installations have privatized BOQ/BEQs.
- **Institutional Training (IT)** – IT UH are facilities used to house trainees attending Basic Combat Training (BCT), Advanced Individual Training (AIT), One Station Unit Training (OSUT), and any other form of proficiency training accomplished prior to commencing movement to the Service member’s first permanent duty

assignment. Also, Service Members attending Advanced Skills Training (AST) are housed in IT UH. These facilities are used to house personnel attending schools of instruction such as the NCO Academies, Advanced Officer's Courses, Airborne School, Air Assault Course, the Defense Language Institute, Drill Sergeant School, Recruiter School, and Military Occupation Specialties (MOS) reclassification and selected functional training (Additional Skill Identifier (ASI)/Special Qualification Identifier (SQI)). The U.S. Army Training and Doctrine Command (TRADOC) and Army Institutional Schools will execute the day-to-day operations of IT UH in an effective and efficient manner within a unit's footprint.

- **Collective Training (CT) UH.** Collective Training UH is defined as the facilities used to house personnel conducting collective (unit) training at a location other than their assigned home station, such as Reserve Component Service Members conducting annual training or mobilization and Active Component Service Members training away from home station. Some installations have Operational Readiness Training Complexes (ORTCs) that serve this purpose. Additionally, it can be used for UH to support expeditionary and rotational forces.

FINANCIAL HOUSING ENTITLEMENTS FOR MILITARY PERSONNEL

Temporary Change of Station (TCS) or Temporary Duty (TDY) orders: Entitles military personnel to lodging and per diem reimbursements, in addition to their normal housing allowance. Placing military personnel on TCS orders or temporary duty of 180 days or less is a normal Army procedure. Military personnel are still entitled to reimbursement when they are maintaining a home at their permanent duty station.

Basic Allowance for Housing (BAH): U.S. based allowance authorized to a member assigned to permanent duty within the 50 United States, who is not furnished Government housing. BAH is based on the member's rank, dependency status, and Permanent Duty Station (PDS) zip code. BAH provides military personnel equitable housing compensation based on housing costs in local civilian housing as surveyed by a third-party contractor for markets within the U.S., when Government quarters are not provided. Members assigned to privatized housing receive BAH, which is used to pay rent to the RCI Project Company. The average cost of utilities is also a contributing component of BAH.

BAH enables Service members to live in off-post accommodations comparable to their civilian counterparts. It is not designed to cover all housing costs for all Service members. Some members may have out-of-pocket expenses because rates are based on the median cost of rent plus the average cost of utilities. A Service member's actual expenses may be higher or lower based on a Service member's actual choice of housing and where they live.

Because Service members are free to make housing choices that best suit their needs, a Service member may choose to use all their housing allowance to rent more expensive housing close to the duty station or have a longer commute for either a larger or less expensive house in an outlying area. In privatized housing, rent typically equals BAH, however, RCI companies occasionally provide rental concessions based on occupancy or type of housing. Rent in privatized housing cannot exceed BAH.

BAH calculations are based only on rental properties, not homeownership costs, such as mortgage payments, property taxes, and home insurance.

BAH also includes rate protection. This means, if a Service member's current BAH rate is less than the previous year, the Service member receives at least the same amount of BAH as the previous year, provided that the Service member's duty location, rank and dependency status stay the same. If BAH rates go up, the Service member will receive the higher BAH rate as long as eligibility is uninterrupted. This ensures that Service members who have made long-term commitments in the form of a lease or contract are not penalized if the area's housing costs decrease. If a Service member with dependents (except for a Service member paying child support) is serving an unaccompanied overseas tour, the Service member is eligible for BAH at the with-dependent rate, based on the dependent's U.S. residence zip code, plus Family

Separation Housing (FSH) at the OCONUS PDS, if the Service member is not provided Government housing overseas.

Annually, DoD conducts a BAH survey using a third-party contractor to determine the cost of rental properties in each geographic location and BAH rates are adjusted annually based on an analysis of the survey data and an established formula based on the Military Housing Area (MHA). MHAs were originally defined using the Defense Enrollment Eligibility Reporting System (DEERS) data. DEERS data provided information on where Service members at each installation were living. This created a data set that naturally excluded undesirable neighborhoods, which Service members had already avoided. Housing Services offices and installation leadership may:

- Provide local rental housing referrals, excluding any inadequate units
- Flag rental properties collected by the contractor that are not adequate or suitable

Military personnel can calculate their BAH payment by using the BAH calculator at <http://www.defensetravel.dod.mil/site/bahCalc.cfm>.

Garrison Commanders have the authority to request reconsideration of their Military Housing Area's (MHA) BAH rates when there is substantial evidence that current housing costs do not align with the approved BAH rates for that year. All requests for BAH rate reconsiderations should go directly from the Garrison Commander to the HQDA G-1 with a copy furnished to the IMCOM Directorate, HQ IMCOM, HQ AMC, ODCS G-9, and OASA IE&E. Results of the request will be sent thru the Task Management Tool (TMT) to close the action.

OVERSEAS HOUSING ALLOWANCE (OHA)

The Overseas Housing Program enables military members assigned overseas to privately lease housing on the economy. A uniformed Service member stationed outside the U.S., including U.S. territories and possessions, who is not furnished Government housing, is eligible for Overseas Housing Allowance (OHA) based on the Service member's tour and dependency status. This program encompasses a reimbursement system designed to partially defray housing costs associated with renting in the off-post community. The garrison Army Housing Office (AHO) authorizes issuance of a CNA allowance when AFH or Army leased housing is not available. DoD conducts an annual OHA survey to collect utility/recurring maintenance expenses and a move-in expense survey every three years. Annual OHA Rent data is used to formulate and adjust the OHA allowance paid to military personnel residing in private rental housing on the local economy OCONUS. OHA helps offset housing costs, consisting of:

- Rent
- Utility and recurring maintenance expense
- Move-in housing allowance (MIHA)
- MIHA Miscellaneous: A one-time lump sum payment to offset average move-in expenses

- MIHA Rent: Dollar-for-dollar reimbursement for realtor fees
- MIHA Security: Dollar-for-dollar reimbursement for security upgrades (security system, window bars, secure doors, etc.) in high threat areas only as determined by the Department of State
- MIHA Infectious Disease: Dollar-for-dollar reimbursement for infectious disease prevention-related upgrades to a dwelling (window/door screens)

Temporary Lodging Expense (TLE) CONUS: Allowance that partially reimburses military personnel for lodging and meal expenses while staying in temporary lodging during a PCS within the United States. The TLE may not cover all lodging and meal expenses incurred. The TLE may be authorized for up to 10 days depending on the location of the new PDS. TLE is processed directly with the local Finance Office.

Temporary Lodging Allowance (TLA) OCONUS: Partially offsets temporary lodging expenses at overseas duty locations when Service members and/or their Families are awaiting permanent quarters upon arrival or have to vacate permanent quarters prior to departure. TLA is also authorized for unaccompanied personnel E7 & above awaiting housing and those authorized to reside off post. Per the Financial Management Regulation Volume 7A, Chapter 68 dated Dec 19; "The Senior Commander of the service in the country or area is the TLA Authority. The TLA authority must issue TLA guidance for the country or area under his/her responsibility. Effective guidance and management at all levels should minimize TLA costs by preventing the need for TLA, shortening the authorized period and reducing the amount payable." The TLA process is administered through the garrison Army Housing Office.

Partial Dislocation Allowance (PDLA): Authority to pay Service members PDLA is found at 37 USC § 407(f). PDLA is an entitlement to be paid to any Service member ordered to vacate any housing provided by the United States (including barracks, dormitory-style housing, and family housing).

JFTR 5446 echoes statute providing that the entitlement is available to Service members ORDERED to vacate GOVERNMENT Family type housing.

Dislocation Allowance (DLA): Service members are NOT authorized DLA when moving to or out of privatized housing at Government direction to other privatized housing for the Government's convenience.

DLA can be paid if local move of HHG is authorized due to PCS to a new duty station proximate to the Service member's current duty station or when the Service member is assigned to a different activity at the same duty station.

References:

- DTS Allowances: <https://www.defensetravel.dod.mil/site/search.cfm>
- Joint Travel Regulations, dated 1 January 2021
- Army in Europe (AER) 37-4 Financial Administration
- Financial Management Regulation Volume 7A, Chapter 68n dated December 2019
- A Primer on the Basic Allowance for Housing (BAH) for the Uniformed Services, Office of the Under Secretary of Defense Personnel and Readiness, Office of Military Compensation Policy, January 2021

HOUSING SUPPORT AND TRAINING

Housing Support

The echelons of housing support are as follows:

- Assistant Secretary of the Army, Installations, Energy and Environment (ASA, IE&E)
- Deputy Assistant Secretary of the Army, Installations, Housing, & Partnerships (DASA, IH&P)
- Deputy Chief of Staff (DCS), G9
- DCS,G9 – Installation Services Directorate (ISD)
- Commander, Army Materiel Command (AMC)
- Commander, Headquarters Installation Management Command (HQ IMCOM)
- Installation Management Command Directorates - Region
- Garrison Commanders
- Garrison Housing Managers

Overall roles and responsibilities for housing management are outlined in the Army housing regulation. Specific RCI responsibilities are outlined in the RCI section of this guide, as well as in the PAM Handbook. Housing Managers will know the specific points of contact at each echelon regarding your installation housing program.

Training

The Army's Housing Education Strategy incorporates opportunities for both individual and career certification. Individual certification and the Army Housing Careerist Training Program is detailed in the Army Civilian Training, Education & Development System Plan (ACTEDS Plan) under Career Program 27 Housing Management. The purpose of the ACTEDS Plan for CP-27 is to ensure formal training for Army individuals as they progress from the Housing Specialist and Associate level to the Senior Housing Program Manager Level. Additionally, the housing career field includes Army Family Housing, Housing Services, Unaccompanied Housing, and privatized housing (Residential Communities Initiative (RCI)). Detailed training requirements and knowledge, skills, and abilities for housing specific requirements are provided in the ACTEDS Plan. In addition to the courses offered in ACTEDS, many private sector courses are available from the Institute of Real Estate Management and the National Development Council which would be beneficial to your housing management team. The following is a list of training and informational materials available to Army Stakeholders, Commanders, and residents as part of the Army Housing Campaign Plan:

- **Housing Program Awareness Fact Sheet** – distributed by TRADOC for inclusion in Battalion Commander and below Army training events.

- **Garrison PCS Briefing** – a standard Housing Garrison Level briefing for PCS Service members in Plain Language.
- **Environmental Handouts** – Fact sheets and websites for Lead based paint, Mold, Indoor Air Quality and Asbestos; targets all housing residents.
- **Company Commander/First Sergeant Pre-Command Course (CCFSPCC)** – provides a segment on the various types of housing and the responsibilities of the Command in executing the housing program; distributed by TRADOC for presentation at all CCFSPCC courses.
- **Senior Commander Course (SCC)** – preparatory course for Senior leaders to acquaint them with the various subjects within their purview as Commanders; a housing segment is part of the curriculum
- **Housing Inspector Course** – Designed for housing careerists, this week-long course was developed to ensure that Inspectors are properly trained to ensure that homes offered to Service members meet quality and safety standards. Administered by IMCOM.
- **Housing the Force (HTF)** – HTF training is provided annually by IMCOM, in coordination with AMC, G9, and DASA, IH&P, to provide the latest guidance to housing careerists regarding Housing Processes and Policies required in RCI PAM Handbook and NDAA language requirements.
- **Housing Certificate Program** – Designed to ensure that all competencies are achieved as required by all housing managers as they progress in rank. A Housing Training Database maintains records of certificate receipt.
- **University Real Estate Finance** – George Mason University, University Finance and Real Estate Certificate program. Target Audience: Housing Careerists, GS-12 and above.
- **Senior Leader Housing Guide** – A guide for Garrison/Senior Commanders on housing program capabilities and housing manager credentialing that are required at the installation level.
- **Annual Housing Refresher Course (Distance Learning)** – On-line training for housing careerists to annually update their knowledge base
- **Knowledge Competency Assessment Tool (KCAT)** – A Knowledge Competency Assessment Team (KCAT) comprised of members of the HQDA, AMC and IMCOM Staff, comprised of RCI Subject Matter Experts, which periodically evaluates the overall performance and effectiveness of the Installation Army Housing team as it executes the Portfolio Asset Management (PAM) RCI oversight functions. Traditional conference / lecture training format is supplemented by these on-site assessments and competence evaluations, using checklists found in the PAM Handbook.
- **On-Line Dispute Resolution Process Video** – Video presentation outlining the steps for both local and formal dispute resolution.

References:

- PAM Handbook 6.1
- AR 210-XX

SECTION II - RESIDENTIAL COMMUNITIES INITIATIVE

MHPI/RCI OVERVIEW

The Military Housing Privatization Initiative (MHPI) Act, which was originally enacted in 1996 and codified at 10 US Code 2871 et. seq., provides the Military Services with alternative authorities for the construction and improvement of military housing (Family and unaccompanied personnel).

Under this legislation, you are a partner in a private sector housing business enterprise on a military installation. You will have a team of experts at every echelon to assist you in this role, however, you must have a sound working knowledge of the processes and policies which drive the business aspect of your project. You cannot use command directives to operate this business because you are the minority partner. Instead, you will collaborate and negotiate with your private sector partner to provide a real time quality of life for Service members and their Families while ensuring that funds exist to renovate and replace older units over the long term. You will identify Major Decisions (MDs) and forward those to higher echelons for approval. You need to understand how money flows in and out of the business, how to develop an annual budget, how to maintain resident satisfaction, and how to identify variables which will impact your project's success.

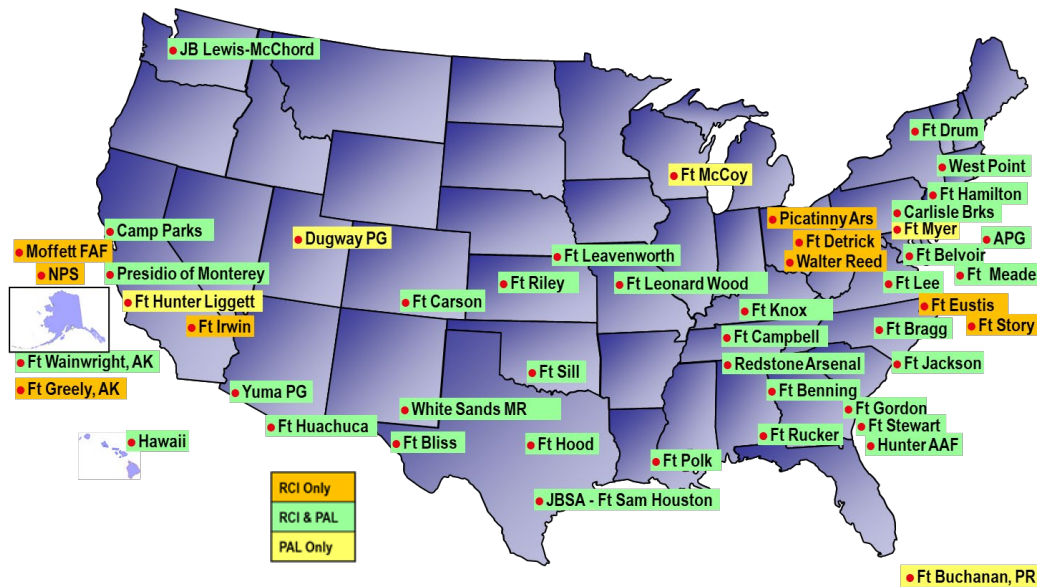
WHAT MILITARY HOUSING PRIVATIZATION INITIATIVE (MHPI) PROGRAMS ARE:

- Program to privatize non-military specific functions (housing / lodging)
- Program includes:
 - Process that takes a project from concept through transfer of assets / functions
 - Series of installation-wide Family housing & lodging projects
- RCI and PAL are the Army's MHPI Programs; other Services' Programs are not called RCI
- Army MHPI Projects include:
 - Out lease of land for 50 years with 25-year option
 - Title transfer of housing, lodging and improvements
 - Operation, management, repair, construction (deficit, replacement, renovation)
 - Collection of rents not to exceed Service member's Basic Allowance for Housing (BAH)
 - Room rates not-greater-than 75% of lodging per diem
 - Agreements with developers (Limited Liability Corporations / Partnerships / Leases)

WHAT MHPI PROGRAMS ARE NOT:

- A contract
- Government ownership and operations
- Short term
- Business as usual

RCI PROGRAM INFORMATION

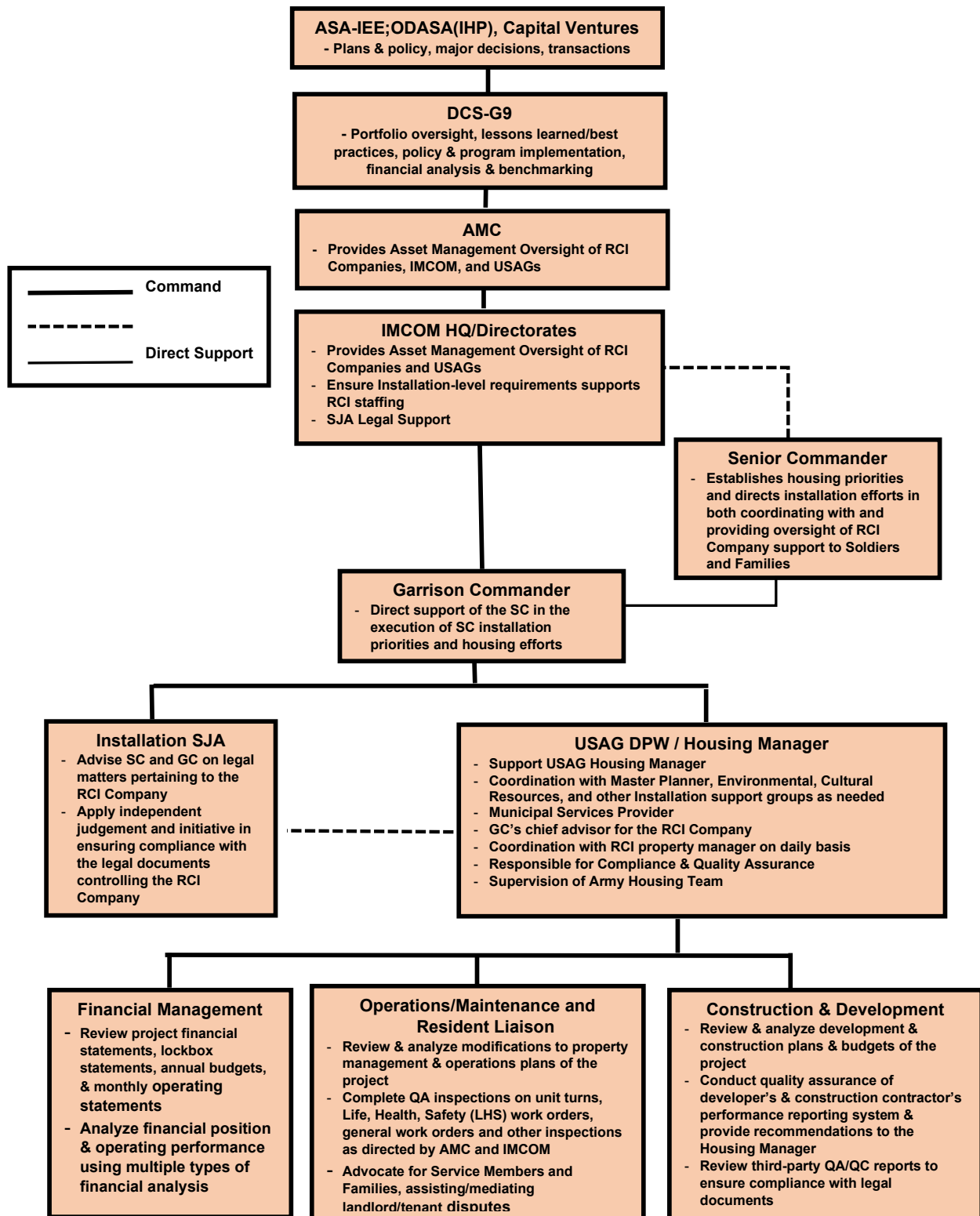


- RCI Projects (34 Projects encompassing 44 locations) are structured as public-private partnerships between the Army and a development partner; these legal instruments are not a strictly contractual relationship
- Army out leases land for 50 years with 25-year option and transfers title of housing and improvements to RCI Project Companies
- Army operates in two roles under RCI:
 - As a member of the RCI Project Companies, the Army has approval rights on specific strategic and operational decisions (Major Decisions(MDs)) and monitors and oversees its investments
 - As the Lessor under the Ground Lease, the Army is the RCI Project Company's landlord
- RCI Projects are designed to be self-sustaining with rental revenue, generally BAH, as the predominant operational funding source; therefore, generated cash flow is essential to fund operating expenses, long-term debt payments, reserves, initial development and future redevelopment
- RCI Projects operate as on-post rental communities that compete with their respective local housing markets to attract and retain Service Members; mandatory assignment to on-post privatized housing is not available under RCI due to OMB Scoring rules

References:

- PAM Handbook 6.1, August 2021
- AR 210-XX

RCI ROLES AND RESPONSIBILITIES AT ECHELON



References:

- RCI Major Decision Policy, SAIE-IHP, 25 Jan 21
- PAM Handbook 6.1, August 2021

RCI Portfolio Management Roles and Responsibilities

DASA (IH&P) Program Manager:

Role: Provides RCI Program portfolio level strategy, oversight, guidance and support for RCI Companies and other privatization initiatives

Responsibilities:

- Obtain necessary approvals from HQDA (ARSTAF/Secretariat), Congress, OSD, OMB, and USACE
- Recommend legislative initiatives where appropriate
- Identify strategic business opportunities and complete feasibility analysis
- Conduct industry outreach and solicitation preparation/issuance
- Develop program structures for initiatives determined to be economically viable
- Secure appropriate approvals for implementation of initiatives
- Negotiate new privatization initiatives from initial concept/due diligence to financial closing
- Negotiate RCI Company and privatization initiative business terms, agreements and RCI Major Decisions (MDs)
- Review and approve Concept Paper requests submitted to DASA (IH&P)
- Provide Green Light Letter listing RCI Company and Memorandum listing Army requirements for MD approval package
- Analyze, negotiate, and obtain DASA (IH&P) approval for MD Requests
- Review RCI Company corporate level budget allocations. Obtain DASA (IH&P) approval if NOI has decreased by greater than 5% from previous year's budget
- Monitor portfolio-level compliance issues. Report deficiencies to OSD per legislative requirements
- Identify program / RCI portfolio level challenges, interact with RCI Company senior level personnel, and provide approaches to resolve
- Review drivers of RCI Company successes and challenges and ensure feedback and lessons learned are provided across the RCI portfolio
- Organize/conduct periodic Senior Executive Meetings (SEM) between RCI Company Representatives and Senior Army Leadership
- Establish and implement policies and procedures related to strategic sourcing initiatives
- Direct RCI Company Reviews to ensure Army interests are protected
- Develop recommendations for portfolio enhancements
- Review business opportunities outside the scope of RCI brought forward by an RCI Company

DCS, G-9 Program Manager:

Role: Provides RCI Program programmatic oversight, guidance and support for RCI Companies and other privatization initiatives

Responsibilities:

- Obtain necessary approvals from HQDA (ARSTAF/Secretariat), Congress, OSD, OMB, and USACE
- Recommend legislative initiatives where appropriate
- Collaborate with Capital Ventures Directorate (CVD) in the ODASA-IH&P to help identify strategic business opportunities and assist with feasibility studies as requested
- Secure appropriate approvals for implementation of initiatives
- Negotiate RCI Company and privatization initiative business terms, agreements and RCI MDs
- Review Concept Paper requests submitted to DASA (IH&P)
- Analyze, negotiate, and obtain DASA (IH&P) approval for MD Requests
- Review RCI Company corporate level budget allocations. Obtain DASA (IH&P) approval if NOI has decreased by greater than 5% from previous year's budget.
- Monitor portfolio-level compliance issues
- Identify program / RCI portfolio level challenges, interact with RCI Company senior level personnel, and provide approaches to resolve
- Review drivers of RCI Company successes and challenges and ensure feedback and lessons learned are provided across the RCI portfolio
- Organize/conduct periodic RCI Company working group meetings
- Direct, assist and monitor installation production of the Report of Availability and associated real estate documentation
- Track, assess, and analyze financial reports and provide consolidated program information
- Direct Special Purpose Reviews to ensure Army interests are protected
- Develop recommendations for portfolio enhancements

References:

- PAM Handbook 6.1, August 2021

RCI Asset Management Functions

AMC:

Role: Provides RCI asset management oversight, guidance, and support to IMCOM, Senior Commander, Garrison Commander, and USAG Housing representatives.

Responsibilities:

- Ensure IMCOM HQ is aware of force structure actions (activation, conversion, relocation) across every post, camp, and station in the Army that may impact the RCI program
- Review and approve Major Decisions (MDs) as per policy
- Approve RCI Company operating and capital repair and replacement budget allocations unless delegated to IMCOM Commander
- Monitor the staffing and structure of the USAG Housing Division to ensure consistency with current Garrison, IMCOM, AMC and HQDA objectives
- Develop and monitor asset-level performance metrics
- Monitor RCI compliance responsibilities at the IMCOM HQ and garrison level

IMCOM HQ:

Role: Provides RCI asset management oversight, guidance and support to Senior Commander, Garrison Commander, and USAG Housing representatives.

Responsibilities:

- Ensure USAG Housing Managers and Garrison Commanders are aware of issues that may impact the program (re-stationing, leasing priority waterfall, etc.)
- Serve as the IMCOM subject matter expert on all RCI issues
- Coordinate housing privatization issues within the public works (master planning, real estate, housing and environmental), resources (budget), public affairs, legal and operations offices to ensure awareness and planning for the RCI program
- Coordinate housing issues that may impact the installation RCI Company
- Monitor/support MDs as required
- Review and approve RCI Company operating and capital repair and replacement budget allocations. Obtain DASA (IH&P) approval per MD policy if required.
- Provide guidance, oversight, and review of RCI Company incentive performance management plans and payments
- Manage the staffing and structure of the Army Housing Office (AHO) to ensure consistency with current Garrison, IMCOM, AMC and HQDA objectives
- Develop and monitor asset-level performance metrics
- Track, assess, and analyze asset-level reports
- Ensure RCI Company compliance oversight responsibilities are executed by the USAG Housing Manager
- Coordinate and provide comprehensive training to RCI Housing personnel, Garrison Commanders and Senior Commanders at echelon

Senior Commander (RCI - related):

Role: To care for Service Members, Families, and Civilians, and to enable unit readiness.

Responsibilities:

- Direct the Garrison Commander's efforts and priorities in coordinating and oversight of RCI Company support to Service Members and Families
- Synchronizing and integrating Army priorities and initiatives at the installation
- Communicate issues and resource requirements through command channels

Garrison Commander (RCI - related):

Role: Serves as the Secretary of the Army's local representative to the RCI Company

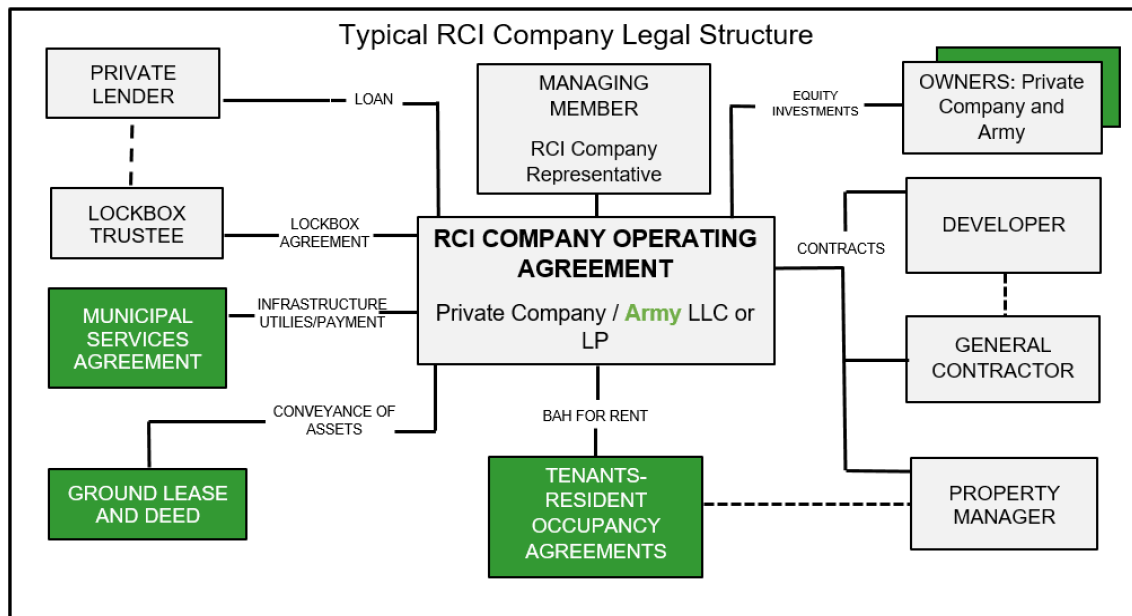
Responsibilities:

- Maintain good order and discipline, health, safety, security, and protection of project
- Assist with landlord/tenant disputes that cannot be resolved by property or USAG Housing Manager. Resolve resident/property management disputes utilizing all command authorities necessary. Elevate unresolved disputes with RCI Company thru dispute resolution channels. Monitor formal Resident Dispute Resolution Process.
- Ensure oversight of displaced resident process and procedures and assist Service Members and Families
- Ensure municipal and other installation level services are provided to RCI Company as determined by agreements (Municipal Service Agreement (MSA), Utility Privatization, etc.)
- Utilize ASA (IE&E) - RCI Major Decision Policy as framework for Army HQ coordination
- Utilize the USAG Housing Manager as an expert resource for RCI guidance
- Maintain a long-term focus on RCI Company Major Decisions (MDs)
- Review the annual operating budget with RCI Company Representative, endorse and forward to IMCOM for approval
- Review and approve the incentive fee distributions (as required by business agreements)
- Support, not control of, property manager resident eviction process
- Ensure adequate installation support and execution of the Annual Basic Allowance for Housing (BAH) Survey data collection process

References:

- PAM Handbook 6.1, August 2021

RCI PROJECT STRUCTURE



The Army's RCI portfolio consists of minority ownership interests in Limited Liability Companies (LLCs) or Limited Partnerships (LPs) (also referred to as "RCI Company"), each of which is formed to own, operate, develop, and maintain Family and/or unaccompanied housing at one or more installations. A typical RCI Company consists of two owners – the RCI Company Representative and the Department of the Army. The Secretary of the Army, through the Assistant Secretary of the Army for Installations, Energy and Environment (ASA, (IE&E)), grants limited authority to the Garrison Commander to serve as the senior military representative on the ground of the LLC or LP entity. Additionally, each RCI Company has an on-site garrison Housing Manager responsible for coordinating with the project director and representing the Army's interests on a day-to-day basis.

Most RCI Companies have formed Integrated LLCs whereby an eligible entity invests in 2 or more subordinate LLCs and serves as an "umbrella" over the individual LLC companies. Integrated LLCs are unique to each owner and enables projects to stay within Government equity contribution limits, provides the ability to cross collateralize future debt, and allows transfer non-appropriated dollars (i.e., reinvestment account funds) between participating projects consistent with debt documentation. Integrated LLCs provide a mechanism for rapid reallocation of resources due to restationing actions, catastrophic events, or necessary scope realignment and allows for risk mitigation through a portfolio approach resource allocation. Movement of funds or acquisition of debt by Integrated LLCs must be negotiated and approved at the DASA, IH&P.

Any required additional Government investment flows from the Integrated LLC as a capital investment into the appropriate participating project(s).

References:

- PAM Handbook 6.1, August 2021

RCI LEGAL DOCUMENTS

Because RCI projects are private businesses (not contracts), they are governed by a series of legal documents. The Army is a party to some, but not all, of these documents. The garrison Army Housing Office (AHO) have a need to retain RCI documents to enable and facilitate daily administration of the RCI agreements. Specifically, each garrison AHO shall maintain the Community Development Management Plan (CDMP), subsequent Out-year Development Plans (ODPs) or Modified Scope Plans (MSPs), Municipal Services Agreements (MSAs), final surveys, Ground Lease, RCI Company formation documents, and such other documents and records as are needed for frequent reference. The RCI office should also maintain, or have access to, records related to utility and services billing from the garrison to the RCI entity.

HQ USACE Real Estate Project Delivery Team at Norfolk District provides the paper document repository and is responsible for complying with regulations concerning RCI Project Company formation documents, contract documents, real estate cadastral (survey) records, and retention of official records. USACE, in managing the paper document repository, ensures that confidential documents and information are appropriately safeguarded. DCS, G-9, through the Enterprise Military Housing (eMH) database, provides the electronic document repository and is responsible for ensuring all RCI Project Company documents are uploaded into the system. HQDA Housing personnel shall have full web-based access to all documents. Installation Staff Judge Advocates (SJAs) shall have full web-based access to all policy documents and to the RCI documents associated with their respective installations. On an as-needed basis, the HQDA Program Manager may provide limited access to any specific set of records in the repository for a set period of time to other Army personnel.

A description of the primary legal documents is below:

Ground Lease: Each RCI Project is structured with a 50-year ground lease, with an additional 25-year option. The ground lease establishes a legal relationship between the Army and the RCI entity (LP or LLC) and establishes terms of use such as rights of access, boundaries, terms of the lease, tenant waterfall, rights of both the landlord and tenant, conditions on financing, use provisions, and default provisions.

Operating Agreement: Legal Agreement between the Army and the private entity that defines the terms of forming the RCI Project Company and constitutes the core partnership document. Executed by all parties at time of closing. Identifies decisions which can be made solely by the RCI Project Company representative without review and approval of the Army and those decisions which require Army approval (Major Decisions (MDs)).

Lockbox Agreement: The agreement between the RCI Project Company and the lender as to how funds of the company will be managed and protected while the private sector loan is in place. The Lockbox Agreement is subject to Army approval prior to closing.

Asset Management Agreement: Contract establishing services of an asset management entity for executing various functions for the RCI Project Company. Many RCI Project Companies do not engage an asset management entity – folding this scope into the Developer and/or Property Manager.

Property Management Agreement: Agreement executed between the RCI Project Company and a property management entity to provide property management and operating services to the privatized housing community and residents. The property management firm may be an affiliate of the RCI Project Company owner.

Development Agreement: Contract establishing services of a development management entity to execute the development scope on behalf of the RCI Project Company.

Construction/Renovation Agreement: Contract establishing services of a general contractor/builder entity to execute the construction on behalf of the development company.

Municipal Services Agreement: Agreement between the installation (DPW) and the RCI Project Company governing the provision of municipal services to the Project (utilities, fire, police and emergency services, etc.) by the installation. Should be updated annually.

Construction Consultant Agreement: Contract between the developer or construction contractor and a third-party who offers professional guidance in exchange for a fee. The consultant assists with both upcoming and existing projects by analyzing building plans, estimating costs, assessing code applicability and compliance, recommending approval for change orders, and overall QA/QC.

References:

- PAM Handbook 6.1, August 2021
- Privatized Housing Tenant Waterfall Policy, SAIE-IHP, 11 Feb 21

FINANCE DEFINITIONS

BAH as Rent

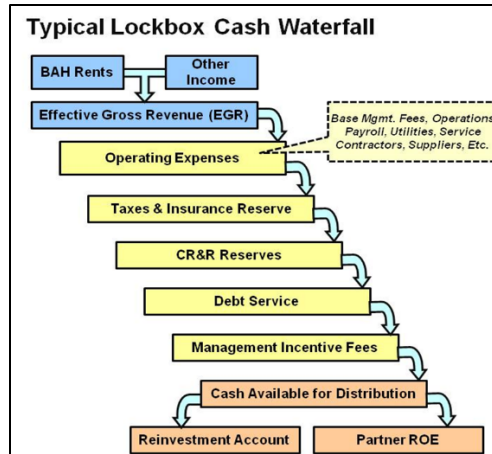
- DoD's policy on housing privatization allows rents to be based on the Basic Allowance for Housing (BAH) with the estimated cost of utilities included – this allows a set point where developers can secure loans and allow a much faster return of new construction, renovation, and overall project development
- Rent includes refuse collection, utilities, common area grounds, and facility care and insurance (dependent upon the RCI Project Company)
- The property owner uses BAH to pay for operations, improvements (new construction/renovation), maintenance sustainment, and property management

Capital – Financial assets or valued assets

Cash Flow – Cash generated and utilized during a period

Cash Waterfall – Prioritization of funds in a cash flow

- Depicts the prioritization of payment to various parties, accounts or expenses – answers the question, “who gets the money?”
- Represents the payment “chain of command”
- A Cash Flow depicts the revenue and expenses for the project on an annual basis, structured to reflect the Cash Waterfall
- A Cash Flow statement provides important insights into where the money goes; usually this statement is a separate worksheet in the pro forma
- The terms senior and subordinated denote the relative position of two expenses; an expense is considered to be “senior” to another expense when it is higher on the Cash Waterfall and, therefore, has a higher priority for payment
- An expense is considered to be “subordinated” to an expense which is more senior. Subordinated expenses are lower on the Cash Waterfall and, therefore, have a lower priority for payment



Debt – Money owed to another entity

Debt Terms – The amount of debt is determined by the debt terms (debt ratings, interest rates, financing costs) and the Net Operating Income

- Loan Term – term is the number of periods over which payments will be made and is comprised of two parts
 - Interest Only Period – payment of interest only
 - Amortization Period – payment of principal and interest
- Interest Rate (underlying rate and risk premium – “the spread”)
- Debt Coverage Ratio (DCR)

Debt Coverage Ratio (DCR) – the ratio between the amount of money one has available to make debt payments (NOI) and the amount of money one actually owes as debt payments (debt service)

$$\text{DCR} = \frac{\text{NOI}}{\text{Debt Service}} = \frac{\$4,389,483}{\$4,212,394} = 1.04$$

*Illustrative Example

Equity – Ownership interest represented by cash or like contribution; RCI Project Companies earn a return on equity that they have invested in the project

- Equity is typically contributed to RCI projects in two ways:
 - Cash contribution
 - Deferred fees
- Returns on equity are achieved in two ways:
 - Preferred return
 - Distributions of available cash
- Returns on equity are evaluated in two ways:
 - Cash on cash

- Internal Rate of Return (recapture of lost payments)

Financial Model – Spreadsheet representation of the cash flow and supporting assumptions

Income – Money received by the project due to operations

Lockbox – Arrangement with a third party to manage the cash flows into and disbursements from the project in accordance with the Lockbox Agreement

Net Operating Income (NOI) – Income/revenue remaining after all expenses are paid, calculated as Net Rental Income Less Operating Expenses

Net Rental Income – Gross potential revenue less vacancy and utilities allowance

Operating Expenses – The regular expenditures incorporated to ensure quality management and maintenance of the project and typically include:

- Utilities
- Asset Management / Administration
- Personnel
- Maintenance and Repair
- Project Insurance and Taxes
- Renters Property & Liability Insurance
- Capital Repair and Replacement
- Police and Fire Reimbursement

Pro Forma – “for the sake of form” – calculations of future estimated cash flows based on assumptions

Revenue – Revenue is defined as operating inflows to the project. Items that Impact the Pro Forma Model:

- Basic Allowance for Housing (BAH)
- BAH Growth Rates
- Occupancy Rates
- Inventory / Income Producing Units
- Demographics
- Other Income
- Bad Debt Charges

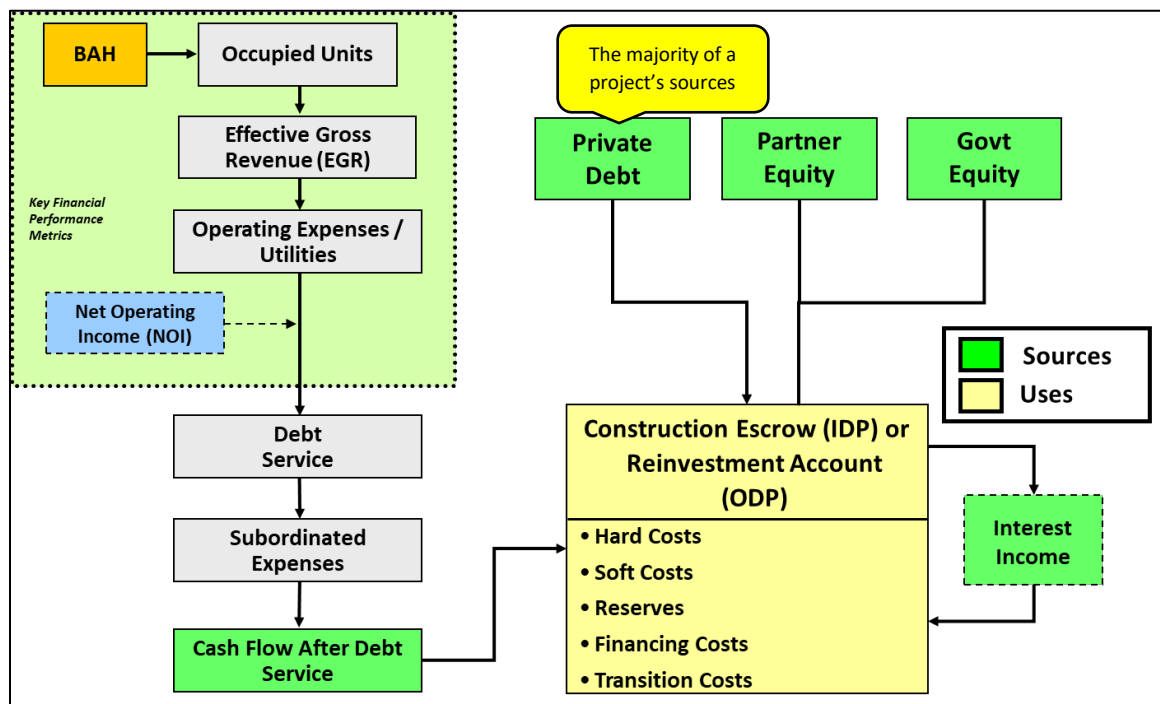
Scoring (OMB Scoring) – Office of Management and Budget (OMB) (Executive Branch)

- Scoring: OMB scoring attempts to quantify the risk exposure faced by the Federal Government associated with utilizing the Military Housing Privatization Initiative authorities -- primarily an effort to quantify the future contingent liability to the Federal Government

- Because a future liability that becomes payable would affect that year's budget, the agency charged with implementing the scoring liability is OMB

Tenant Waterfall – The tenant waterfall is a risk mitigation tool for the RCI Project Companies should rental demand by targeted military personnel become inadequate to sustain the project's fiscal requirements. While the decision to open the waterfall further should be arrived at collaboratively between the RCI Project Company and the Garrison Commander, the authority do so ultimately remains with the RCI Project Company. Eligibility flows in descending order as follows: accompanied military personnel, unaccompanied military personnel, retired military personnel, DoD and federal agency civilians, and civilians.

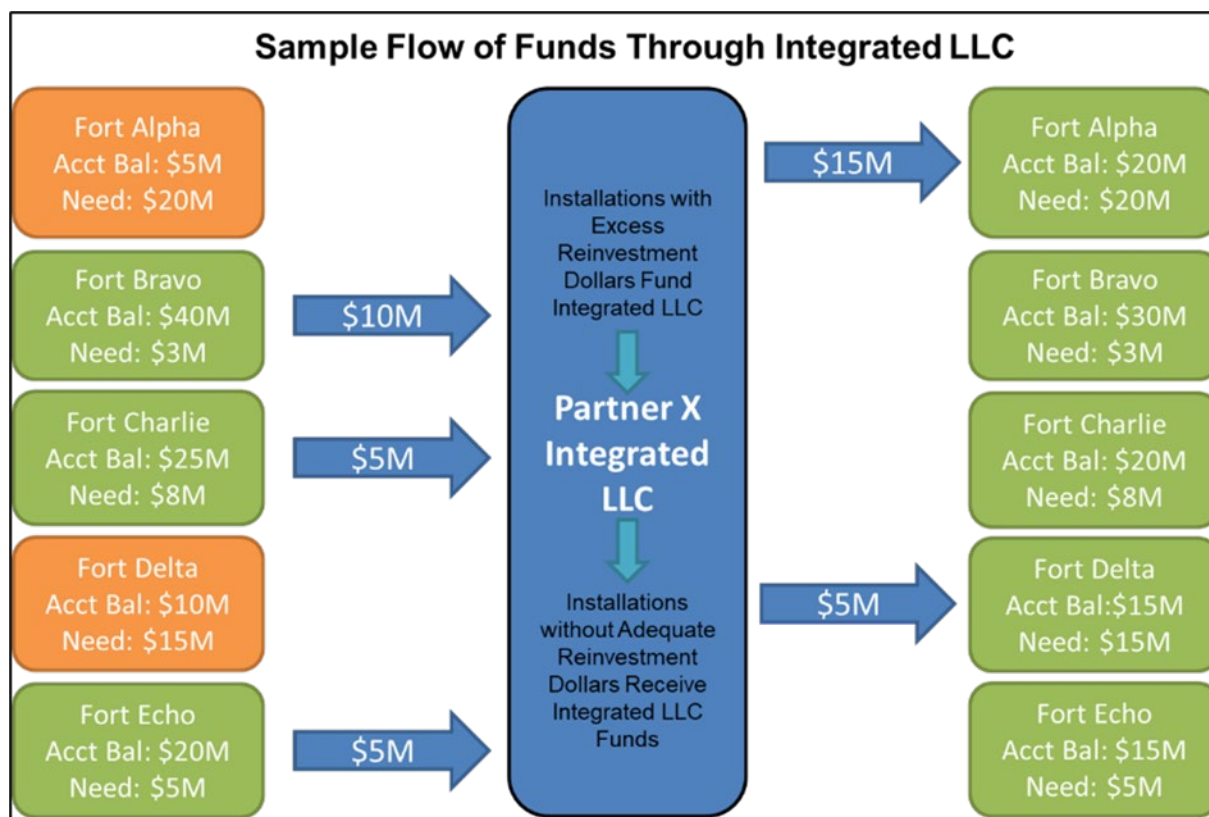
RCI Financing Structure –



How RCI Project Company participants make money:

- **Service Provider Fees**
 - **Property and Asset Management Fee**
 - 3% to 5% of net income
 - Material portion (approx. 50%) performance (incentive) based
 - Cap to local housing CPI
 - **Development Fee**
 - 3% to 5% of total development cost
 - At risk if development milestones (under developer control) are not achieved
 - **Construction Management**
 - 3% to 6% of total hard cost
 - Material portion (approx. 25%) performance (incentive) based
- **Equity Returns – Project Ownership**
 - **Cash Flow Split**
 - Adjusted to project risk return on equity invested
 - Cap cash-on-cash return

SAMPLE FLOW OF FUNDS THROUGH INTEGRATED LLC



References:

- PAM Handbook 6.1, August 2021

INCENTIVE FEE DISTRIBUTION (PROPERTY MANAGEMENT)

Every RCI project has a property management Incentive Performance Management Plan (IPMP) outlining the fee-based relationship between the service provider and the RCI Project Company (LLC or LP). The IPMP sets forth the criteria and process used to evaluate and award property management incentive fees with procedures to determine the appropriate percentages of available incentive fees to be paid in a specific period for a given level of performance. The IPMP is strictly based on property management. Asset management, development and construction management fees are processed in accordance with the supporting legal agreements.

Through the legal agreements, the parties identify the services to be provided and the fees, broken down into base and incentive, paid for providing those services. The incentive component of each fee is based on metrics identified at the beginning of the project and adjusted at agreed times throughout the life of the project. The IPMP should outline objectives and include lessons learned in evaluating and determining the amount of the incentive fee award, recommendations for assessing and adjusting metrics, and considerations when setting indicators used to evaluate performance.

The property management IPMP criteria was agreed to by the Commander, AMC and corporate leadership from the RCI Project Companies. Accordingly, neither the measurement criteria, nor any component thereof, may be changed, altered, adjusted, discounted, excluded, or substituted for any reason. This prohibition includes any adjustments to the calculated fee amount based on Garrison Commander or Senior Commander's review of the proposed award.

RCI property managers are required to meet the agreed-upon metrics to be eligible to receive an incentive fee for those services. Incentive fees are paid from cash flows for services rendered and metrics achieved in a specific period of time (typically quarterly).

The Army has standardized the performance management incentive fee metrics and timeline for award across all projects. Award of incentive fees is a collaborative and transparent process with outcomes not a surprise. The RCI Project Company submits an accurate assessment of performance. The garrison Army Housing Office (AHO) performs quality assurance and provides the Garrison Commander a recommendation of earned fees. The Garrison Commander provides a recommendation regarding the fee award to the IMCOM Commander, as delegated by the Army Materiel Command (AMC) Commander.

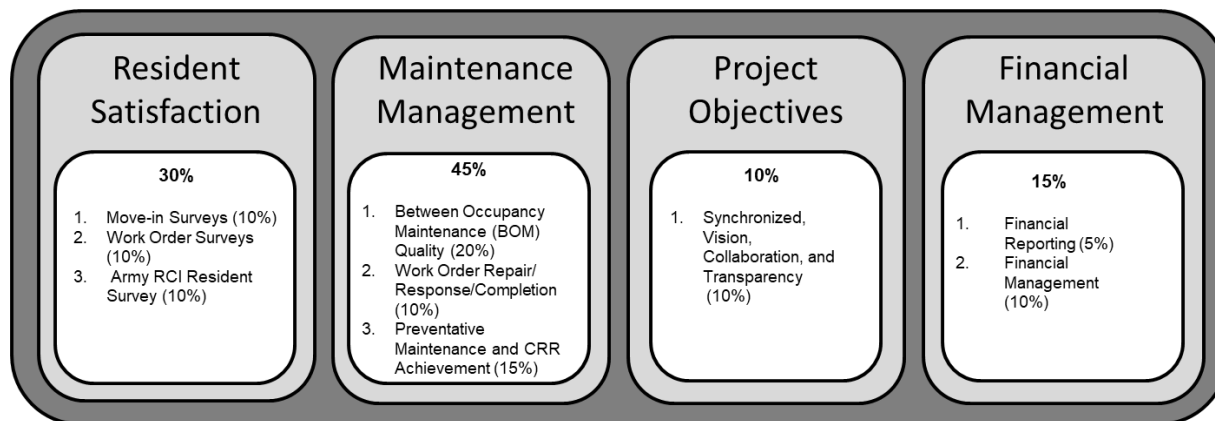
- An incentive fee is not a tool to punish – it recognizes achievement of agreed-upon metrics.
- Award is based on objective criteria specifically listed in the metric.
- It is not an “extra” payment but is “full” payment for services rendered.

ARMY RESPONSIBILITIES:

- Award incentive fees within 30 working days from partner submittal
- Provide “actionable” and clear feedback on score, evaluation and incentive fee awarded
- Trust between the parties’ forms the foundation of a collaborative and partnership-oriented program
- Ensure a consistent level of service over time
- Consistently communicate status, effectiveness, and performance feedback

RCI PROJECT COMPANY RESPONSIBILITY:

- Prepares and submits transparent and accurate self-assessments / evaluations
- Should engage asset manager / RCI consistently and transparently on this topic throughout the quarter to avoid surprises
- Provide clear evidence to support incentive fee assessment



The incentive fee schedule is outlined in project legal documents. If no schedule exists, the AMC Commander or his delegee has 30 days to approve, partially approve, or disapprove the RCI Project Company’s incentive fee request. If the AMC Commander does not respond within applicable schedule or 30 days, 100% of the requested incentive fee is awarded. Garrison Commanders will be notified of the final award by day 30 and will notify the RCI Project Company.

- Garrison Housing Manager should expect to receive the RCI Project Company’s requested incentive fees within 15 calendar days after the end of the quarter.
- The Garrison Housing Manager will validate the incentive fee request and provide a recommended award to the garrison Staff Judge Advocate (SJA) to obtain a written legal review.

- The Garrison Commander will forward to the Senior Commander the recommended award fee for his/her endorsement.
- Garrison Commander will submit the IPMP award package to HQ IMCOM POC not later than 12 calendar days following receipt.

References:

- ASA, IE&E Memorandum, SUBJECT: Delegation of Authority to Approve Residential Community Initiative (RCI) Project Incentive Performance Management Plans and Award Incentive Fees, dated 6 September 2019
- IMCOM OPERATIONS ORDER 20-025: Quarterly Residential Communities Initiative (RCI) Incentive Performance Management Plan (IPMP) Award, dated 29 January 2020
- Commander, U.S. Army Materiel Command Memorandum, SUBJECT: Delegation of Authority to Approve Residential Communities Initiative (RCI) Project Incentive performance Management Plans and Award Incentive Fees, dated 13 November 2020
- IMCOM Command Policy 28, Residential Communities Initiative (RCI) CY21 Revised Performance Incentive Management Plan (IPMP), dated 31 July 2021
- AR 210-XX

QUALITY ASSURANCE AND INSPECTIONS

Quality Assurance (QA) measures are in place for AFH, leased housing, and privatized housing, regardless of who is performing the maintenance (DPW, contractor, RCI Company, or lease owner). Each installation must utilize the eMH checklist to perform inspections and submit all inspection results in the eMH database. Each installation has an electronic work order system in place for tenants to submit maintenance requests and track progress.

Garrison Army Housing Office (AHO) staff must inspect:

- Every home after between-occupancy maintenance.
- 100% of all work orders relating to life, health, or safety.
- 5% (random sample) of homes that received maintenance services in the past 72 hrs.
- 100% of the 5% of homes randomly sampled when the resident is dissatisfied.

References:

- NDAA 2020
- IMCOM Housing Maintenance Quality Assurance and Environmental Hazard Oversight Program Guidance, dated 04 February 2020

ENVIRONMENTAL HAZARDS IN HOUSING

It is the Army's mandate that all housing assets to include unaccompanied housing, Army Family Housing, leased housing, and privatized housing are free from environmental hazards and are assigned or leased in a condition that provides for a safe and habitable environment for the personnel and Families living there.

Garrison Commanders at CONUS and OCONUS installations will ensure the finalized checklists in the IMCOM Housing Maintenance Quality Assurance & Environmental Oversight Program are used and that the processes/procedures are followed when conducting inspections, maintenance, and any other associated tasks. Primary concerns are lead-based pint, asbestos, moisture, and mold. Environmental oversight is comprised of Tier 1 and Tier 2 assessments as outlined below:

Tier	Template	Where is it used?	Who uses this?	Credentials/Training
Tier 1	Home Assessment General Information	<ul style="list-style-type: none"> • BOM QA • Work Order Execution Oversight Process 	DPW Personnel (Housing, Environmental, O&M)	<ul style="list-style-type: none"> • Military Housing Inspector Course AND • HUD Lead Based Paint Visual Assessment Training
	Maintenance Repair Satisfaction Assessment	<ul style="list-style-type: none"> • Work Order Execution Oversight Process 	DPW Personnel (Housing, Environmental, O&M)	
	Housing General and EHS Condition Assessment	<ul style="list-style-type: none"> • BOM QA • Work Order Execution Oversight Process 	DPW Personnel (Housing, Environmental, O&M)	
	Visual Assessment for Ongoing Lead-Safe Maintenance	<ul style="list-style-type: none"> • BOM QA • Work Order Execution Oversight Process 	DPW Personnel (Housing, Environmental, O&M)	
Tier 2	Mold and Dampness Assessment	<ul style="list-style-type: none"> • For BOM QA issues • Resident Request • Medical need 	Certified Professional	<ul style="list-style-type: none"> • Industrial Hygienist or • EPA Compliant mold inspection and assessment Course AND EPA Mold Prevention and Remediation Course
	Asbestos-containing Material Assessment	<ul style="list-style-type: none"> • For BOM QA issues • Resident Request 	Certified Professional	Certified and/or licensed asbestos inspector
	Lead Based Paint Risk Assessment Report*	<ul style="list-style-type: none"> • Risk Assessment every 2 years • For BOM QA issues • Resident Request • Medical need 	Certified Professional	Certified Lead Based Paint Risk Assessor

* Lead Based Paint Risk Assessment Reports are governed by regulations from the EPA-administered or EPA-authorized program under which it is conducted.

The RCI ground lease effectively requires that the RCI Project Company inspect for the presence of LBP and LBP hazards and abate or eliminate the hazard in accordance with applicable laws and regulations. Responsibility for remediation for lead in soils (from peeling paint on exterior surfaces) likely depends on when and how the lead was deposited in the soil.

The Army has the right to conduct inspections of any portion of the leasehold to determine if hazards exist. Absent an “emergency situation,” notice (as provided in the project’s ground lease) must be provided to the RCI Project Company before an inspection occurs

The Army cannot direct the RCI Project Company to take any specific action if hazards are identified, but failure to address a hazardous condition can result in USACE determining that the RCI Project Company (lessee) is non-compliant with the terms of its lease. Using appropriated funds to address LBP hazards of privatized housing and facilities is prohibited.

References:

- IMCOM Housing Maintenance Quality Assurance & Environmental Oversight Program, dated 4 February 2020
- Army Public Health Center, miscellaneous handouts
- AR 210-XX
- PAM Handbook 6.1, August 2021

RESIDENT DISPLACEMENT

Displacements can occur when repairs in the home (including those due to a life, health, or safety issue) cannot be efficiently or safely addressed while the resident remains in the home. All displacement decisions will be made by the RCI Project Company or their designee, in consultation with the garrison Army Housing Office (AHO) and/or Garrison Commander, and in accordance with the standards established in applicable Federal, State, and local law.

Conditions for displacement include but are not limited to Lead-Based Paint (LBP), structural, mechanical, or electrical defects that pose a threat to resident safety, any environmental condition in the home that poses a reasonably defined health hazard, or repairs which render the home un-inhabitable.

While displaced, residents are generally restricted from entering their home until the RCI Project Company has verified the necessary repairs are complete.

Major displacement entitlements:

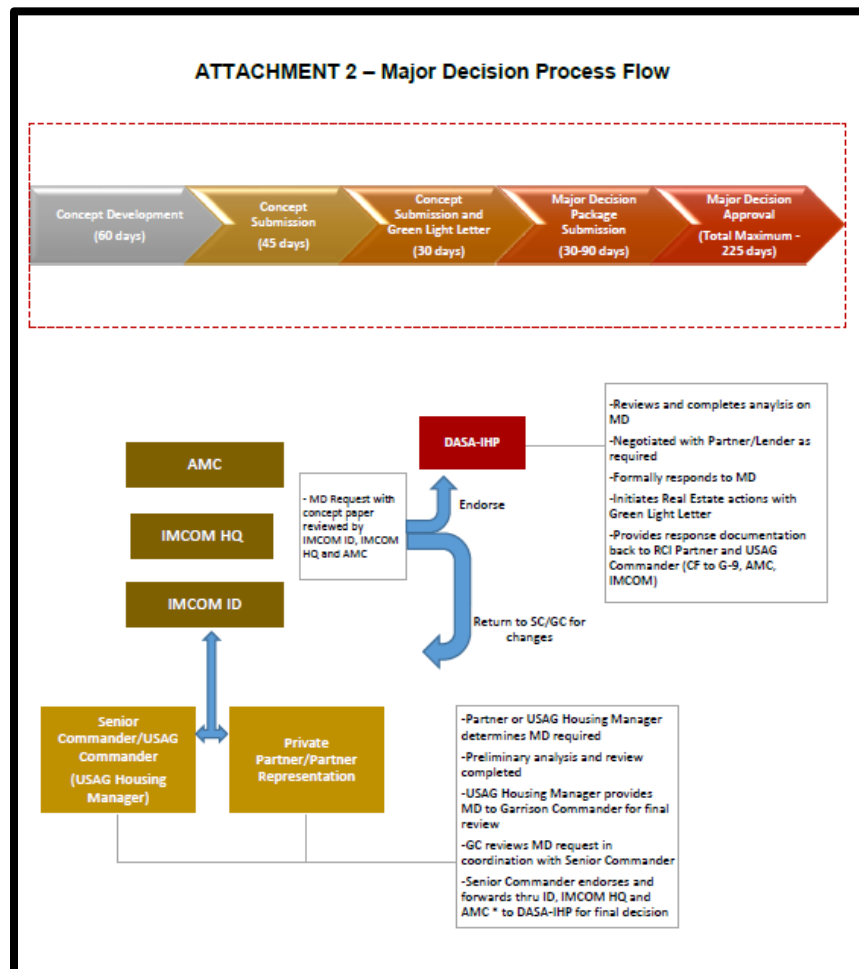
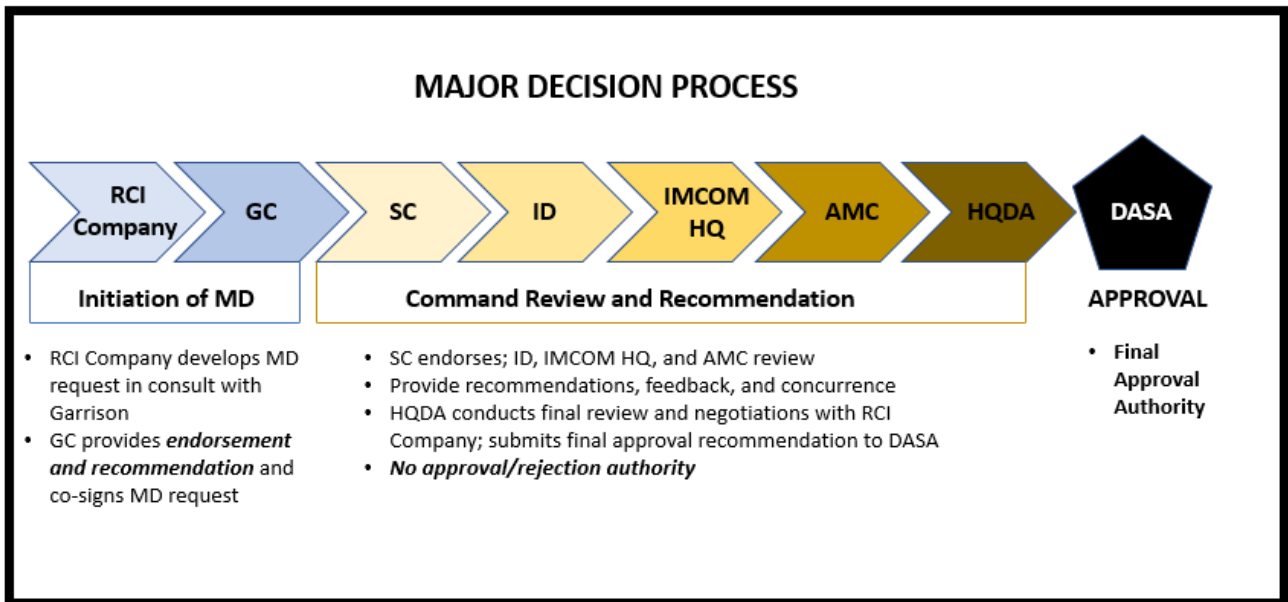
- Limited temporary lodging entitlements paid by the RCI Project Company.
- If cooking facilities are available in the temporary lodging, only incidental per diem is authorized.
- If cooking facilities are not available in the temporary lodging, both the meals and incidental per diem is authorized.

Residents may not continue to receive temporary lodging entitlements indefinitely. Subject to remedies offered by the RCI Project Company, Army RCI Company Minimum Standard Resident Displacement Guidelines stipulate entitlement limitations.

References:

- SAIE-ZA Memorandum, SUBJECT: RCI Company Minimum Standard Resident Displacement Guidelines, dated 14 Feb 2020

MAJOR DECISION PROCESS (MDs) (RCI)



ATTACHMENT 3 – Major Decision Matrix

The following matrix identifies typical triggers which lead to a Major Decision. Please note each RCI Company's Operating Agreement specifically identifies decisions requiring Army consent which may be more or less comprehensive than the matrix below. Additional consent requirements in the RCI Company legal documents are still applicable.

Major Decision (MD) Matrix for MD Concepts / Requests	
The following MD concepts / requests are initially reviewed by ASA IE&E and assigned to the Garrison, AMC (IMCOM), G9 or retained within IE&E for action.	
DEVELOPMENT	
1	DEVELOPMENT: Out-year Development Plans, including increases to development costs above approved plans, and changes to end-state housing inventory, renovation versus replacement of housing
FEES	
2	FEES: Change in the aggregate fee amounts/percentages
FUNDING	
3	FUNDING: Use of any reinvestment account funds. Exceptions will be verbal approval limited to requests for life, health and safety requirements and to prevent deterioration of homes and/or community facilities and services, followed by written request received within 5 business days.
4	FUNDING: RCI Project Company Corporate Level Costs in the Annual Operating Budget, Capital Repair and Replacement Budget, and Out-year Development Budget
5	FUNDING: Change in the approved annual property management or capital repair and replacement budget where total cumulative financial impact is a negative 5% variance from the NOI in the previous year's approved operating budget
6	FUNDING: Movement of funds between RCI Project Companies using the Integrated LLC
7	FUNDING: Increase or decrease in RCI Project Company debt / equity
REAL ESTATE	
8	REAL ESTATE: Change in ground lease or acquisition or disposal of real property
LEGAL	
9	LEGAL: Change to RCI Project Company legal agreements
10	LEGAL: Change requiring lender / bond holder / Army notification or consent
11	LEGAL: Merger or consolidation of the Partnership or removal or change of primary members
12	LEGAL: Removal, addition, or change of a Property/Asset Management, Construction Management, and Oversight or Development Management Contractors
13	LEGAL: Requirement for Army consent required by RCI Project Company legal documents not listed in this matrix
The following MD concepts / requests have been delegated to the AMC Commander	
14	FUNDING: Approval of the Annual Operations Budget and Capital Repair and Replacement Budget (See Note 1 and Note 2)
15	FEES: Change in Property Management Incentive Fee Program Metrics
NOTE 1. Items meeting the criteria for one of the above listed MDs will not be approved as part of the Annual Property Management Budget/Plan. Do not include other MDs from this list in the Annual Property Management Budget/Plan unless previously approved as a separate MD	
NOTE 2. In the event of a negative 5% variance, budgets must be forwarded to ASA (IE&E) for approval	

References:

- RCI Major Decision Policy, SAIE-IHP, 25 Jan 21
- PAM Handbook 6.1, August 2021

DEVELOPMENT PLANS

Out-Year Development Plan (ODP)

The first 5-year ODP will be developed and finalized as part of the Initial Development Period (IDP) close-out. This initial ODP will serve as the road map for transitioning from the initial development and construction phase of the RCI Project Company to on-going project operations, asset renewal and replacement, and associated financial management. ODPs will be updated and approved through the Major Decision (MD) process by the DASA (IH&P) every five for the duration of the lease term. If major changes to an RCI Project Company's ODP are required prior to the submission and approval of the Project's next 5-year ODP, a Modified Scope Plan (MSP) will be required.

During the IDP/ODP close-out periods and prior to the end of each ODP phase, the RCI Project Company will provide a concept paper through the Garrison Commander, Senior Commander, IMCOM ID, IMCOM HQ, AMC HQ, to ODASA (IH&P) summarizing the proposed ODP. Once the RCI Project Company receives approval to fully develop the plan the company should work to finalize the ODP. The objective is to have an approved ODP at the time of the IDP/ODP close-out to coincide with completion of the previously approved ODP. Detailed instructions are in the PAM Handbook.

Modified Scope Plan (MSP)

The objective of submitting an MSP is to provide a plan for incrementally increasing, decreasing or otherwise modifying the scope of the approved ODP or MSP currently in force. Accordingly, a significant level of detail is outlined in the following pages. However, the MSP should only include proposed modifications to the approved plan. In the MSP documentation, it is recommended to provide a statement that no change is anticipated for each key plan element that remains unaffected.

Unless otherwise permitted in writing by the HQDA PM, it is necessary to obtain Army approval of a concept paper that summarizes the proposed action(s) prior to preparing a detailed MSP.

Portfolio Plans

Most RCI Project Company owners have created a new eligible entity that controls two or more of their subordinate LLCs. The managing member of the "integrated LLC" is the same developer as the subordinate LLCs and the non-managing (limited) member is the Army. This integrated LLC allows for a transfer of funds between projects managed by the same member and offers the potential for infusion of funds to a project sooner than if they had to earn the funds independently. Because portfolio plans have development scheduling and funding impacts across multiple projects, all planning and approval of these projects occurs at HQDA (DASA-IH&P), with input from the garrison(s), IMCOM, and AMC.

References:

- PAM Handbook 6.1, August 2021

TENANT SATISFACTION SURVEY

The tenant survey is intended to provide those responsible for privatized, government-owned/leased, and unaccompanied personnel housing operations, (DASA-IHP, DCS-G9, AMC HQ, IMCOM HQ, Garrison Commanders, garrison Housing Managers, and RCI Project Companies) with specific feedback from which to gauge and improve the satisfaction of the residents with various aspects of housing. The tenant survey analysis provides the Army with a portfolio snapshot of how successfully it is meeting the goals of the housing programs and leads to the development of action plans to improve overall performance of each RCI Project Company, government-owned/leased, and unaccompanied personnel housing program.

The Army conducts an annual DoD Tenant Satisfaction Survey through a third-party firm and includes a series of questions that score satisfaction for service and property. The private contractor sends surveys directly to the residents and tracks input anonymously. The Army and RCI Project Companies use survey results to create action plans for each installation and establish a way ahead to resolve concerns and improve scores. The third-party firm administers the survey electronically using the DoD-approved Tenant Satisfaction Survey form. The third-party firm sends the results to HQDA, the RCI Project Company, the garrison Housing Manager, and the Property Manager.

Residents living in privatized, government-owned/leased, and unaccompanied personnel housing will be surveyed at the garrison level to –

- Validate the viability of housing programs.
- Assess quality assurance functions.
- Partially determine the RCI Company's compensation (privatized housing only).

The results from the most recent Army Tenant Satisfaction Survey contributes to 10% of the Resident Satisfaction Score portion of the property management incentive fees.

The Army (DCS, G-9) will-

- Develop and conduct tenant satisfaction surveys via third-party specialist consultants in collaboration and coordination with Garrison Commanders or appointed designee and development partners.
- Periodically conduct surveys dependent upon the structure of the partnership with the Army.
- Require summary results to be forwarded up through command channels to DCS, G-9 and OASA (IE&E).

References:

- PAM Handbook 6.1, August 2021
- AR 210-XX

TENANT BILL OF RIGHTS and RESPONSIBILITIES

The FY20 National Defense Authorization Act (NDAA) mandated the Military Services include a Tenant Bill of Rights (TBoR) in the privatized housing lease.



Military Housing Privatization Initiative Tenant Bill of Rights

The Department of Defense is fully committed to ensuring that Military Housing Privatization Initiative (MHPI) housing projects provide our Nation's most valued resource—its military members and their families—safe, quality, and well-maintained housing where our members and their families want and choose to live.

The Department of Defense has issued all policy guidance necessary to implement prospectively all rights for military members and their families residing in privatized family and unaccompanied housing (Tenants) at all MHPI housing projects. However, as Congress recognized, retroactive application of the requirements at existing projects requires voluntary agreement by the respective MHPI company; the Department cannot unilaterally change the terms of the complex, public-private partnerships that established the MHPI housing projects. The Department of Defense has been seeking to secure voluntary agreements, and nearly all of the MHPI companies have agreed to implement all 18 Tenant rights at their existing projects. The Department will continue to pursue agreements not yet reached. Tenants should contact their installation housing office to confirm the rights fully available to them.

The following rights are effective on August 1, 2021:

1. The right to reside in a housing unit and a community that meets applicable health and environmental standards.
2. The right to reside in a housing unit that has working fixtures, appliances, and utilities and to reside in a community with well-maintained common areas and amenity spaces.
3. The right to be provided with a summary of the maintenance conducted with respect to a prospective housing unit by the landlord for the previous seven years, before signing a lease, and upon request, all information possessed by the landlord regarding such maintenance within two business days after making the request. Upon request, a current Tenant who did not receive maintenance information before signing a lease has the right to receive such information within five business days after making the request.
4. The right to a written lease with clearly defined rental terms to establish tenancy in a housing unit, including any addendums and other regulations imposed by the landlord regarding occupancy of the housing unit and use of common areas.
5. The right to a plain-language briefing, before signing a lease and 30 days after move-in, by the installation housing office on all rights and responsibilities associated with tenancy of the housing unit, including information regarding the existence of any additional fees authorized by the lease, any utilities payments, the procedures for submitting and tracking work orders, the identity of the Military Tenant Advocate, and the dispute resolution process.
6. The right to have sufficient time and opportunity to prepare and be present for move-in and move-out inspections, including an opportunity to obtain and complete necessary paperwork.
7. The right to report inadequate housing standards or deficits in habitability of the housing unit to the landlord, the chain of command, and housing management office without fear of reprisal or retaliation, including reprisal or retaliation in the following forms: (A) unlawful recovery of, or attempt to recover, possession of the housing unit; (B) unlawfully increasing the rent, decreasing services, or increasing the obligations of a Tenant; (C) interference with a Tenant's right to

privacy; (D) harassment of a Tenant; (E) refusal to honor the terms of the lease; or (F) interference with the career of a Tenant.

8. The right of access to a Military Tenant Advocate through the housing management office of the installation of the Department at which the housing unit is located or a military legal assistance attorney to assist in the preparation of requests to initiate dispute resolution.
9. The right to receive property management services provided by a landlord that meet or exceed industry standards and that are performed by professionally and appropriately trained, responsive, and courteous customer service and maintenance staff.
10. The right to have multiple, convenient methods to communicate directly with the landlord maintenance staff, and to receive consistently honest, accurate, straightforward, and responsive communications.
11. The right to have access to an electronic work order system through which a Tenant may request maintenance or repairs of a housing unit and track the progress of the work.
12. With respect to maintenance and repairs to a housing unit, the right to the following: (A) prompt and professional maintenance and repair; (B) to be informed of the required time frame for maintenance or repairs when a maintenance request is submitted; and (C) in the case of maintenance or repairs necessary to ensure habitability of a housing unit, to prompt relocation into suitable lodging or other housing at no cost to the Tenant until the maintenance or repairs are completed.
13. The right to receive advice from military legal assistance on procedures involving mechanisms for resolving disputes with the property management company or property manager to include mediation, arbitration, and filing claims against a landlord.
14. The right to enter into a standardized, formal dispute resolution process, should all other methods be exhausted, to ensure the prompt and fair resolution of disputes that arise between landlords and Tenants concerning maintenance and repairs, damage claims, rental payments, move-out charges, and such other issues relating to housing units. The dispute resolution process shall contain the following elements: installation or regional commander as deciding authority; a process for withholding allotment of rental payments; standard mechanisms and forms for requesting dispute resolution; minimal costs to Tenants for participation; a completed investigation within seven days; and except in limited circumstances, a decision within 30 days and in no event longer than 60 days. A decision in favor of the Tenant may include a reduction in rent or an amount to be reimbursed or credited to the Tenant.
15. The right to have the Tenant's basic allowance housing payments segregated, with approval of a designated commander, and not used by the property owner, property manager, or landlord pending completion of the dispute resolution process.
16. The right to have reasonable, advance notice of any entrance by a landlord, installation housing staff, or chain of command into the housing unit, except in the case of an emergency or abandonment of the housing unit.
17. The right to not pay non-refundable fees or have application of rent credits arbitrarily held.
18. The right to expect common documents, forms, and processes for housing units will be the same for all installations of the Department, to the maximum extent applicable without violating local, State, and Federal regulations.

Tenants seeking assistance with housing issues should continue to engage their installation housing office, installation leadership, or chain of command.

TENANT RESPONSIBILITIES

In addition, tenants have certain responsibilities that they must uphold while they are residents as outlined in the following document:



Military Housing Privatization Initiative

Tenant Responsibilities

This document highlights important responsibilities of Military Service Members and their families (Tenants) residing in Privatized Housing.

1. **Prompt Reporting.** The responsibility to report in a timely manner any apparent environmental, safety, or health hazards of the home to the Landlord and any defective, broken, damaged, or malfunctioning building systems, fixtures, appliances, or other parts of the home, the common areas, or related facilities.
2. **Care for the Home.** The responsibility to maintain standard upkeep of the home as instructed by the housing management office.
3. **Personal Conduct.** The responsibility to conduct oneself as a Tenant in a manner that will not disturb neighbors, and to assume responsibility for one's actions and those of a family member or guest in the housing unit or common areas, including the responsibility not to engage in any inappropriate, unauthorized, or criminal activity in the home or common areas.
4. **Access by Landlord.** The responsibility to allow the Landlord reasonable access to the rental home in accordance with the terms of the tenant lease agreement to allow the Landlord to make necessary repairs in a timely manner.
5. **Rules and Guidelines.** The responsibility to read all lease-related materials provided by the Landlord and to comply with the terms of the lease agreement, lease addenda, and any associated rules and guidelines.

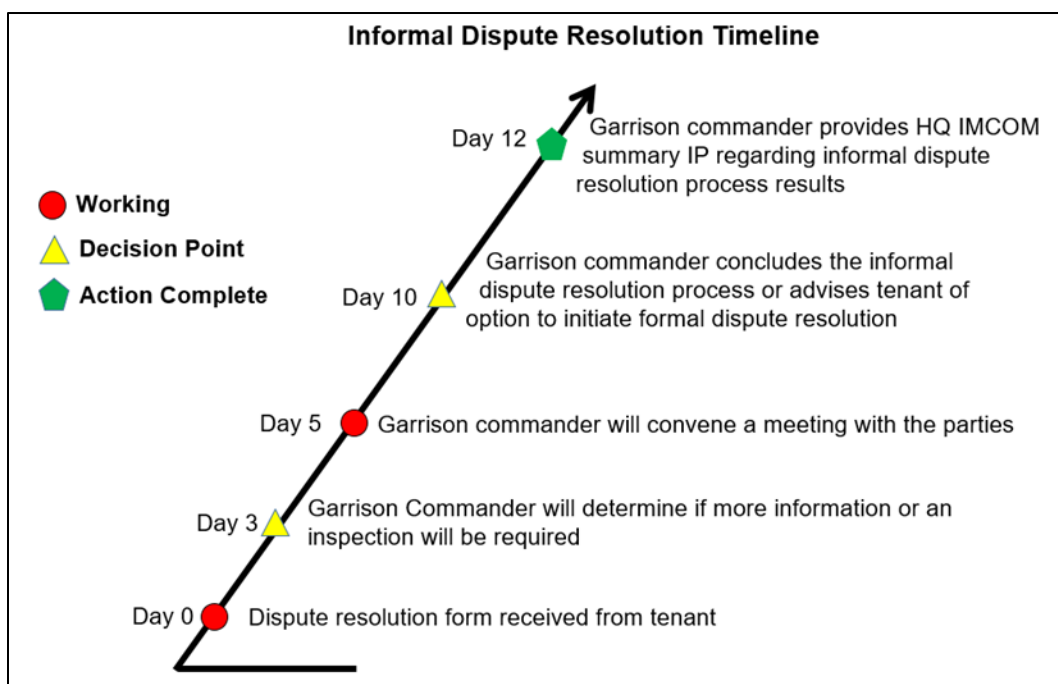
DISPUTE RESOLUTION

As one of the tenant rights included in the NDAA 2020, the Army has established a two-tiered approach to dispute resolution:

- The first tier, Informal Dispute Resolution, is an informal yet measured approach to resolve disputes at the garrison level. This process may be used for resolution of lease disputes, as well as those disputes that fall outside the specific parameters of the lease document (i.e., personal property claims).
- The second tier is Formal Dispute Resolution. This phase is reserved solely for the active-duty military member, their spouse or other eligible individual who qualify as a “tenant” as defined in Section 2871 of title 10 of the United States Code. Formal Dispute Resolution is designed to obtain prompt and fair resolution of housing disputes concerning rights and responsibilities in the lease (collectively the “Eligible Housing Disputes”). Requests for Formal Dispute Resolution will follow the referenced OSD guidance and use the forms in Schedule 3 of the DoD Universal Lease and Dispute Resolution Process.

Informal Dispute Resolution

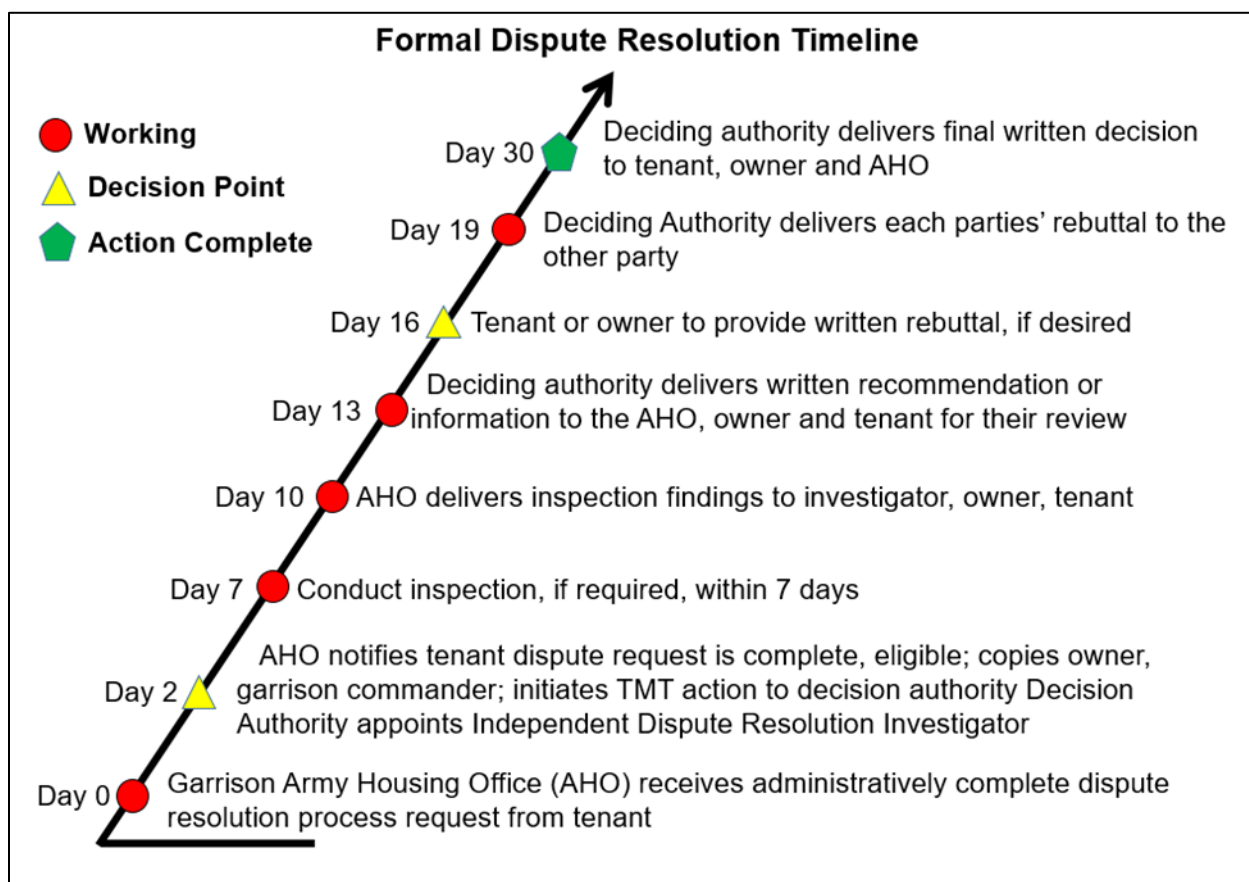
Informal Dispute Resolution must be completed before Formal Dispute Resolution can be pursued. A quarterly report of all disputes including the reason, submission date, final decision date, and total processing time from submission to final decision must be submitted to HQDA.



If the parties agree to resolve their dispute, the terms will be reduced to a settlement agreement or other acceptable, binding document, prepared by the landlord and subject to tenant review. Both parties must sign the settlement agreement within 5 days of the dispute resolution. If agreement is not reached, the Garrison Commander will conclude the local dispute resolution phase and advise the tenant that they may file a formal dispute IAW Schedule 3 of the DoD Universal Lease.

Formal Dispute Resolution

Commanders must be familiar with the OSD Formal Dispute Resolution as issued in December 2020 and summarized below. Formal Dispute Resolution allows any military member, their spouse or other eligible individual who qualifies as a “tenant” of privatized military housing to obtain prompt and fair resolution of housing disputes concerning rights and responsibilities set forth in the Lease, including maintenance and repairs, rental payments, displacement rights, Lease termination, inspections, or fees and charges (each an “Eligible Housing Dispute”). The tenant must complete Informal Dispute Resolution process before requesting Formal Dispute Resolution.



The Deciding Authority is the IMCOM Commander.

A Tenant may request Owner to withhold all, or part of the Rent payments received by Owner during the Dispute Resolution Process on the Request Form for Dispute Resolution Process (not to exceed 60 calendar days). Upon receipt of the Request Form, the MHO will notify the Owner to initiate the process to withhold such payments from use. The Owner shall segregate amounts equal to such payments (the Segregated Rental Payments) in a project level reserve account unavailable to the Owner, or Owner's property manager, employees, agents, or contractors for any purpose pending completion of the Dispute Resolution Process.

When making the final decision, the Deciding Authority (i) shall direct the final determination of the disposition of any segregated rental payments, and (ii) may direct one or more of the following remedies and specify a reasonable time for the RCI Company and/or Tenant to comply, as applicable:

- Direct the RCI Company to take action to remediate the premises. Such an order may identify specific commercially reasonable outcomes but shall not specify methods of repair.
- Direct the RCI Company to fund Tenant relocation in accordance with the Military Department's MHPI tenant displacement policy / temporary replacement policy.
- Direct the distribution of any segregated rental payments to Owner or Tenant, as applicable.
- Direct a reimbursement or credit, as appropriate, for the payment of any fees, charges, or move-out damage assessments determined to be due to Owner or Tenant; or
- Allow Tenant to terminate the Lease or excuse Tenant from minimum move-out notice requirements and any associated fees.

References:

- National Defense Authorization Act (NDAA) 2020
- OASD Policy Memorandum: SUBJECT: Universal Lease and Dispute Resolution Process for Privatized Housing, dated 12 February 2021
- AMC Policy: SUBJECT: Command Policy Memorandum – U.S. Army Materiel Command (AMC) Universal Lease and Dispute Resolution Policy Guidance for Privatized Military Housing, undated

MUNICIPAL SERVICES AGREEMENT (MSA)

The Municipal Services Agreement is a legal document that lays out the rates of reimbursement by privatization project to Army, maintenance and repair requirements, lines of demarcation, and other terms related to the provision of municipal services and utilities by the installation or privatized utility provider to the project.

The RCI Project Company and garrison Army Housing Office (AHO) should coordinate with the DPW to ensure that billing for utilities (gas, electric, water) accurately reflects the rates agreed to in the MSA and the consumption utilized by facilities within the ground-leased areas, including houses and community facilities.

Rate adjustments, operation and maintenance, capital repairs and other costs should be handled in accordance with the process set forth in the MSA and Army policy strictly following the reimbursement of only the incremental cost concept. In addition, the utility points of demarcation should reflect the Army policy that requires the RCI companies to convey its utility assets to the Army. The MSA shall not contradict the Army policies. The MSA must be reviewed, updated, and signed annually by the Garrison Commander.

The installation and/or privatized utility is the service provider, the project is a customer.

Consumption of utilities by non-RCI buildings within the footprint should be excluded using agreed methodologies.

Utility reimbursement charges shall consist of actual commodity usage costs and any incremental costs incurred for operation maintenance and system sustainment as a direct result of providing utilities services to either RCI or PAL projects.

All utility system capital investments that are determined necessary within the Army's area of responsibility will be programmed and funded centrally by HQDA.

References:

- Title 10, United States Code, 2872a, Utilities and Services (as amended by NDAA20)
- Municipal Services Agreement (specific to each project)
- Utility Reimbursement Policy, dated January 2021
- PAM Handbook 6.1, August 2021

UTILITIES REIMBURSEMENT

Utility services reimbursement policy for RCI partnerships, Title 10 USC 2872a, allows the Secretary of the Army to provide utilities and services to RCI partnerships on Army installations and mandates that the Army be reimbursed for the cost of any utilities or services furnished. 10 U.S.C. §2872a authorizes Military Departments to provide housing privatization projects with the following utilities and services on a “reimbursable basis”: electric power, steam, compressed air, water, sewage and garbage disposal, natural gas, pest control, snow and ice removal, mechanical refrigeration, telecommunications service, firefighting and fire and police protection services.

- Reimbursement policy.
 - Reimbursement for utilities and services will be accomplished pursuant to a written MSA.
 - Reimbursement will comply with the provisions of Title 10 U.S.C. Section 2872a, FMR 7000.14–R and DoDI 4000.19.
 - The reimbursement rate used shall include all costs associated with providing utilities and services to RCI housing. The rate shall NOT include—
 - Reimbursement for expenses or infrastructure required to support facilities other than RCI.
 - Costs which the installations would still incur if the RCI project were to obtain the service from another entity (incremental costs).
- Reimbursement guidelines. The RCI project must pay for incremental costs associated with the goods or services. If providing support to RCI results in a cost that would not otherwise be incurred by the Army, the cost incurred must be charged to the RCI project. If the RCI project were to obtain support from another entity and the cost would still be incurred by the Army, then RCI will not be charged. RCI projects will not pay for centrally funded projects to common infrastructure.
- Examples of items that will be included in the rate billed to the RCI project—
 - The actual cost of any commodity or service provided to the RCI project.
 - The actual cost of any project completed solely to provide a commodity or service to RCI if required by the RCI project.
 - The cost of any employee who must be hired or required to work overtime to provide a commodity or service to the RCI project.
 - The cost of any equipment purchased solely to provide a commodity or service to the RCI project.

- Examples of items that will not be billed to the RCI project—
 - Administrative costs not connected to overtime or additional hiring.
 - Army capital costs for existing infrastructure.
 - The costs of projects centrally funded directly by HQDA or otherwise through use of MILCON.
 - Maintenance and repair of infrastructure that is not exclusively dedicated to supporting the RCI project.

The garrison DPW should support the Housing Manager to ensure utilities, fire and emergency services, and other services furnished per authority 10 U.S.C. 2872(a), are provided to RCI housing per the MSA and update the MSA rates on an annual basis. In addition, the DPW should oversee and coordinate the sale of utility services to privatized housing, ensuring the utility rates / expense allocations are in compliance with the MSA and ASA (IE&E) – RCI Utility Reimbursement to Installation Policy and ensure utility and other municipal service bills are provided to the RCI Company in a timely manner.

Ground Lease Condition 11 requires the Lessee to pay for any utilities and other municipal services supplied through Government-owned facilities or through third-party providers in accordance with the terms as furnished to the Project by the Secretary, in accordance with the Ground Lease and the MSA. As part of the Annual Ground Lease Compliance Inspection conducted by USACE, the MSA and utility reimbursements will be reviewed.

References:

- Title 10, United States Code, 2872a, Utilities and Services (as amended by NDAA20)
- Municipal Services Agreement (specific to each project)
- AR 210-XX
- PAM Handbook 6.1, August 2021
- Dept. of Defense, Financial Management Regulation (FMR) 7000.14–R
- Dept. of Defense Instruction (DoDI) 4000.19 - Support Agreements, dated 16 December 2020
- OSD Policy Guidance to Military Departments for the Payment of Utilities and Establishment of Resident Energy conservation Programs at Privatized Housing Projects, Date TBD

UTILITY INFRASTRUCTURE

In general, the Army is responsible for making utilities available to a project and is expected that utility infrastructure beyond the specified “points of demarcation” will be owned and operated either by the Army or an Army UP contractor per Army policy. These points of demarcation should be accurately specified in the MSA.

Many RCI Projects have constructed utility infrastructure to support privatized housing. The RCI Project Companies are required to convey these utility components to the Army per Army policy. The conveyance shall be executed using appropriate real estate transactions under the oversight of USACE.

If the direction in the MSA or GL is non-existent or inconsistent with the desired course of action (e.g., the GL requires conveyance to the Army vice the UP contractor at an installation where the utility has been privatized), seek guidance on how to proceed through program technical channels.

At installations where there is a Privatized Utilities System Owner (UP SO), the RCI Projects will initially convey the utility assets to the Army first. The garrison utilities POC in concert with DLA Energy will further convey these assets to the UP SO. The two steps transfer is necessary to avoid having the UP SO pay Contribution in Aid of Construction (CIAC) tax.

DASA (IH&P) will not approve future project construction until a plan for conveyance of any associated utilities is developed.

Potential Issues Associated with a Project’s Ownership of Utility Infrastructure

- Is the Project lawfully operating an “utility” or “distribution system” under state and federal law? Safe Drinking Water Act compliance should be a matter of particular concern
- Is the Project relying on the Army to maintain Project-owned infrastructure? 10 USC 2872a DOES NOT provide authority for the Army to maintain Project-owned utility infrastructure on a reimbursable basis
- Can a UP Provider refuse to provide service?

References:

- 10 USC 2872a
- PAM Handbook 6.1, August 2021

REAL ESTATE TERMS

There are two kinds of explicit Army authorities in Real Estate, as stipulated and determined by numerous federal laws, DoD Instructions and regulations. The first kind is the authority to manage and establish real property requirements, and this is a key function of the IMCOM chain of command, as delegated down from the DASA(IH&P) through subordinate commands to the Garrison Commander. Most real estate related actions at the Installation level fall under this type of authority.

The second kind of real estate authority is the ability to enter and execute real estate contracts and agreements, and this is the ability to obligate the resources and finances of the United States as a Real Estate Contracting Officer (RECO). This kind of authority is delegated to the USACE by the DASA(IH&P) for the purpose of executing the necessary real estate contracts to meet the Army's requirements. The requirements are provided to USACE by the DASA(IH&P). USACE execution must adhere to applicable law for the proper authorities, as well as comply with appropriate guidance. DASA(IH&P) and the RECO at USACE are the only persons authorized to interpret the Ground Lease terms and conditions and resolve RCI Real Estate issues.

In essence, this means that USACE may only execute a real estate transaction at the request of the Army Chain of Command or as may already be required by the Ground Lease. While USACE establishes the necessary due diligence requirements for execution of the real estate contracts, it is the Army's (not USACE's) responsibility to ensure all supporting due diligence is correct and in the proper format.

The Military Housing Privatization Initiative (MHPI) legislation provided a third type of general authority related for a specific set of real estate transactions, namely "Privatization". The MHPI legislation provides for the development, sustainment, and management of the Army's housing for terms of 50 years, which the Army calls RCI. Under that authority, the Army is allowed to enter Ground Leases, convey real and personal property as the "Landlord", and enter into business agreements as the "Minority Member/Partner". These two Army roles must not be confused.

It is very important to understand the nature of the real estate action and to apply the correct kind of authority when meeting the Army's mission requirements. A failure to act under the correct authority means that the Army and USACE will deal with significant consequences.

All real estate transactions and ground lease administration for the RCI projects are conducted by USACE Norfolk District, which has been identified as the Real Estate Center of Expertise for the RCI program. Your local USACE District is only involved with RCI when there is a need to coordinate due diligence documentation, request an easement, or to coordinate planned construction which may impact the RCI Lease area. Ground Lease oversight and compliance by

USACE Norfolk District is centrally funded by HQDA, however, this funding does not cover additional real estate actions which may be generated by the local installation or the RCI partner. These actions are at the expense of the requesting party.

Army management and oversight of RCI Projects operate with a team concept under the direct guidance of the DASA(IH&P). Participants are at all echelons of the Army as well as USACE Real Estate. At the Installation level, the RCI Asset Manager facilitates the Installation's interaction with the RCI Partner and coordinates the necessary DPW-wide support for the administration and oversight of the RCI Ground Leases. This DPW responsibility includes responding to the USACE Ground Lease Compliance Checklist, provision of "municipal services" (utilities, EMS, Fire & Police protection, etc.) on a reimbursable basis to the Lessee, environmental & natural resources compliance, monitoring the condition of the project (land & buildings), updating real estate records, and construction project reviews (for the RCI Partner and the Army). One of the most problematic issues for the Installation is properly tracking, reviewing, and respecting the RCI Ground Lease's property boundaries to avoid encroachments.

Common RCI & Real Estate Terms are provided below:

- **Annual Site Visit (ASV)** - The ASV is a period visit to RCI installations by participating Army staff from RCI Stakeholder up the Chain of Command, and may include participants from IMCOM HQ, AMC, G-9 and the DASA(IH&P).
- **Bill of Sale** – Transfers personal property (appliances, equipment, materials, etc.)
- **Consent of Lessor** – The Army's approval for the Lessee to enter mortgage/deeds of trust or when a mortgage is changed for any reason.
- **Deed** – A separate conveyance of the fee ownership of Real Property improvements (buildings, structures, utility systems, etc.) when not transferred inside of the ground lease itself.
- **Encroachment** – Defined as trespassing on the domain (i.e., land rights) of another party in a way that impacts the use or value of the property being trespassed upon. An encroachment occurs when the Army or the Lessee constructs an improvement that extends across the property boundary. Most encroachments are unintentional and typically result from a lack of proper master planning and due diligence review of the planned construction. The Army frequently encroaches on land in the RCI company's leasehold – this creates a financial and legal liability to the Army and the RCI Lessee until it is resolved. Negative consequences include additional financial expenditures by both parties to correct the Encroachment, possible lawsuits and claims for damages, and they can interfere with the RCI project's development plan. Except as explicitly provided for under the Lease, the Lessee has the right to deny Army or Army contractor entry to the property. Encroachments are typically resolved by re-siting the Army project, obtaining an early Right-of-Entry for the Army while a Major Decision for amendment of the ground lease boundaries or identification of an Excluded Improvement is processed.

- **Encumbrance** – Any Outgrant, claim or liability that affects or limits the title to property. An encumbrance can be a mortgage or lien, an unresolved encroachment, a lease, or an easement, or anything else that may impact the use or transfer of the property. An encumbrance usually does not prevent the real estate transaction, but it does remain after the transfer unless it is resolved during the process.
- **Ground Lease** – The limited purpose real estate contract that stipulates the scope of responsibilities for both Army and the Lessee regarding the Lessee’s possession and limited use of the identified property. It facilitates and supports the RCI Project’s fee ownership of the housing and related buildings and improvements. It is the primary collateral for Lenders who hold a Mortgage Lien for the financing needed for the development and sustainment of the housing. Lenders had explicit rights under the Lease and must be consulted for any Ground Lease changes.
- **Ground Lease Administration** – Executed by USACE, Norfolk District, which serves as the center for Real Estate Expertise in the RCI program. Tasks include:
 - Negotiating changes to real estate agreements as requested by HQDA such as lease amendments, sub-leases, support leases, rights of entry, licenses, deeds, bills of sale, etc.
 - Lease interpretation, permission, consents, waivers, direction, and enforcement
 - Performing Ground Lease Compliance Inspections (GLCI) – as defined below; documenting it’s results to the Army and Lessee as required; and following up on corrective actions being taken to resolve any issues.
- **Ground Lease Compliance Inspection (GLCI)** – The periodic review and visit by USACE Norfolk District Realty Specialist(s) to conduct in-person inspections and interviews with DPW staff for the purposes of evaluating the Army and Lessee’s adherence to the terms and conditions of the RCI Ground Lease. This includes reviewing records, verifying boundaries, inspecting property, and documenting the results of the GLCI for both the Army and the Lessee. Less than satisfactory results (a.k.a. “Findings”) from this process are to be addressed as soon as possible by both the Army and the Lessee.
- **Ground Lease Amendment / Supplement** – A document that changes the original Ground Lease by adding to or returning land from the RCI footprint; or which modifies the terms and conditions of the Ground Lease. It is a lengthy process which requires negotiation between USACE Norfolk District and the RCI partner, the Partner’s attorneys, Title Company attorneys, approvals from the Lender, approval from USACE, North Atlantic Division, and approval from HQ,USACE counsel. Must be paid for by the requesting party to USACE.
- **Land Surveys and Legal Narratives** – The component of a ground lease, deed, or other real estate agreement to provide a drawing of the property boundaries and a legal description of the property affected, often needed for recordation in the municipal court.

- **Letter Agreement** – Allows payment of funding for real estate actions by the RCI partner. It is a short process and is signed by the Chief of Real Estate, USACE Norfolk District. [Funds paid from the Installation to USACE are transferred by appropriate internal funding documents.]
- **Report of Availability (ROA) & Determination of Availability (DOA)** – The ROA is the Installation’s due diligence document package which identifies and categorizes the Army property to be made available for a proposed use by a non-Army entity. The detailed report contains master planning information, the real property description and key characteristics, environmental property condition, and NEPA analysis; and it provides the site-specific restrictions and other information needed to prepare an Outgrant. The ROA forms the basis for the DOA. The DOA is the final decision document which approves the availability of the described real property proposed for the non-Army use. Approval levels (for the DOA) depend upon the nature and term proposed for that use, and generally, RCI-related DOAs are signed by the DASA, IH&P. The failure to timely and adequately prepare the ROA and its supporting documentation is the primary reason the execution of real estate actions is delayed.
- **Right of Entry (ROE) / License** – A ROE is a short-term License that allows the Army, or it’s contractor to enter the RCI Lease area for a specific purpose; or conversely, allows the Lessee to enter Army property outside of the RCI Lease area. A ROE from the Lessee to the Army usually requires very little due diligence and can quickly be executed by USACE Norfolk District, but a License from the Army to the Lessee requires a shortened ROA/DOA process, depending upon the duration and nature of the entry needed.
- **Support Lease** – A Lease put in place to meet a Lessee need that was not immediately available within the Ground Lease (e.g., burrow pit, warehouses, staging, etc.) to support the RCI Project’s operations. The Support Lease cannot convey ownership of improvements and must not to exceed five years. No survey is needed, and ROAs are approved at a lower level. A standard form is used, making it a short process, signed by the Chief of Real Estate, USACE Norfolk District. Must be paid for by the requesting party to USACE.

References:

- PAM Handbook 6.1, August 2021
- USACE, Norfolk District, Real Estate Handbook, 2021
- AR 405-80, Management of Title and Granting Use of Real Property, dated 8 March 2013

REPORTS

Below is a list of primary reports that support the RCI program. Each of these reports are comprised of multiple contributing reports. All are described in detail in the PAM Handbook.

Report	Responsible Party	Frequency	Timing
RCI Company Monthly Dashboard Report	RCI Company Representative/ USAG Housing Manager	Monthly	15 days after end of month
RCI Company Quarterly Project Report	RCI Company Rep./ USAG Housing Manager	Quarterly	30 days after end of quarter
Portfolio Report	DCS, G-9	Quarterly	60 days after end of quarter
2884 (c) Semi-annual Report to Congress	DASA-IH&P	Semi-Annual	Subject to OSD deadline
OSD MHPI Report to Congress	USAG Housing Manager/DASA (IH&P)	Annual	Subject to OSD deadline
RCI Company Plan and Budget	RCI Rep. / USAG Housing Manager	Annual	As required in legal docs

References:

- PAM Handbook 6.1, August 2021

DAVIS-BACON ACT

The Davis-Bacon Act is federal law requiring public works projects to pay construction workers engaged on the project by any contracting entity certain minimum wages and benefits in accordance with federal wage determinations for the local area. Overseen and enforced by the U.S. Department of Labor (DOL), there can be significant financial penalties if a project is found to have failed to pay the prescribed wage determinations (at a minimum). The Davis-Bacon compliance checklist (found in the PAM Handbook) assists RCI Companies and USAG Housing Managers in complying with the Davis-Bacon Act. The checklist incorporates required actions that must be performed continually and on a semi-annual basis regarding:

- Review of the RCI Company's contracts to ensure they are in compliance with the Davis-Bacon Act
- Visible and proper placement of information regarding wage determinations and equal opportunity employment
- Collection of documentation of payroll hours worked by laborers
- Interviewing of contractors, subcontractors, and their respective employees to determine appropriate classification and rates of pay
- Apprentice and trainee compliance
- Additional Classifications for contractors
- Annual Davis-Bacon compliance report to be submitted annually in accordance with the ASA (I&E) Davis-Bacon Act Policy Memorandum dated 11 July 2008

Garrison AHO are required to review the Davis-Bacon compliance checklist on a semi-annual basis. The checklist is reviewed in a collaborative manner with the RCI Company representative and is provided to IMCOM HQ upon completion.

The Department of Labor (DOL) has received contact information for each USAG Housing Manager which DOL will use at its discretion to contact the Housing Manager to ensure the RCI Company is adhering to the Davis-Bacon Act. The PAM Handbook contains significant discussion about the Davis Bacon Act and the compliance checklist.

References:

- PAM Handbook 6.1, August 2021
- DASA, P&P Memorandum, SUBJECT: Army Policy for Davis Bacon Act (DBA) Compliance for Privatized Housing, dated 11 July 2008

SECTION III - ARMY FAMILY HOUSING

ARMY FAMILY HOUSING (AFH)

AFH includes government-owned/controlled family housing that was constructed by the Army; provided by host nations and managed by the Army; and all government leased housing. Unaccompanied Housing, Army lodging, and privatized RCI housing is excluded. Assignment to AFH is voluntary in CONUS, however for OCONUS locations, assignment to AFH is mandatory.

DoD “Community First” Policy

DoD looks to the private sector first to house its Service members. DoD believes the private sector can offer secure and convenient housing to its military personnel and that the military personnel’s presence in the community is a positive influence. Therefore, DoD provides “on-base” housing for families only when the private sector cannot provide adequate affordable housing.

Adequacy Standards

The DoD-established adequacy standards for AFH are based on the size, configuration, and safety of the housing facility, and the condition, services, and amenities which tend to make the housing compatible with contemporary standards of livability. Garrison Commanders will determine the adequacy of their FH per the standards shown in the current Army housing regulations. The Army Housing Manager can provide the current adequacy standards.

Eligibility for Family Housing

The following categories of personnel are eligible for AFH:

- Military personnel (all Services) with accompanying Family members (with accompanying command-sponsored Family members in overseas areas), as identified on their PCS Orders and who are assigned or attached to the installation.
- DoD civilian employees and civilians with accompanying Family members who are designated as key and essential or as authorized by Army regulation.
- Foreign military trainees, Military Personnel Exchange Program and integrated personnel, special projects personnel (foreign military and civilian), and foreign liaison personnel with accompanying Family members as authorized by regulation.
- Unmarried chaplains and unaccompanied married chaplains.
- Pregnant Service Members in third trimester of pregnancy.
- Service members married to other Service member whose spouse accompanies them are eligible for assignment to FH on the same basis as other married personnel. In overseas areas, both members must be on a joint domicile (2/3 year) tour.

Designation of housing

The Garrison Commander designates housing for occupancy by personnel in various pay grade groups. FH should be designated for occupancy as follows:

- General and Flag Officers (O–7 through O–10).
- Senior Grade Officers (O–6, CW5).

- Field Grade Officers (O–5, O–4, CW4, and CW3).
- Company Grade Officers (O–1 through O–3, WO1 through CW2).
- Enlisted personnel (E–1 through E–9) may be further categorized as Senior Non-commissioned Officers (SNCOs) (E–7 through E–9); Junior NCOs (JNCOs) (E-5 and E-6); and Junior Enlisted (JE) (E–4 and below).

Housing categories may be expanded based upon the needs of the installation.

Waiting List Management

A waiting list is established for each designation of Family housing by bedroom composition for government-controlled housing. The sponsor’s grade and bedroom requirement will determine the waiting list on which the name is placed. Eligibility date for placement on a waiting list or assignment to housing will be the date departed last permanent duty station, provided application is made no later than 30 days after reporting to the new duty station.

Payment

Service members forfeit (do not receive) BAH when residing in Army-Owned/Controlled Family Housing

Family Housing Master Plans (FHMPs)

Each installation should have an Army Housing Master Plan -- a consolidated strategy for planning, programming, budgeting, and executing the acquisition and sustainment of housing facilities on Army installations.

Each installation master plan will be refined and updated as substantive changes occur. Installation FHMPs will use the shortfalls or surpluses identified in the HMA to determine the installation’s FH requirements, revitalization costs, project phasing, and year-by-year programming schedules. A FHMP will also include a detailed housing plan with supporting DD Form 1391 to program and budget for construction funds and include:

- Each installation’s FH inventory, condition, and requirements as derived on-post from real property records and reports and off-post from an HMA.
- Associated costs to bring the required FH at each installation up to acceptable standards.
- Military construction programmed for execution (to eliminate inadequate inventory or leases and satisfy housing shortages).
- Funds needed to properly operate and maintain housing that remains under Army control.
- Planned disposition of excess housing.

References:

- AR 210-XX
- DA PAM 210-XX

As with privatized housing and its Tenant Rights and Responsibilities, the Army has spelled out resident responsibilities for Army-owned and managed housing (both Family Housing and Unaccompanied Housing) in Army Regulations. This document is provided by the Army Housing Office (AHO) and should be signed as part of the move-in process. Page 1 (of 4 pages) of the Conditions of Occupancy is provided below:

<p style="text-align: center;">Conditions of Occupancy for Military Family Housing</p> <p>OCCUPANCY</p> <p>Jonathan Q. Smith is assigned to 414-A Potomac Circle to be occupied as military family housing of the United States on 6 November 2004.</p> <p>RESIDENT USE</p> <p>The residents will use the premises solely as a single-family residence for themselves and their family members. Use of the unit for any other purpose, including the shelter of any additional number of persons, except temporary guests, is prohibited without prior written consent of the housing representative.</p> <p>GOOD REPAIR</p> <p>Except as otherwise provided herein, the housing authority will maintain the property in good repair and habitable condition and will be responsible for all repairs not due to the abuse or negligence of the resident, their family members, or guests during occupancy. Repairs or replacement of equipment provided due to normal wear and tear will also be at the expense of the housing authority.</p> <p>CONDITION OF PROPERTY</p> <p>The housing authority and the resident will inspect the property, and both parties shall agree that the property is in a fit and habitable condition, except for those damages or malfunctions itemized in writing on the pre-move-in inspection report. Copies of this report will be retained by the housing authority and resident. Any additional items noted by the resident must be submitted in writing and received by the housing authority within 15 days of occupancy. If additional items are not received by the housing authority within the 15-day period, the housing authority will consider the property to be in acceptable condition and suitable for occupancy.</p> <p>LIABILITY</p> <p>The above-named resident is liable to the United States for damage to assigned housing and related equipment or furnishings, due to the resident's abuse or neglect. Liability for such damage is limited to one month's base pay, unless the damage was the result of the resident's gross negligence or willful misconduct. For example, a Soldier is grossly negligent if he is aware of specific risks posed by the reckless, wanton, or deliberate conduct of family members, or guests, and fails to exercise available opportunities to prevent the damage. In the absence of evidence to the contrary, Soldiers will be presumed to be on notice of risks attending the activities of those whom the Soldier allows upon the premises.</p> <p>INSURANCE</p> <p>Private liability insurance is an option of the resident and should be considered as a safeguard against the potentially substantial liability described above.</p>
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In addition, the AHO will provide a form acknowledging liability for damages that each resident should sign as part of the assignment process (template provided in DA Pam 420-1-1).

References:

- DA PAM 420-1-1, Housing Management, dated 2 April 2009
- DA PAM 210-XX

HOUSING SERVICES OFFICE (HSO)

The goal of the HSO is to implement and maintain a high-quality worldwide resource for relocation and home finding services that is innovative, comprehensive, and the first choice of information and support when Service members and Families relocate.

The HSO provides a one-stop, full-service resource from arrival to departure for the following:

- Non-discriminatory listings of adequate and affordable rental and for-sale housing, based on DoD adequacy standards
- Provide information on installation services (i.e., legal, education, Exceptional Family Member Program)
- Preliminary inquiries to validate housing discrimination complaints
- Liaison with community and Government officials / organizations (on and off post)
- Housing data exchange with other DoD housing offices
- Liaison with Army Community Services in support of the Housing Relocation Assistance Program
- Administration of Rental Partnership Program and Deposit Waiver Program
- Housing market area data for use in developing market analyses
- Rental negotiations, lease review, and inclusion of military clauses in rental contracts
- Home buying counseling
- Landlord-tenant dispute resolution
- Basic Allowance for Housing (BAH) data submission
- Administrative assistance with utility company fees/deposits, connections, and billings
- Informational briefings (in- and out-processing, entitlements), community outreach

Additional Services in Foreign Areas:

- Conduct entitlement briefings for the temporary lodging allowance (TLA), overseas housing allowance, and move-in housing allowance (MIHA) programs.
- Conduct inspections all off post housing rental properties to ensure they meet established adequacy standards.
- Documentation that applicant is actively seeking permanent housing if required to do so to validate TLA entitlements
- Verification that private rental housing is not vacated prematurely impacting both TLA and OHA entitlements
- Government transportation to newly arriving personnel (where available) to inspect community housing listings
- Language interpretation in dealing with landlord and utility companies
- Rental agreements in English and local language

- Preparation of moving in and out inventory condition report of premises with tenant and landlord
- Mandatory in-processing and out-processing of DoD personnel through the HSO
- Maintenance of a rotation file on DoD personnel living in private rental housing
- Documentation that applicant is actively seeking permanent housing if required to do so
- Verification that private rental housing is not vacated prematurely
- DD Form 1746 (Application for Assignment to Housing)

References:

- AR 210-XX

ARMY HOUSING MARKET ANALYSIS (HMA)

A HMA study is the vehicle used to conduct a detailed study of housing demand and supply within a defined housing market area. It is a structured analytical process that assesses both the suitability and availability of the private sector's rental market, assuming specific standards related to affordability, location, features, and physical condition, and the housing requirements of the installation's total military population.

The HMA is conducted by a third-party firm (not the RCI Project Company) and will determine the required number of Government-controlled and privatized FH dwelling units needed to support the military population at an installation. It looks first to the ability of a local housing market to meet the needs of military personnel for adequate and affordable housing. It quantifies the number of homes needed on the installation and may justify additional construction.

The HMAs should be conducted not less than every 5 years on a regular, periodic basis and when the installation or community experiences significant changes in demographics, housing supply, regional economics, and/or BAH. Exceptions to the 5-year HMA will be submitted through HQ, IMCOM, HQ, AMC and to HQDA (DAIN-ISH). The DCS, G-9 administers the annual HMA execution plan with input from the DASA IH&P, HQ, AMC, and HQ IMCOM to ensure that a current HMA is available.

At RCI sites, a current HMA is critical to planning, programming, and associated fiduciary responsibilities inherent in the privatization process of the Army's Housing. For those privatization sites utilizing a loan guarantee, the Army must document and retain a record of the AFH requirement

The market area used to determine the supply of available housing during the HMA process should be consistent with the market area used to evaluate housing costs for determining the Basic Allowance for Housing (BAH). Additional information may be obtained from both military and public sources to ensure appropriate adjustments are made to satisfy local needs as recommended by the installation commander. The installation commander shall recommend housing identified as suitable or unsuitable for the purpose of market analysis based on location, condition, health, and safety reasons.

References:

- DoD Manual 4165.63-M
- AR 210-XX
- DA PAM 210-XX

SECTION IV - UNACCOMPANIED HOUSING

ARMY BARRACKS MANAGEMENT PROGRAM (ABMP)

The Army Barracks Management Program (ABMP) has replaced the First Sergeant's Barracks Program (FSBP) 2020 to improve and streamline management of barracks for enlisted Service members in the grade of E-5 and below in the United States and E-6 and below outside of the United States. The primary difference between these programs is that ABMP assigns responsibility for barracks management to the company commanders or equivalent level, whereas the FSBP 2020 authorized barracks management at the brigade or equivalent level. Senior Noncommissioned Officer and Officer assignments and termination to unaccompanied housing will be managed at the garrison level.

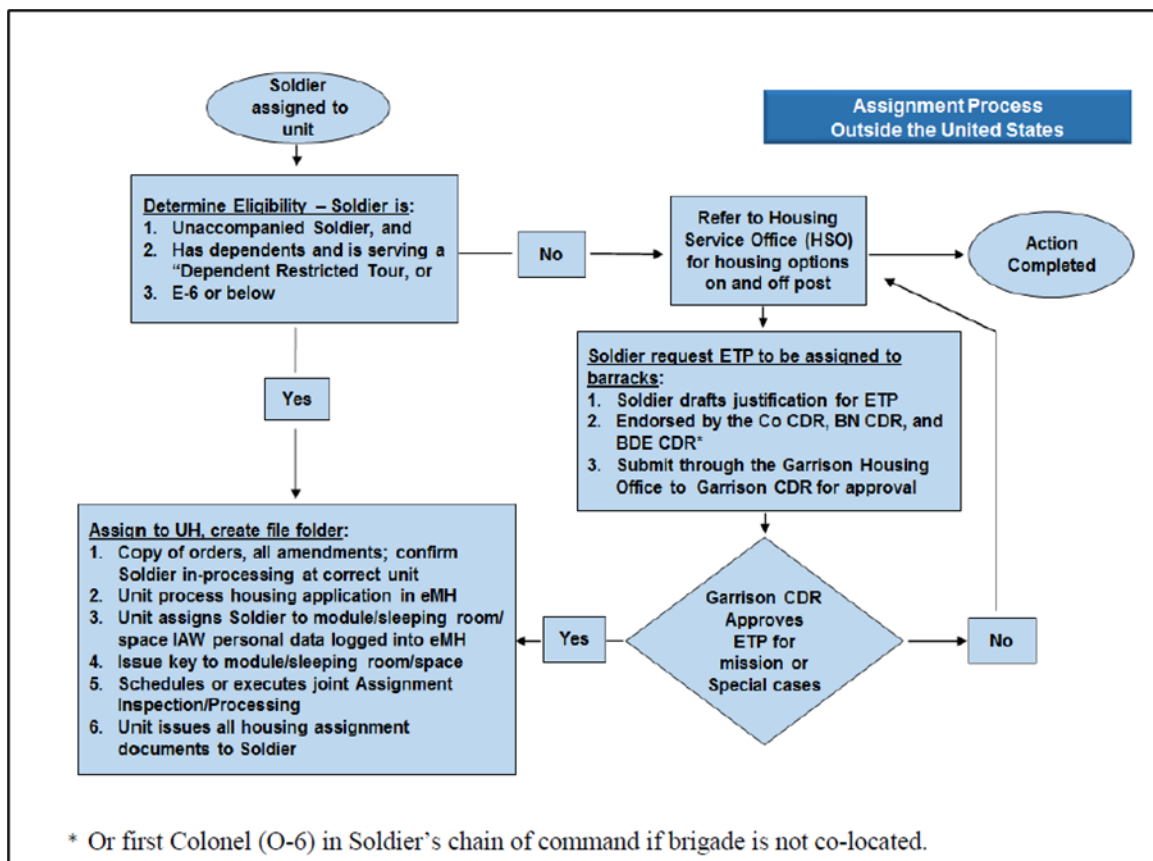
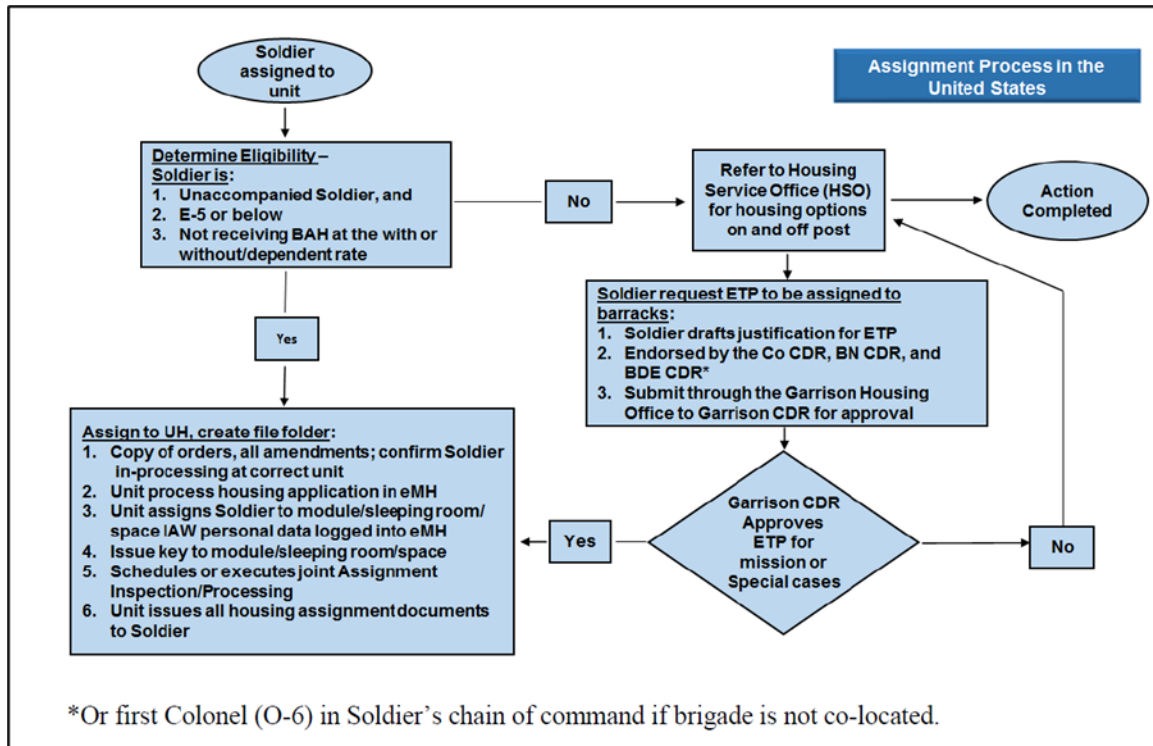
The ABMP is an adaptive partnership between installation staff and military unit leaders to ensure permanent party barracks meet the needs of military personnel. The Company or equivalent level performs day-to-day barracks management. Barracks are built to house unmarried military personnel who would be entitled to a housing allowance at the without dependent rate. Unaccompanied personnel (Single Service Members) (CONUS E-5 and below; OCONUS E-6 and below) are required to reside in the barracks and in process with their unit S-1 and then with the appropriate unit supply sergeant/unit representative.

Army barracks must be managed using the enterprise Military Housing (eMH) system, as mandated by the Office of the Secretary of Defense. The eMH system is the only authorized information management system for permanent party barracks including: (A) occupancy transactions (e.g., assignments, terminations, waiting lists); (B) inventory data (e.g., building and room sizes/features); (C) furnishings management (including property accountability); and (D) other actions such as inspections and Certificates of Non-Availability (CNAs). eMH provides efficient and equitable management of UH assignments; and supports efforts to increase the number of personnel living in barracks; reducing the requirements for housing allowance payments. Other property or housing management software or tools (e.g., spreadsheets) will not be used unless authorized by the Office of the Deputy Chief of Staff, G-9 (DCS, G-9).

References:

- AR 210-XX
- Army Barracks Management Program (ABMP) Handbook

ASSIGNMENT PROCESS



CERTIFICATES OF NON-AVAILABILITY (CNA) - (Unaccompanied Housing (UH))

Eligibility: Bonafide bachelors (E-5 (CONUS)/E-6 (OCONUS) and below) identified as unaccompanied personnel on a restricted dependents tour and authorized to live in the barracks.

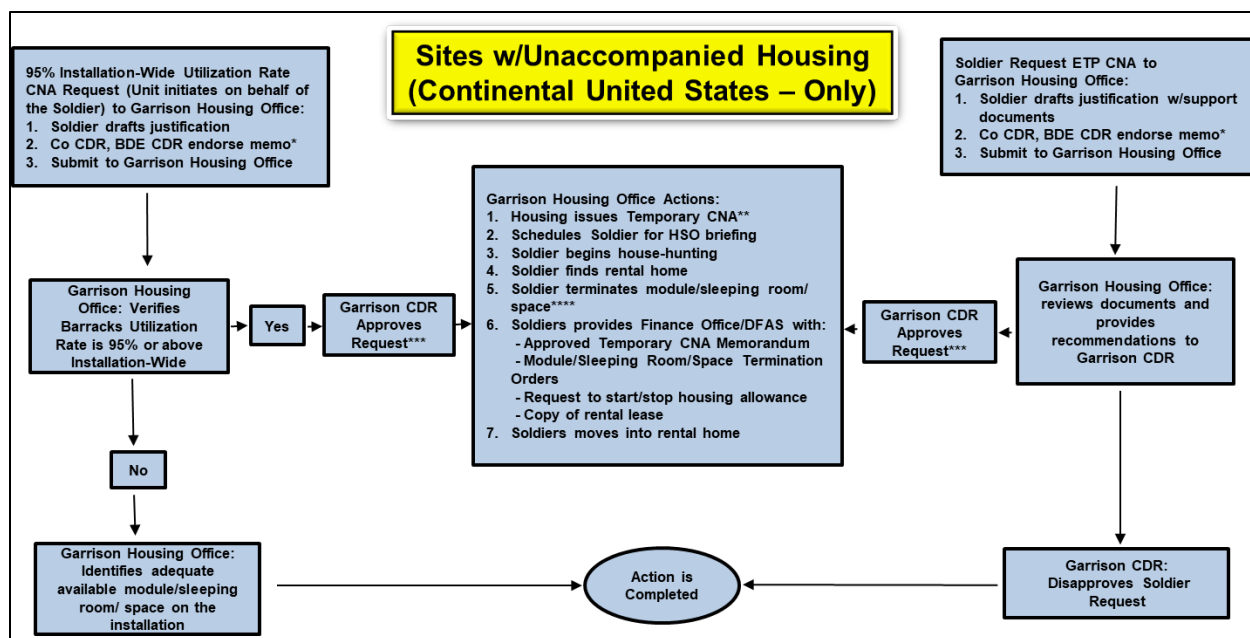
Authority: IAW Army Regulations, Garrison Commanders are the approving authority for CNAs and the garrison Army Housing Office (AHO) administers the program. The Installation housing office can be delegated by the GC to approve and sign CNAs. The Army Barracks Management Program (ABMP) provides for additional information on the requirements for processing CNAs.

Policy: CNAs for off-post housing may be issued for a limited time period under three justification categories: (1) exceeding 95% installation wide occupancy rate, (2) special population (pregnant unaccompanied personnel), and (3) exceptions to policy. Unaccompanied personnel (E-5 and below in the Continental United States, including Alaska and Hawaii and E-6 and below for Outside of the Continental United States, excluding Alaska and Hawaii) may not enter into a private rental lease without an approved CNA. Failure to secure an approved CNA prior to committing to a private lease does not constitute a financial hardship. Monthly, CNAs are reviewed to eliminate payment of housing allowances when adequate space is available in the barracks.

- Garrison Commanders are the authority for issuance and control of Certificate of Non-Availabilities (CNAs) for Basic Allowance for Housing (BAH) at the without dependent rate (E-5 & below at Continental United States, to include Alaska and Hawaii and E6 & below for Outside of Continental United States, excluding Alaska and Hawaii). This authority can be delegated to the Installation Housing Manager for efficiency. CNAs authorize Basic Allowance for Housing (BAH) and/or Overseas Housing Allowance (OHA) for military personnel to secure off post housing on the economy.
- Assignment and use of housing under a unit integrity concept is authorized provided the overall installation utilization rate for Permanent Party Unaccompanied Housing does not fall below 95% as determined by the Garrison Housing Manager.
- Service members are required to report to the Housing Services Office serving their existing and new duty stations before making housing arrangements for renting, leasing, or purchasing any off-post housing.
- Service members assigned to locations where there is no government housing or AHO must request BAH through their local finance office.
- IAW 37-104-4 Commanders are required to review the Unit Commander's Finance Report monthly and report any discrepancies to the servicing Finance Offices/Defense Military Pay Offices immediately.

References:

- AR 210-XX,
- DA Pam 210- XX,
- IAW 37-104-4, Military Pay and Allowances, dated 8 June 2005

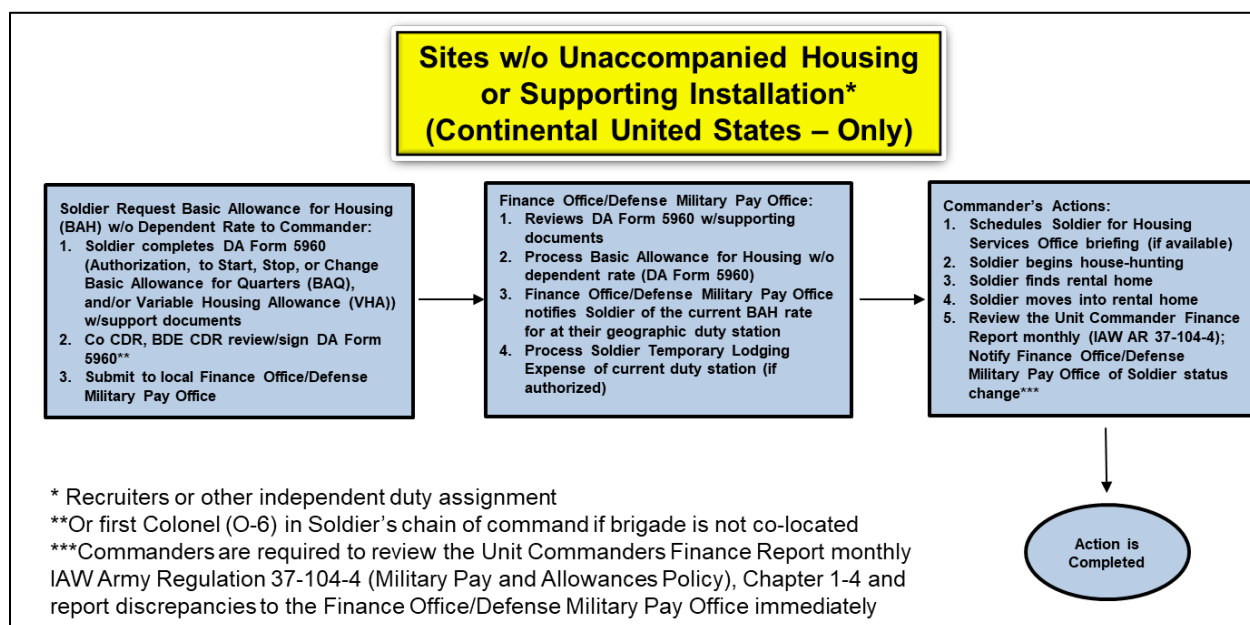


*Or first Colonel (O-6) in Service Member's chain of command if brigade is not co-located

**Garrison Army Housing Office (AHO) issue Temporary CNA (not to exceed 365 days); Service Members must renew request 90 days from termination date (if required)

***Garrison Commander has authority to approve or may delegate this authority to the Garrison Housing Manager

****Date barracks are terminated, as indicated in the enterprise modules/sleeping rooms/spaces Termination Letter (which is the earliest date the BAH at the without dependent rate will begin unless documentation justifies an earlier start date)



SECTION V - MISCELLANEOUS

FURNISHINGS SUPPORT






Army furnishings program supports the Common Table of Allowances (CTA 50-909) and the Joint Travel Regulation (JTR) for Household Goods (HHG) for CONUS and OCONUS installations. Military personnel (OCONUS) with an approved CNA to occupy private rental housing are authorized to receive furniture support.

- CONUS: Support is limited to appliances in Government-owned AFH and barracks furnishings.
- OCONUS: Military personnel, authorized to ship their HHGs, are entitled to Government loaner furnishings support while their HHGs are in transit. This support is limited to 90 days for incoming personnel and 60 days for outgoing personnel. Items and amounts issued may be limited based on availability in the warehouse and may not consist of a complete furniture set. All military personnel authorized to reside off-post are entitled to furnishings support for the duration of their tour. Military personnel who placed a portion of their HHGs in CONUS non-temporary storage will not receive a like item from the Government furniture inventory. Army furnishings items may be issued for non-shipped items for the duration of the tour at OCONUS locations where full HHG authorization is not allowed.
- GFOQs
 - The procurement, repair, and replacement of furniture for GFOQ and for housing occupied by a Garrison Commander in the grade of colonel (O-6) are restricted to supplementary furniture for the public entertainment areas. Excepted are the following:
 - Those overseas areas where complete furnishings are provided.
 - Those overseas areas where shipment of household goods is limited or optional.
 - Those GFOQ and Garrison Commander Quarters diverted to Unaccompanied Officer Quarters
 - The determination of specific supplementary furniture items to be provided by the Government will be made by the Garrison Commander based on the resident's request and the supplementary furnishings plan for the dwelling unit. Such items must be authorized by CTA 50-909 or by an exception to policy. Such items may be issued from the installation's current furniture inventory. If unavailable from this inventory, or available but not suitable for their intended use, such items may be procured from GSA sources. Draperies, however, may be procured from local sources.
 - Department of the Army approved Special Command Positions are authorized additional furnishings and equipment.

References:

- AR 210-XX, Chapter 13
- GFOQ Residents Guide & GFOQ Managers Guide, dated 14 March 2016
- Common Table of Allowances (CTA 50-909)
- Joint Travel Regulation (JTR)

ARMY HOUSING SYSTEMS

 <h2 style="text-align: center;">Army Housing Systems</h2>  <h3 style="text-align: center;">enterprise Military Housing (eMH)</h3> <ul style="list-style-type: none"> • Mandated use by OSDAT&L as the DoD authoritative data source for Family and Unaccompanied Housing assets in 2014 • DCS,G9-Housing Division - Oversight role to support and defend Army functional priorities and initiatives • MOA between Army and Navy to pay for use of system based on inventory and users • Website: https://www.emh.housing.navy.mil 	 <h3 style="text-align: center;">Army Housing Online User Services (AHOUS) Website</h3> <ul style="list-style-type: none"> • AHOUS is the Army's official website for Soldiers and Families looking for information regarding Army Family Housing, Unaccompanied Housing or Off-Post Housing. • DCS,G9-Housing Division manages, maintains and owns AHOUS. • Garrison Housing Services Offices are responsible providing updates to DAIN-ISH on a quarterly basis. • Website: https://www.housing.army.mil
 <h3 style="text-align: center;">Army Housing Social Media Platforms</h3> <ul style="list-style-type: none"> • DCS,G9-Housing Division utilizes Facebook, Twitter and YouTube to engage with Soldiers & Army Family on housing programs and initiatives. • Facebook: : https://www.facebook.com/USArmyHousing • Twitter: www.twitter.com/usarmyhousing • YouTube: www.youtube.com/usarmyhousing • Google Play Store: https://play.google.com/store/apps/details?id=mil.army.housing.mobile.andy.ahous&hl=en • Instagram link: www.instagram.com/usarmyhousing 	 <h3 style="text-align: center;">HOMES.mil</h3> <ul style="list-style-type: none"> • The official DoD web-based off-post housing listings service and is supported by all six military branches including the Coast Guard. • Garrison Housing Services Office are responsible for approving all property manager accounts and managing adequate rental listings. • Website: https://www.homes.mil

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Digital Garrison (App) – Navigates to Army links and resources such as event calendars, services, and facilities.

Army Maintenance Application (ArMA): www.armymaintenance.com – web-based maintenance and repair application for barracks and Government-owned housing available from any smart phone or desktop web browser. Provides an automated notification to the tenant informing them of the successful receipt of the request and a reference/tracking number. Once a work request is submitted, tenants are able to track the status of their repair request to completion when they will receive an automated notification of the completed repair request with a customer satisfaction survey link.

References:

- AR 210-XX
- PAM Handbook 6.1, August 2021

GENERAL FLAG OFFICER QUARTERS (GFOQS)

GFOQs include all housing assigned to general officer or eligible SES personnel. GFOQs can be privatized (Executive homes), Army-owned, or leased housing and require that all expenditures associated with the home be tracked and reported. All Appropriated funds (APF) and privatized housing expenditures related to GFOQs are closely monitored by OSD and Congress.

Executive Homes exceeding \$50K Operations and Maintenance (O&M) are reported to Congress. All expenditures are reported quarterly through the Portfolio and Asset Management Report and annually through Congressional notification.

Government managed GFOQ cannot exceed \$35K O&M, without prior HQ or Congressional approval. Incidental improvement (new work) exceeding \$3K annually require prior HQ level approval. All expenditures are reported on a quarterly/annually basis utilizing the enterprise Military Housing (eMH) General Flag Officer Module (GFOM).

A Six-Year Maintenance Plan (SYMP) must be prepared and submitted for all housing assigned to a GO or SES. Executive Homes report government provided management and furnishings costs quarterly and annually. The installation Army Housing Office (AHO) prepares and submits the quarterly/annual report and SYMP electronically via the eMH database.

Supplementary Government furnishings may be provided in Army-controlled housing and Executive homes designated for and occupied by a general or flag officer and those garrison commanders in the grade of colonel (O-6) to augment personally owned furnishings to support mission related official entertainment responsibilities.

Special command positions (SCP), as approved by HQDA, are authorized special allowances (i.e., china, linen, etc.) and furnishings relative to their entertainment responsibilities on behalf of the Army and Government.

Army Materiel Command (AMC) is responsible to review and approve furnishings for both special command positions and non-special command positions in accordance with current Army housing regulations.

GFOQ residents should personally sign submission for resident requested work that exceeds the \$3K incidental improvement or \$35K maintenance and repair; or items not listed in the CTA. Executive home residents should also personally sign for furnishings not listed in the CTA. Signatures of the spouse, aide or an executive officer are not acceptable. DCS, G9 is responsible for the review and validation of quarterly/annual cost reports and the SYMP as well as forwarding for Congressional notification as appropriate.

Any Government funded improvements in a privatized GFOQ must have a government purpose.

Appropriated funds cannot be utilized to fund permanent improvements to “private” property absent specific statutory authority:

- Possible exception is security-related improvements
- Alterations are incidental to and essential for accomplishment of the purpose of the appropriation
- Cost is reasonable
- Improvements are principally to benefit the Government
- Government’s interest in the improvements is protected

Improvements for benefit of the Project:

- Potentially subject to reporting requirements of 10 U.S.C. § 2884 if it constitutes a “conveyance” under 10 USC § 2878 and/or exceeds \$50K for former GFOQs.
- Can be an investment per 10 U.S.C. § 2875 but is subject to the “33/45% (tax basis) test”

References:

- AR 210-XX, Chapter 11
- Army GFOQ Handbook
- DAIM-ZA Memorandum, SUBJECT: General and Flag Officer Quarters (GFOQ Guidance, dated 4 April 2005
- SAIE-IHP Memorandum, SUBJECT: Reporting Privatized General Flag Officer Quarter (GFOQ) Costs, dated June 2018
- DoD 7000.14-R, Financial Management Regulation, Volume 2B, Chapter 6, para. 60302.B20c, June 2013
- 10 USC 2831 – Defines General and Flag Officer Quarters and Establishes Military Family Housing management account
- 10 USC 2884 (b)(4) – Privatized GFOQ Partner Cost Report
- DoDI 4165.63 – DoD Housing

PRIVATIZED ARMY LODGING

PAL was established using the 1996 MHPI authorities following the success the Army achieved with its privatized housing program.

The PAL program is critical to the Army's goal of eliminating inadequate lodging facilities in the United States, Alaska, Hawaii, and Puerto Rico, while providing a better quality of life for Service members and Families. The PAL program includes 40 installations in a single project with a planned end-state of 12,303 guest rooms.

PAL continues to meet its key financial and developmental metrics, (development/construction costs), and to earn high customer satisfaction feedback, achieving an overall guest satisfaction rating of 4.31 and a Garrison Commander satisfaction rating of 4.77 on a 5-point scale for FY20.

The PAL developer and project owner is Lendlease, operating with global scale and specializing in Government partnerships. The PAL hotelier, InterContinental Hotels Group (IHG), is one of the world's largest hotel operators.

The PAL program leverages Government land and on-post lodging assets to obtain private capital and expertise to build, renovate, operate, maintain and sustain adequate transient lodging for the long term. No Government equity exists beyond the conveyed facilities. There are no Government occupancy or financial guarantees.

Existing hotels are renovated to a Holiday Inn Express standard and branded as such. Newly constructed hotels are built and branded as enhanced Candlewood Suites.

The PAL program's main mission is to support official Government travelers. Under the PAL program, room rates to official travelers are capped at a weighted average of 75% of lodging per diem across the portfolio; this saves the Army approximately \$83M annually in travel dollars. PAL pays for utilities, operations, and maintenance costs in support of on-post lodging.

Forty-three (43) cents of every dollar spent at a PAL hotel falls to the project reinvestment account to fund the development and sustainment of the on-post lodging facilities.

RCI	PAL
<ul style="list-style-type: none"> • Army is 49% Project Member in LLC • Installation-based Projects allows for local government and private decision-making • Neighborhood cash flow cross-collateralized • Local decisions impact only that installation • Lease, DB contract, mortgage, & fees terms vary project to project • Designs and levels of service vary • Multiple partners & varied documents • Size of family housing communities is significant relative to the main cantonment • Complexities and sensitivities surrounding family housing require on-site government oversight post-privatization • Funding for residual installation staff • DASA IH&P retains Major Decision authority 	<ul style="list-style-type: none"> • Army not an LLC member; Lease controls • Portfolio-based Project necessitates centralized decision-making • Installation cash flow is cross-collateralized • Local decisions can impact 40 installations • One Lease and set of governing documents for every site with only minor site variances • Designs & levels of service are standardized • Single partner & one set of documents • Hotel operations are only a handful of buildings relative to the main cantonment • On-post hotel operations are less complex and less sensitive and do not require on-site post-privatization oversight • No funding for residual installation staff • DASA IH&P retains Major Decision authority

References:

- PAM Handbook 6.1, August 2021

HOME-BASED BUSINESSES (HBB)

Senior Commanders may permit residents of on-post Government-owned/Government-leased or privatized Family housing to operate a business in their home.

The sales or services generated by an HBB generally do not compete with an installation's officially sanctioned commerce. When they appear to compete, the installation will consider HBBs a "supplement" to military exchanges and morale, welfare, and recreation programs or resale activities.

The HBB owner is responsible for obtaining the necessary permissions, licenses (if applicable), and liability insurance. The HBB owner also is responsible for any damages to third parties arising from the conduct of the business.

Personnel desiring to provide childcare in on-post housing must register with the installation Child, Youth, and School Services office as part of the Family Child Care (FCC) provider system. FCC providers contribute directly to unit readiness.

HBB owners residing in privatized on-post housing must obtain approval to operate in writing from the Housing community manager before submitting a request to the Senior Commander.

HBB owners may request minor modifications to their housing unit to facilitate successful operation of their business. The HBB owner will bear the costs of such modifications except when the requested modifications match upgrades required for meeting current safety or building codes. If required, the HBB owner will bear the cost for restoring the housing unit to its original configuration upon move-out.

In Government-owned housing, the HBB owner will reimburse the Army for the cost of utilities at a rate jointly established by a command representative and the HBB owner. The installation may waive utility charges when they are minimal and do not warrant reimbursement.

Local Government licensing requirements, host nation requirements, status of forces agreements, military postal service restrictions, and installation advertising practices must be considered when deciding whether to approve HBB applications. HBB owners are responsible for obtaining and maintaining necessary licenses.

Senior Commanders are highly encouraged to approve requests for HBBs when the business owner demonstrates authority to operate the same business at a previous duty station and meets all local licensure and other legal requirements. In no case should the Senior Commander approve an HBB at the expense of the safety, community tranquility, or good order and discipline of an Army installation.

The HBB owner is required to comply with and is subject to inspection by the appropriate city, county, state, or Federal agency, office, or department for compliance with applicable laws, codes, regulations, and requirements.

HBB owners must comply with the advertising restrictions outlined in installation policy letters and community guidelines.

References:

- AR 210-XX
- ODUSD Memorandum, SUBJECT: Non-Federal Entity Competition with Appropriated and Non-Appropriated Fund Activities on DoD Installations, dated 26 September 2018
- Army Regulation (AR) 210-22, Private Organizations on Department of the Army Installations, dated: 22 October 2001

TOWN HALLS AND INTERFACE WITH THE RESIDENT

Communication and transparency with the residents are imperative in housing management, be it Army-owned/managed or privatized. Army leaders should continuously improve the ways in which they notify residents of the services that are available on the installation.

Garrison leadership must develop a communications plan that informs residents of available mechanisms to resolve resident concerns and update quarterly report templates to include resident outreach events. Garrison Commanders, with support and participation from Senior Commanders and the Public Affairs Office, should conduct quarterly town halls, host newcomer briefings, and communicate to the community at large with information updated on the garrison webpages. Property management or other RCI Company policies and initiatives should be disseminated through multiple communication channels.

The Informal and Formal Dispute Resolution procedures should be frequently presented to the residents so that they are aware that there is a mechanism to have their complaints heard and adjudicated in a timely manner.

The Army should embrace formalizing a residents' community association to address resident concerns. Community associations offer a valuable channel of communications by providing an excellent forum for the interchange of ideas between FH residents, property managers and Garrison Commanders and their staff. They also provide channels of communication among residents which will enhance the feeling of community and a sense of "homeownership". Senior Commanders may, at their discretion, provide for community association programs (mayor program, area coordinator, etc.).

The Garrison Commander should task the garrison Army Housing Office (AHO) to:

- Ensure wide dissemination of information about the existence of local community associations and installation policies concerning their formation to ensure residents have an opportunity to participate.
- Encourage residents to take the initiative in establishing and organizing community associations and electing association presidents or mayors and other officers.
- Maintain an active interest in association activities and attend meetings to answer questions, become aware of problems, and offer assistance.

References:

- PAM Handbook 6.1, August 2021
- AR 210-XX

EVICTIONS AND INSTALLATION BAR ORDERS

An “actual eviction” is defined as “[a]n actual expulsion of the tenant out of all or some part of the demised premises.” “Eviction” is defined as “the act of depriving a person of the possession of land or rental property which he has held or leased.”

In general, the privatized property manager may initiate eviction proceedings for failure to comply with provisions of the tenant lease agreement. The Garrison Commander is responsible to support, not control, the property manager resident eviction process.

Commanders may not evict privatized housing residents, as they do not own or manage the homes. However, if the Commander has just cause, he/she may bar residents from the installation. If a resident renting a home on the installation cannot access the installation, then he/she can no longer live in the house. This is tantamount to an eviction.

If the installation commander bars dependent children from the installation, this typically does not enable the tenant to break the lease.

In the event a resident refuses to vacate Government-owned Family housing, Garrison Commanders will first attempt all measures that are reasonable under the circumstances to make a peaceful recovery of the housing by non-judicial means such as counseling of the housing residents, assisting the housing residents to secure off-post housing, and referring the housing residents to charitable, religious, or social service organizations for assistance, as appropriate.

Garrison Commanders will consider the following circumstances in deciding what measures are reasonable under the circumstances:

- (a) Whether there is a need for the housing to meet a higher priority requirement.
- (b) Whether the resident was aware of the rules and regulations about Family housing occupancy.
- (c) Whether the resident faces special hardship by vacating the premises.

If taking such other measures does not result in the peaceful repossession of the housing, Garrison Commanders will refer the matter to their SJA or command legal counsel to determine whether legal proceedings, use of law enforcement authorities, or other measures are appropriate. In taking steps to initiate legal proceedings, the SJA or command legal counsel will follow the provisions of AR 27–40. (IMCOM region directors may not grant exceptions.)

References:

- PAM Handbook 6.1, August 2021
- AR 210-XX
- AR 27-40, Section 5-5, Litigation, dated 19 September 1994

CIVILIANS IN ON-POST HOUSING

Army Family Housing (AFH)

DoD civilian employees, except key and essential (K&E) personnel as determined by the Garrison Commander, shall rely on private communities for housing support. For assignment to military FH, DoD civilian employees will be assigned according to established Army housing policy.

- Exceptions are as follows:
 - Pursuant to 5 U.S.C. § 5911 and regulation, excess Government-controlled housing may be leased to federal civilian employees, and others (i.e., contractors), within the United States and territories). Rental rates will be established and collected IAW Chapter 16). A federal civilian employee properly occupying Government housing on a rental basis pursuant to statutory authority should pay rent and other costs directly to the garrison Army Housing Office (AHO) through a cash, check, or similar payment, or by establishing a discretionary payroll allotment. Commands should not collect rental payments from employees and MIPR appropriated funds to an AHO as reimbursement, as this course of action may lead to a Purpose Statute violation and/or an improper augmentation of appropriated funds.
 - Department of the Army Civilians (DACs) locally hired and/or hired from CONUS who do not receive a LQA may reside in AFH in foreign locations on a rent-free basis where there is excess housing pursuant to 5 U.S.C. § 5912. Accordingly, these DACs will not be provided with a Living Quarters Allowance (LQA). The DACs will not be charged rent or costs of utilities and housing services.
 - Assignment priorities. The criteria for determining assignment priority are described in Army housing policy.

CAUTION:

The LQA reimbursement guidance in AR 420-1, para. 3-16d(11)(c)(2) should NOT be followed. Crediting money received from AFH rental to AFHO accounts violates the Miscellaneous Receipts Statute and the Anti-Deficiency Act. Similarly, utilizing Operations and Maintenance Appropriations to reimburse the AFHO account for the costs of rent and services associated with DAC AFH occupancy would violate the Purpose Statute and the Anti-Deficiency Act.

Privatized Housing

DoD established the Tenant Waterfall Policy, a risk mitigation tool codified in the Ground Lease, to give member companies the ability to maintain occupancy rates and financial stability within privatized military housing. Specifically, the waterfall allows select homes to be leased to non-active-duty tenants if there is sustained limited interest/occupancy in those homes from active-duty Families.

While active-duty Families are always prioritized, upon activation of the waterfall policy, five tiers become eligible to participate in the MHPI in the following order: unaccompanied military personnel, active National Guard and Reserve, military retirees, federal Government civilians, and civilians.

The waterfall policy allows the public to participate in the program when Service member declines and force realignments stress the economic conditions of military communities. The waterfall policy allows RCI Companies to maintain financial viability in each project, ensuring the program is positioned to benefit military families as the nation's force structure changes over time.

Civilian residents must pass background checks before being authorized to reside on the installation. Special provisions may be needed to facilitate civilian resident access to the installation. In addition, presence of civilians on the installation may present unique law enforcement challenges. Regardless, commanders cannot arbitrarily restrict RCI Companies from utilizing the tenant waterfall to improve occupancy.

References:

- DA Pam 210- XX
- 5 U.S.C. § 5911
- PAM Handbook 6.1, August 2021
- RCI Ground Lease (specific to each project)
- Privatized Housing Tenant Waterfall Policy, SAIE-IHP, 11 Feb 21
- IMCOM Memorandum, SUBJECT: Command Policy Memo 420-1-1 Privatized Housing Tenant Waterfall 202104_, dated 7 April 2021

REGISTERED SEX OFFENDERS ON ARMY INSTALLATIONS

Registered Sex Offender (RSO) Management in DoD

DoD Instruction 5525.20 registered sex offender management establishes policy and assigns responsibilities for identification, notification, monitoring, and tracking of DoD-affiliated personnel who are RSOs, referred to collectively in this issuance as “DoD-affiliated RSOs,” pursuant to the references below:

The DoD will:

- Enhance community safety on DoD Component installations, through the management of information concerning DoD-affiliated RSOs. When implementing this issuance outside the United States, DoD personnel will do so in accordance with host nation laws and Combatant Command guidance.
- Use the DoD Identity Matching Engine for Security and Analysis (IMESA)-driven continuous vetting process to identify DoD-affiliated RSOs.
- In accordance with Section 16928a of Title 42, U.S.C., provide to the Department of Justice information on individuals who are required to register under SORNA, as described in Section 16914 of Title 42, U.S.C. This information will be included in the National Crime Information Center (NCIC), National Sex Offender Registry (NSOR) File, and the Dru Sjodin National Sex Offender Public Website (NSOPW).
- Notify the applicable State, territory, or tribal sex offender registries and the U.S. Marshals Service (USMS) National Sex Offender Targeting Center (NSOTC) when Service members:
 - Are convicted of an offense under Chapter 47 of Title 10, U.S.C. (also known and referred to in this issuance as the “Uniform Code of Military Justice (UCMJ)”); and
 - Are required to be registered as sex offenders in accordance with Paragraph 3.2.a. of this issuance.
- Monitor DoD-affiliated RSOs who live or work on DoD installations, through DoD installation law enforcement and the appropriate unit commanders, and enforce any restrictions associated with the RSOs’ convictions in accordance with pertinent law.
- Require appropriate notifications from DoD-affiliated RSOs who travel overseas pursuant to the provisions of the SORNA.
- Limit the use of information obtained from the NSOR File in accordance with appropriate legal restrictions. The use of NSOR information is described in Section 3.
- Prevent any unauthorized use, disclosure, or loss of personally identifiable information (PII) collected and used in the execution of this issuance by maintaining PII under secure access.

In privatized housing, potential residents are asked by privatized housing managers as part of the application process if any of their household members have been convicted of a criminal offense that would require registration and are directed to the Provost Marshall's office if an affirmative answer is provided. To the extent sex offenders are barred or otherwise prohibited from living on that installation, the individuals cannot be an authorized tenant in privatized housing on the installation.

References:

- Chapter 151, Subchapter I, Part A of Title 42, United States Code (U.S.C.), also known and referred to as the "Sex Offender Registration and Notification Act (SORNA)."
- Section 16928a of Title 42, U.S.C., also known and referred to in this issuance as the "Military Sex Offender Reporting Act of 2015 (MSORA)."
- AR 210-XX

PETS, SERVICE ANIMALS, AND PROHIBITED BREED DOGS

The Americans with Disabilities Act applies to DoD only by policy, and DoDI 1300.27 (Guidance on the Use of Service Dogs by Service members), 7 Jan 2016, states in section 3.b, that Military Departments retain authority over installation access, control, and domiciling for all animals other than service dogs. Every installation must have a domestic animal policy that adheres to the guidance in this policy and complies with all applicable host nation, federal, state, local laws and regulations, and all installation specific requirements associated with installation access, ownership, registration, control, and vaccination of domestic animals.

Residents, employees, contractors, or visitors may not bring on any installation, any dog of a breed (including a mixed breed) that is deemed aggressive/dangerous or potentially aggressive/dangerous as determined by a veterinarian. For purposes of this policy, aggressive/dangerous or potentially aggressive/dangerous breeds of dogs are defined as Pit Bulls (American Staffordshire Bull Terriers or English Staffordshire Bull Terriers), Rottweilers, Doberman Pinschers, Chows, and wolf hybrids. This prohibition also extends to other dogs that demonstrate a propensity for dominant or aggressive/dangerous behavior as indicated by any of the following types of conduct:

- Unprovoked barking, growling, or snarling when people are present.
- Aggressively running along fence lines when people are present.
- Biting or scratching people or attacking other pets.
- Escaping confinement or restriction to chase people or other pets.

A dog deemed aggressive/dangerous or potentially aggressive/dangerous may be brought onto an installation for veterinary treatment provided the travel is limited only to the veterinary treatment facility, with no other stops aboard the installation authorized. Also, the dog must be muzzled at all times.

Residents of both Army Family Housing (AFH) and Army Privatized Family Housing (APFH) are limited to two dogs, two cats, or one dog and one cat. The Senior Commander (AFH) or privatized housing owner (APFH) is authorized to waive the dog and cat limit after considering the needs of the animal owner/resident. Limitations on “animal occupancy” should be framed as limits on the number of animals, vice pets, that housing residents can have reside in their on-post housing – but numerical limitations on “animals” cannot result in the exclusion of a bonafide service or assistance animal.

Service Animal: For Department of Defense purposes, a dog obtained from an accredited service dog organization approved by the Department of Veterans Affairs that is individually trained to do work or perform tasks for the benefit of an individual with a physical or mental disability (including Post Traumatic Stress Disorder). The dog is trained to respond to verbal command or condition of the qualified Service member or beneficiary. Dogs that are “in training” or whose sole function is to provide emotional support, comfort, therapy, or

companionship are not service animals under the American with Disabilities Act (ADA). Federal laws protect the rights of individuals with disabilities to be accompanied by their service animals in public places (ADA) and on federal property (Rehabilitation Act). Service dogs are not regarded as pets.

Assistance animals is a larger all-encompassing term but are not considered or protected as Service Animals. Emotional support, comfort, therapy, companion animals are terms used synonymously with assistance animals. Nevertheless, in the spirit of public accommodation of individuals with disabilities, installation commanders should endeavor to grant installation access to all service animals and assistance animals as defined in this policy, as long as such access does not compromise public health and safety and does not interfere with principles of good order and discipline as stated in AR 40-58.

- Service animals perform “tasks” to assist individuals with disabilities
- Assistance animals (a/k/a emotional support or therapy animals) provide companionship that a medical professional determines will “benefit” a person with a disability
- Pets are domesticated animals that fit neither of the other two categories

A dog service animal or assistance animal deemed aggressive/dangerous or potentially aggressive/dangerous which has a waiver for installation access must be muzzled at all times when outside the home, including the home’s yard. A dog service animal or assistance animal that is deemed aggressive/dangerous or potentially aggressive/dangerous per this policy shall be granted installation access only if it has a waiver approved by Headquarters AMC Housing submitted by a Garrison Commander.

Allowing service animals access to areas of “public accommodation” is mandated by the Americans with Disabilities Act. Allowing service animals and assistance animals to occupy rental housing along with a person who is disabled is mandated by the Fair Housing Act. While lodging strives to provide all the comforts of “home,” assistance animals and pets may not be welcome (legally). Lodging is not “housing” under the Fair Housing Act – but lodging is a “public accommodation.”

References:

- AR 210-XX, Section 20-5, Domestic Animals on Army Installations
- SAIE Memorandum, SUBJECT: Army Policy: Domestic Animals on Army Installations, dated 16 August 2018

GOOD ORDER AND DISCIPLINE

Nothing in housing privatization project legal documents prevents a commander from maintaining good order and discipline or protecting health and safety on an installation.

Inspections of privatized housing - Army's right of access under the Ground Lease equates to access "for any lawful purpose" (subject, in some cases, to advance notification)

Inspections for conditions associated with health or safety concerns is permitted assuming ground lease notice conditions are satisfied.

DA Policy is NO HEALTH AND WELFARE INSPECTIONS!

Searches of Privatized Housing - DA Policy is that privatized housing is subject to MRE 315 – as it is "military property" or "persons or property within military control"

The type of jurisdiction (i.e., exclusive federal, concurrent Jurisdiction) on the installation impacts several aspects of housing privatization. Check with your SJA or the Army Office of General Counsel to determine impacts on:

- Taxation
- Judicial forum and enforceability of state court orders
- Applicability of Laws
- Juveniles

FY19 NDAA -- "[T]he conferees direct service secretaries to seek to relinquish jurisdiction pursuant to section 2683 of title 10, United States Code, such that the United States and the State, Commonwealth, territory, or possession would have concurrent jurisdiction over offenses committed on these military installations."

References:

- AR 210-XX
- Uniform Code of Military Justice (UCMJ), Article 134
- AR 600-20, Army Command Policy, 6 November 2014.

JOINT ETHICS REGULATION

RCI “Partners” are “Prohibited Sources” to Government Housing Program personnel. Offers of gifts and gratuities by RCI Companies can place Army Program personnel at risk. Federal regulations generally prohibit a Department of Defense employee from accepting a gift from a prohibited source or given because of the employee’s official position. A gift includes any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. The same prohibition applies to gifts to the employee’s spouse, child, or dependent relative because of that person’s relationship to the employee.

Although there may be applicable exceptions to the general rule, such as a gift valued at less than \$20 from a source whose total gifts do not exceed \$50 in a calendar year, acceptance requires a case-by-case determination based on all the relevant facts. Joint Ethics Regulation gift rules are applicable.

Commercial business practices often conflict with Joint Ethics Regulation requirements

May Residents Accept “Incentives” from a Property Manager?

- YES, if:
 - The Property Manager is not a prohibited source, such incentives can be accepted under 5 CFR 2635.204(c)(2)(iii) – as an “opportunity or benefit” “offered . . . to any group or class that is not defined in a manner that specifically discriminates among Government employees on the basis of type of official responsibility or on a basis that favors those of higher rank or rate of pay” – or
 - The incentives are excluded from the definition of a gift under 5 CFR 2635.203(b)(4) as an “opportunity and benefit,” which includes “favorable rates and commercial discounts, available to the public or to a class consisting of all Government employees or all uniformed military personnel, whether or not restricted on the basis of geographic considerations.

References:

- Joint Ethics Regulation, DoD 5500.07
- 5 C.F.R., part 3601, Supplemental Standard of Conduct for Employees of the Department of Defense

RESIDENT ENERGY CONSERVATION PROGRAM

In 1998, in conjunction with its Military Housing Privatization Initiative (MHPI) partners, OSD set forth the policy for the payment of utilities in MHPI housing to encourage energy efficiency in privatized housing units. The program is in alignment with the Department of Defense (DoD) energy conservation initiatives to reduce dependence on foreign oil, other fossil fuels, and overuse of electricity.

Historically, MHPI residents consume more energy than their military or civilian counterparts. These excess energy costs negatively impact MHPI projects over the long-term by reducing available capital, which would ultimately be reinvested back into the MHPI community, allowing improvements to the property such as renovations and community amenities.

- OSD and Army policy require that privatized housing residents be responsible for a portion of their own utility consumption. Residents are billed for excess usage above a calculated baseline and receive rebates for decreased consumption.
- The project/partnership will be responsible for all other utility costs not paid by the resident and for all utilities applicable to common areas and vacant homes.
- Additional project documents and agreements will outline specifics of RECP for non-standard homes, small like-type groupings, homes with residents requiring special utility-based accommodations, and other exceptions to policy.

Army RCI residents significantly reduced electric & gas usage during the RECP. Since RECP inception, residential utility usage decreased 20% on average for the portfolio, with a portion of that decrease due to new homes/more energy efficient home systems. The Army expects a 3-4% increase in consumption due to resident behavior and an approximately \$5-6M increase in utility usage annually across the portfolio. Other costs for the program include sunk costs for contracts with energy billing companies for maintenance of meters and for sending consumption statements.

In March 2019, in accordance with the NDAA and as directed by the Office of the Secretary of Defense (OSD), RECP was temporarily suspended to perform certification. The certification would ensure that 100 percent of the homes at a specific installation receiving billing as part of the program were individually and accurately metered to measure energy usage. Deadline for certification was December 2021 or the existing program was terminated at installations not achieving certification. No Army RCI project elected to certify, preferring to wait for new OSD policy on this issue.

References:

- PAM Handbook 6.1, August 2021