

FAMILY HOUSING, DEFENSE-WIDE
Fiscal Year (FY) 2017 Budget Estimate

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FAMILY HOUSING, DEFENSE-WIDE
Fiscal Year (FY) 2017 Budget Estimate

PROGRAM SUMMARY
(Dollars in Thousands)

	<u>(\$000)</u>
FY 2017 Budget Request	62,415
FY 2016 Program Budget	58,668

	<u>DIA</u>	<u>DLA</u>	<u>NSA</u>	<u>OASD (EI&E)</u>	<u>FY 2017 TOTAL</u>
<u>Family Housing Construction</u>					
New Construction	-	-	-	-	-
Improvements	-	-	-	-	-
Planning and Design	-	-	-	-	-
Construction Subtotal	-	-	-	-	-
<u>Family Housing Operation & Maintenance (O&M)</u>					
Utilities	4,100	174	367	-	4,641
<u>Operations:</u>					
Furnishings	500	20	399	-	919
Management	-	388	-	-	388
Services	-	32	-	-	32
Total Operations	500	440	399	-	1,339
Maintenance	-	349	800	-	1,149
Leasing	40,984	-	11,044	-	52,028
O&M Subtotal	45,584	963	12,610	-	59,157
<u>Family Housing Improvement Fund (FHIF)</u>					
FHIF Administrative	-	-	-	3,258	3,258
Total FH DW Programs	45,584	963	12,610	3,258	62,415

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FAMILY HOUSING, DEFENSE-WIDE

Fiscal Year (FY) 2017 Budget Estimate

APPROPRIATION LANGUAGE

FAMILY HOUSING OPERATION AND MAINTENANCE, DEFENSE-WIDE

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for operation and maintenance, leasing, and minor construction, as authorized by law, \$59,157,000.

DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND

For the Department of Defense Family Housing Improvement Fund, \$3,258,000, to remain available until expended, for family housing initiatives undertaken pursuant to section 2883 of Title 10, United States Code, providing alternative means of acquiring and improving military family housing and supporting facilities.

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FAMILY HOUSING, DEFENSE-WIDE
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FAMILY HOUSING OPERATION & MAINTENANCE, DEFENSE-WIDE

The FY 2017 Family Housing Operation and Maintenance, Defense-Wide request is \$7,129,000 (excludes leasing costs, which will be addressed separately). The Operation and Maintenance includes maintenance and repair of government-owned housing units and associated real property; utility services; repair, replacement, transportation and handling of furniture and furnishings; refuse collection and disposal services; management services; and other miscellaneous support. Furnishings support for members of the Defense Attaché System are also included.

FAMILY HOUSING, DEFENSE-WIDE
Fiscal Year (FY) 2017 Budget Estimate

FAMILY HOUSING OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)

	<u>FY 2015</u>		<u>FY 2016</u>		<u>FY 2017</u>	
<u>Inventory Data</u>						
Units in Beginning of Year	202		175		175	
Units in End of Year	175		175		175	
Average Inventory for Year	189		175		175	
 Units Requiring O&M Funding						
a. Conterminous U.S.	140		124		124	
b. U.S. Overseas	-		-		-	
c. Foreign	51		51		51	
d. Worldwide	-		-		-	
	<u>FY 2015</u>		<u>FY 2016</u>		<u>FY 2017</u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost*	Cost	Cost*	Cost	Cost*	Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
<u>Funding Requirements</u>						
1. Operations						
a. Management	2,700	378	3,129	388	3,129	388
b. Services	11,456	515	13,015	682	6,199	335
c. Furnishings	3,535	2,795	2,710	3,552	2,043	616
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	17,691	3,688	18,854	4,622	11,371	1,339
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	17,691	3,688	18,854	4,622	11,371	1,339
 2. Utilities	14,136	679	10,681	646	8,599	4,641
Direct Obligations-Utilities	14,136	679	10,681	646	8,599	4,641
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	14,136	679	10,681	646	8,599	4,641
 3. Maintenance						
a. M&R Dwellings	43,796	954	24,421	1,448	18,501	1,149
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	43,796	954	24,421	1,448	18,501	1,149
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	43,796	954	24,421	1,448	18,501	1,149
 Total Direct Obligations	75,624	5,321	53,956	6,716	38,472	7,129
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	75,624	5,321	53,956	6,716	38,472	7,129

NATIONAL SECURITY AGENCY
 Family Housing Operation and Maintenance, Defense-wide
 Fiscal Year (FY) 2017 Budget Estimate

PROGRAM SUMMARY

(Dollars in Thousands)

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	-	-	-
Utilities	509	474	367
Operations	569	781	399
Maintenance	664	1,104	800
Leasing	9,818	10,679	11,044
O&M Subtotal	11,560	13,038	12,610
Total Program	11,560	13,038	12,610

NSA's Family Housing Program provides the housing for NSA (civilian and military) employees working overseas. The majority of housing is leased; the total number of government-owned residential units is 51. This program summary displays a funding profile for the leasing of housing units as well as for the utilities, operations, and maintenance funding required to support the government-owned units.

NATIONAL SECURITY AGENCY
Family Housing Operation and Maintenance , Defense-Wide
Fiscal Year (FY) 2017 Budget Estimate

OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)

<u>A. Inventory Data</u>	<u>FY 2015</u>		<u>FY 2016</u>		<u>FY 2017</u>	
Units in Being Beginning of Year	62		51		51	
Units in Being End of Year	51		51		51	
Average Inventory for Year	57		51		51	
Units Requiring O&M Funding						
a. Conterminous U.S.	-		-		-	
b. U.S. Overseas	-		-		-	
c. Foreign	51		51		51	
d. Worldwide	-		-		-	
	<u>FY 2015</u>		<u>FY 2016</u>		<u>FY 2017</u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost*	Cost	Cost*	Cost	Cost*	Cost
	\$	(\$000)	\$	(\$000)	\$	(\$000)
<u>B. Funding Requirement</u>						
1. Operations						
a. Management						
b. Services	11,235	484	12,765	651	5,941	303
c. Furnishings	3,392	85	2,549	130	1,882	96
d. Miscellaneous			-	-	-	-
Subtotal - Direct Obligations	14,627	569	15,314	781	7,824	399
Anticipated Reimbursement						
Gross Obligations - Operations	14,627	569	15,314	781	7,824	399
2. Utilities - Direct Obligations						
Anticipated Reimbursements	12,922	509	9,294	474	7,196	367
Gross Obligations - Utilities	12,922	509	9,294	474	7,196	367
3. Maintenance						
a. M&R, Dwellings	41,725	664	21,647	1,104	15,686	800
b. M&R, Exterior Utilities						
c. M&R, Other Real Property						
d. Alterations & Additions						
Subtotal - Direct Obligations	41,725	664	21,647	1,104	15,686	800
Anticipated Reimbursements						
Gross Obligations - Maintenance	41,725	664	21,647	1,104	15,686	800
Grand Total, O&M - Direct Obligations	69,275	1,742	46,255	2,359	30,706	1,566
Grand Total, Anticipated Reimbursements						
Grand Total, O&M - Gross Obligations	69,275	1,742	46,255	2,359	30,706	1,566

*Based on total number of government owned units.

Exhibit FH-2 Family Housing O&M

NATIONAL SECURITY AGENCY
Family Housing Operation and Maintenance, Defense-Wide
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OPERATION AND MAINTENANCE

OP-5 Reconciliation of Increases and Decreases

The Operation portion of the family housing program for NSA includes now supports 51 government-owned residential units and includes maintenance, repair and replacement of furnishings; refuse collection and disposal; and administrative support at the installation level of government-owned units. Leasing costs are covered separately.

The Utilities portion of the family housing program for NSA now supports 51 government-owned residential units and includes all utility services such as water, sewage, sewage treatment fees, electricity, natural gas, propane gas, etc.

The Maintenance portion of the family housing program for NSA includes maintenance and repair of buildings and associated utilities systems, and other incidental improvements, including minor alteration a for 51 government-owned residential units.

Furnishings:

1. FY 2016 President's Budget Request	781
2. FY 2016 Appropriated Amount	781
3. FY 2016 Current Estimate	781
4. Program decrease: Due to number of units being vacant.	-382
5. FY 2017 Budget Request	399

Utilities:

1. FY 2016 President's Budget Request	474
2. FY 2016 Appropriated Amount	474
3. FY 2016 Current Estimate	474
4. Program decrease: Due to number of units being vacant.	-107
5. FY 2017 Budget Request	367

Maintenance:

1. FY 2016 President's Budget Request	1,104
2. FY 2016 Appropriated Amount	1,104
3. FY 2016 Current Estimate	1,104
4. Program decrease: Due to number of units being vacant.	-304
5. FY 2017 Budget Request	800

DEFENSE INTELLIGENCE AGENCY
 Family Housing Operation and Maintenance, Defense-Wide
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PROGRAM SUMMARY
 (Dollars in Thousands)

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	-	-	-
Operations	2,690	3,402	500
Utilities	0	0	4,100
Leasing	42,755	41,273	40,984
O&M Subtotal	45,445	44,675	45,584
Reimbursable Program	0	0	0
Total Program	45,445	44,675	45,584

One of the missions of the Defense Intelligence Agency (DIA), in its role as single manager for Department of Defense (DoD) strategic Human Intelligence, is the direction, operations, and support (including housing support) for the Defense Attaché Service (DAS). The Defense Attaché Service is a critical component of Human Intelligence collection capabilities within DoD and is the only component wholly controlled by the DIA. The mission of the DAS is: (1) observe and report military and politico-military information; (2) represent the DoD and the military services; (3) administer military assistance programs and foreign military sales as directed; and (4) advise the U.S. Ambassador on military and politico-military matters. These missions are accomplished through the Defense Attaché Offices, which are organic elements of the U.S. Diplomatic Missions.

As the Single Real Property Manager, the Department of State (DoS) through the embassy Housing Board assigns housing for Attachés and their support staffs at a level of expense and square footage that is equivalent to their DoS and other tenant agency counterparts.

The DIA's Budget Submission for the FY 2017 Family Housing Program funds government leases (of which approximately 200 are high cost leases) at Defense Attaché Offices (DAO) worldwide. These funds provide for all lease costs which include utilities, residential protection services, custodial and fire protection services, furnishings and appliances (including maintenance, repair, and annual assessment fees), and administrative services performed by the Department of State under the International Cooperative Administrative Support Services (ICASS) and Memoranda of Understanding.

DEFENSE INTELLIGENCE AGENCY
 Family Housing Operation and Maintenance, Defense-wide
 Fiscal Year (FY) 2017 Budget Estimate

OPERATION AND MAINTENANCE SUMMARY
 (Excludes Leased Units and Costs)

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
<u>Inventory Data</u>			
Units in Beginning of Year	0	0	0
Units in End of Year	0	0	0
Average Inventory for Year	0	0	0
Units Requiring O&M Funding			
a. Conterminous U.S.	-	-	-
b. U.S. Overseas	-	-	-
c. Foreign	-	-	-
d. Worldwide	0	0	0

Note: All DIA family housing units are leased.

	<u>FY 2015</u>		<u>FY 2016</u>		<u>FY 2017</u>	
	Unit Cost* (\$)	Total Cost (\$000)	Unit Cost* (\$)	Total Cost (\$000)	Unit Cost* (\$)	Total Cost (\$000)
<u>Funding Requirements</u>						
1. Operations						
a. Management	-	-	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	0	2,690	0	3,402	0	500
d. Miscellaneous	0	-	0	-	0	-
Direct Obligations-Operations	0	2,690	0	3,402	0	500
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	0	2,690	0	3,402	0	500
2. Utilities	-	-	-	-	0	4,100
Direct Obligations-Utilities	-	-	-	-	0	4,100
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	-	-	-	0	4,100
3. Maintenance						
a. M&R Dwellings	-	-	-	-	-	-
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	-	-	-	-	-	-
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	-	-	-	-	-
Total Direct Obligations	0	2,690	0	3,402	0	4,600
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	0	2,690	0	3,402	0	4,600

*Based on total number of units requiring Operations funding.

FH-2 Family Housing Operations and Maintenance

DEFENSE INTELLIGENCE AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2017 Budget Estimate

OPERATION AND MAINTENANCE

OP-5 Reconciliation of Increases and Decreases

The Family Housing Operations expenses for DIA furnishings which includes the purchase, transportation, maintenance and repair of furniture and appliances for members of the Defense Attaché System. The program decrease from FY 2016 to FY 2017 is due to the realignment of funds from furnishing of \$2,986,000 to properly reflect and cover utility costs.

<u>Furnishings:</u>	<u>(\$000)</u>
1. FY 2016 President's Budget Request	3,402
2. FY 2016 Appropriated Amount	3,402
3. FY 2016 Current Estimate	3,402
4. Price growth: Inflation and price increase of overseas rents	+84
5. Program decrease: Realigned funds to cover utilities costs	-2,986
6. FY 2017 Budget Request	500

DEFENSE INTELLIGENCE AGENCY
Family Housing Operation and Maintenance, Defense-wide
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OPERATION AND MAINTENANCE

OP-5 Reconciliation of Increases and Decreases

The Family Housing Operations for DIA utilities includes expenses for utilities purchases for members of the Defense Attaché System. The program increase from FY 2016 to FY 2017 is due to the realignment of funds from furnishing of \$2,986,000 and Leasing of \$1,114,000 to properly reflect and cover utility costs.

<u>Utilities</u>	<u>(\$000)</u>
1. FY 2016 President's Budget Request	0
2. FY 2016 Appropriated Amount	0
3. FY 2016 Current Estimate	0
4. Price Growth	0
5. Program Increase: Due to properly reflecting utilities costs	4,100
6. FY 2017 Budget Request	4,100

DEFENSE LOGISTICS AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2017 Budget Estimate

PROGRAM SUMMARY
(Dollars in Thousands)

	<u>FY2015</u>	<u>FY 2016</u>	<u>FY2017</u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Subtotal Construction	-	-	-
Operation	429	439	440
Utilities	170	172	174
Maintenance	290	344	349
Leasing	-	-	
Subtotal O&M	889	955	963
Reimbursable Program	-	-	-
Total Program	889	955	963

At the beginning of FY 2015, the Defense Logistics Agency (DLA) family housing inventory consisted of one hundred and forty (140) units located at the Defense Distribution Depot Susquehanna, Pennsylvania. The 140 units at Susquehanna were built prior to 1960 and the last six units were completely renovated in FY 2010.

In July 2015, DLA demolished two (2) World War II era buildings at Susquehanna, Pennsylvania. The two buildings consisted of sixteen (16) units (eight 3-bedroom & eight 2-bedroom units). This reduced the total number of units from 140 to 124.

The FY 2017 operation and maintenance budget supports the routine operation requirements that include management costs, utility costs, and replacement of household appliances and furniture for the units at the Susquehanna, Pennsylvania location. This request also supports cyclical maintenance requirements that include painting, window and carpet replacement.

DEFENSE LOGISTICS AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2017 Budget Estimate

OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)

	<u>FY 2015</u>		<u>FY 2016</u>		<u>FY 2017</u>	
<u>Inventory Data</u>						
Units in Beginning of Year	140		124		124	
Units at End of Year	124		124		124	
Average Inventory for Year	132		124		124	
Units Requiring O&M Funding						
a. Conterminous U.S.	140		124		124	
b. U.S. Overseas	-		-		-	
c. Foreign	-		-		-	
d. Worldwide	-		-		-	
	<u>FY 2015</u>		<u>FY 2016</u>		<u>FY 2017</u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost	Cost	Cost	Cost	Cost	Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
<u>Funding Requirements</u>						
1. Operation						
a. Management	2,700	378	3,129	388	3,129	388
b. Services	221	31	250	31	258	32
c. Furnishings	143	20	161	20	161	20
d. Miscellaneous	-	-	-	-	-	-
Subtotal-Gross Obligations	3,064	429	3,540	439	3,548	440
Anticipated Reimbursements	-	-	-	-	-	-
Direct Obligations	3,064	429	3,540	439	3,548	440
2. Utilities Operations						
Utilities Operations	1,214	170	1,387	172	1,403	174
Anticipated Reimbursements	-	-	-	-	-	-
Direct Obligations	1,214	170	1,387	172	1,403	174
3. Maintenance						
a. M&R Dwellings	2,071	290	2,774	344	2,815	349
b. M&R Exterior Utilities	0	0	0	0	0	0
c. M&R Other Real						
Property	0	0	0	0	0	0
d. Alterations & Additions	0	0	0	0	0	0
Subtotal-Gross Obligations	2,071	290	2,774	344	2,815	349
Anticipated Reimbursements	-	-	-	-	-	-
Direct Obligations	2,071	290	2,774	344	2,815	349
Total Direct Obligations	6,349	889	7,701	955	7,766	963

FH-2 Family Housing Operations and Maintenance

DEFENSE LOGISTICS AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2017 Budget Estimate

Operation and Maintenance Summary

Management - Includes the costs associated with the administration of the family housing program, and the supplies and equipment required to support the management personnel and operate the housing office.

Management costs remain consistent in FY 2017.

Services – Includes refuse collection and disposal, snow removal, entomological services, street cleaning and custodial services for government-owned family housing units.

The slight increase in services costs in FY 2017 is attributable to price growth inflation.

Furnishings – Includes the procurement of initial issue and replacement of household equipment such as stoves and refrigerators. Also funds the control, moving, and handling of furnishings; and the maintenance and repair of such items.

No change in furnishings costs in FY 2017.

Utilities – Included in this category of costs are electricity, gas, water and sewage requirements.

The slight increase in utility costs in FY 2017 is attributable to price growth inflation. DLA has on-going efforts that will help reach energy efficiency goals outlined in Executive Order 12759. Energy-efficient water heaters have been installed, kitchen appliances have been replaced with new energy-efficient models, and walls and ceilings are being insulated to meet current energy standards. Also, all tenants are issued energy-saving guidelines as an energy awareness tool.

Maintenance – In addition to routine maintenance, this category of costs also supports cyclical maintenance requirements such as floor refinishing and interior and exterior painting.

In FY 2017 maintenance costs include an on-going phased roof replacement project at Susquehanna. The housing units with occupancy levels above 40 percent will be maintained at Q1/Q2 (CI=80 minimum adequacy goal) condition level per DoD requirements. The housing units with occupancy levels below 40 percent will be prepared for demolition.

The slight increase in maintenance costs in FY 2017 is attributable to increased maintenance requirements at Susquehanna.

DEFENSE LOGISTICS AGENCY
Family Housing Operation and Maintenance, Defense-wide
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OPERATION AND MAINTENANCE

OP-5 Reconciliation of Increases and Decreases

	(\$000)
Management:	
1. FY 2016 Budget Request	388
2. FY 2016 Appropriated Amount	0
3. FY 2016 Current Estimate	388
4. Price Growth – Inflation	0
5. FY 2017 Budget Request	388
Services:	
1. FY 2016 Budget Request	31
2. FY 2016 Appropriated Amount	0
3. FY 2016 Current Estimate	31
4. Price Growth - Inflation	1
5. FY 2017 Budget Request	32
Furnishings:	
1. FY 2016 Budget Request	20
2. FY 2016 Appropriated Amount	0
3. FY 2016 Current Estimate	20
4. Program Change	0
5. FY 2017 Budget Request	20
Utilities:	
1. FY 2016 Budget Request	172
2. FY 2016 Appropriated Amount	0
3. FY 2016 Current Estimate	172
4. Price Growth – Inflation	2
5. FY 2017 Budget Request	174
Maintenance:	
1. FY 2016 Budget Request	344
2. FY 2016 Appropriated Amount	0
3. FY 2016 Current Estimate	344
4. Program increase	
a. Increased maintenance requirements at Susquehanna	5
5. FY 2017 Budget Request	349

OP-5 Reconciliation of Increases and Decreases

FAMILY HOUSING, DEFENSE-WIDE
 Family Housing Operation and Maintenance, Defense-wide
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LEASING SUMMARY

The FY 2017 leasing request by agency is as follows:

	<u>FY 2015</u>		<u>FY 2016</u>		<u>FY 2017</u>	
	<u>Actual</u>		<u>Estimate</u>		<u>Request</u>	
	Total Cost (\$000)	No Units	Total Cost (\$000)	No Units	Total Cost (\$000)	No Units
<u>National Security Agency</u>						
Direct Obligations	9,818	261	10,679	256	11,044	263
Reimbursements						
Gross Obligations	9,818	261	10,679	256	11,044	263
<u>Defense Intelligence Agency</u>						
Direct Obligations	42,755	639	41,273	635	40,984	635
Reimbursements						
Gross Obligations	42,755	639	41,273	635	40,984	635
Total Program	52,573	900	51,952	891	52,028	898

Defense Agencies leases are located exclusively overseas, in many cases at remote locations where housing comparable to western standards is scarce or nonexistent. Leasing in areas where suitable housing is in short supply is very expensive which accounts for the fact that the bulk of the high cost leases are concentrated in the Defense Agencies. These lease units support both activities in classified locations and the Defense Attaché System. Host government restrictions, security requirements, and safety and health improvements add additional costs to these leases in many locations. Detailed justification by agency is provided on the following pages.

NATIONAL SECURITY AGENCY
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OPERATION AND MAINTENANCE
Analysis of Leased Units

<u>Location</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2015</u>		<u>Units</u> <u>Auth.</u>	<u>FY 2016</u>		<u>Units</u> <u>Auth.</u>	<u>FY 2017</u>	
		<u>Lease</u> <u>Months</u>	<u>Cost</u> <u>(\$000)</u>		<u>Lease</u> <u>Months</u>	<u>Cost</u> <u>(\$000)</u>		<u>Lease</u> <u>Months</u>	<u>Cost</u> <u>(\$000)</u>
Domestic Leases									
None									
Foreign Leases									
Standard	46	556	1,671	30	360	1,198	3	36	120
Special Crypto Activities	215	2,580	8,147	226	2,712	9,481	260	3,120	10,924
Total Foreign Lease	261	3,136	9,818	256	3,072	10,679	263	3,156	11,044
Grand Total	261	3,136	9,818	256	3,072	10,679	263	3,156	11,044

Exhibit FH-4 Analysis of Leased Units

NATIONAL SECURITY AGENCY
Family Housing Operation and Maintenance, Defense-Wide
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OPERATION AND MAINTENANCE
Leasing

OP-5 Reconciliation of Increases and Decreases

(\$000)

Leasing:

1. FY 2016 President's Budget Request	10,679
2. FY 2016 Appropriated Amount	10,679
3. FY 2016 Current Estimate	10,679
4. Program increase: Number of Special Crypto Activity units increase; ICASS costs added	365
5. FY 2017 Budget Request	11,044

DEFENSE INTELLIGENCE AGENCY
 Family Housing Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2017 Budget Estimates

OPERATION AND MAINTENANCE
Analysis of Leased Units

<u>Location</u>	<u>FY 2015</u>			<u>FY 2016</u>			<u>FY 2017</u>		
	<u>Units Auth.</u>	<u>Lease Months</u>	<u>Cost (\$000)</u>	<u>Units Auth.</u>	<u>Lease Months</u>	<u>Cost (\$000)</u>	<u>Units Auth.</u>	<u>Lease Months</u>	<u>Cost (\$000)</u>
Domestic Leases									
None									
Foreign Leases									
Classified Locations*	639	7,668	42,755	635	7,620	41,273	635	7,620	40,984
Reimbursable									
Total Foreign Leases	639	7,668	42,755	635	7,620	41,273	635	7,620	40,984
Grand Total	639	7,668	42,755	635	7,620	41,273	635	7,620	40,984

*Due to the sensitive nature of this information, country detail, to include lease months, can be provided to the committee through channels. Residential leases for accompanied personnel at approximately 133 locations worldwide.

DEFENSE INTELLIGENCE AGENCY
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OPERATION AND MAINTENANCE
Leasing

OP-5 Reconciliation of Increases and Decreases

An important element of DIA's mission is the operation and management of the Defense Attaché System (DAS) for the Defense Attaché Offices (DAOs) located at U.S. embassies in capital cities around the world. The FY 2017 budget request for DIA includes funding associated with ICASS and leases costs for the DAS worldwide which include many in high cost areas worldwide.

<u>Leases</u>	<u>(\$000)</u>
1. FY 2016 President's Budget Request	41,273
2. FY 2016 Appropriated Amount	41,273
3. FY 2016 Current Estimate	41,273
4. Price Growth: Inflation	825
5. Program Decrease: Realigned funds to cover utilities costs	-1,114
6. FY 2017 Budget Request	40,984

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FAMILY HOUSING, DEFENSE-WIDE
Fiscal Year (FY) 2017 Budget Estimate

DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND

The FY 2017 Department of Defense (DoD) Family Housing Improvement Fund (FHIF) Administrative (Admin) request is \$3,258,000 to support administration of the Military Housing Privatization Initiative (MHPI) Program as prescribed by the Federal Credit Reform Act of 1990.

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FAMILY HOUSING, DEFENSE-WIDE

Fiscal Year (FY) 2017 Budget Estimate

DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND

PROGRAM SUMMARY

(Dollars in Thousands)

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Total Program/Appropriation	1,662	0	3,258

Program and Scope

Department of Defense (DoD) has privatized approximately 206,000 family housing units on 163 installations in the United States through 83 deals executed under the Military Housing Privatization Initiative (MHPI), a federal credit program authorized by Congress in 1996, entering legal agreements that transfer ownership, maintenance, and operations of on-base housing to private partners/developers via long-term, typically 45 to 50 –year ground leases. Through the MHPI, the Department has eliminated more than 141,000 inadequate homes and an associated \$30 billion maintenance backlog.

DoD relies on Family Housing Improvement Funds (FHIF) to accomplish MHPI oversight and administration consistent with OMB Circular A-129, Policies for Federal Credit Programs and Non-Tax Receivables. In particular, the requested funds are necessary for Office of the Assistant Secretary of Defense (OASD) Energy, Installations & Environment’s (EI&E) realty advisory consultant support, which is vital for protecting the Government’s interest in the MHPI program and the quality housing it affords military families, and for continued financial support and accounting of MHPI program funds.

Program Summary

Congress authorized the MHPI in 1996 as a tool to help the DoD address the inadequate condition of on-base family housing in the United States, as well as the shortage of quality, affordable community housing available to service members and their families. Under the MHPI authorities, the Military Departments select private developers to enter into agreements to own, maintain and operate housing via a long-term (typically 45 to 50-year) ground lease; and leverage private sector financing, expertise and innovation to revitalize and build new, quality on-base housing faster and more efficiently than traditional Military Construction processes could allow. Privatized housing deals take advantage of MHPI credit authorities (e.g., Federal direct loans, limited loan guarantees), necessitating continued and long-term DoD oversight and monitoring of the financial health (e.g., risk of loan default or financial restructuring) of each of the 83 MHPI deals, to include periodic modifications dependent on military force structure and local housing market changes.

The FY 2017 FHIF budget request will fund continued realty advisory/financial consultant support, as well as continued funding of financial and accounting support related to oversight of 83 financially complex MHPI deals (e.g., deal debt structures frequently involve the bond market and credit swaps).

DEPARTMENT OF DEFENSE

FAMILY HOUSING IMPROVEMENT FUND

Fiscal Year (FY) 2017 Budget Estimate

Reconciliation of Increases and Decreases

Due to sufficient prior year balances to cover OASD(EI&E)'s projected FY 2016 Military Housing Privatization Initiative (MHPI) program oversight costs, there was no budget request submitted in the FY 2016 President's Budget. However, historically Family Housing Improvement Funds (FHIF) appropriations have been requested/required for support since the inception of the MHPI program. With no anticipated prior year balances, FY 2017 FHIF funding of \$3.258 million is needed to cover the Department's ongoing and continued program oversight of the MHPI consistent with OMB Circulars A-11 and A-129, to include associated OASD(EI&E) realty/financial advisory consultant support.

	<u>(\$000)</u>
1. FY 2016 President's Budget Request	0.0
2. FY 2016 Appropriated Amount	0.0
3. FY 2016 Current Estimate	0.0
4. Price Growth:	-
5. Program Increase: (Due to MHPI continued program support)	3,258
6. FY 2017 Budget Request	3,258