

**FAMILY HOUSING, DEFENSE-WIDE**  
Fiscal Year (FY) 2022 Budget Estimates

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**FAMILY HOUSING, DEFENSE-WIDE**  
Fiscal Year (FY) 2022 Budget Estimates

**PROGRAM SUMMARY**  
(Dollars in Thousands)

	<u>(\$000)</u>
FY 2022 Budget Request	56,360
FY 2021 Program Budget	61,225

	<u>DIA</u>	<u>DLA</u>	<u>NSA</u>	<u>OASD (EI&amp;E)</u>	<u>FY 2022 TOTAL</u>
<b><u>Family Housing Construction</u></b>					
New Construction	-	-	-	-	-
Improvements	-	-	-	-	-
Planning and Design	-	-	-	-	-
<b>Construction Subtotal</b>	-	-	-	-	-
<b><u>Family Housing Operation &amp; Maintenance (O&amp;M)</u></b>					
Utilities	4,166	-	14	-	4,180
<u>Operations:</u>					
Furnishings	656	-	83	-	739
Management	-	-	-	-	-
Services	-	-	-	-	-
Total Operations	656	-	83	-	739
Maintenance	-	-	49	-	49
Leasing	31,430	-	13,387	-	44,817
<b>O&amp;M Subtotal</b>	<b>36,252</b>	-	<b>13,533</b>	-	<b>49,785</b>
<b><u>Family Housing Improvement Fund (FHIF)</u></b>					
FHIF Administrative	-	-	-	6,081	<b>6,081</b>
<b><u>Military Unaccompanied Housing Improvement Fund (MUHIF)</u></b>					
MUHIF Administrative	-	-	-	494	<b>494</b>
<b>Total FH DW Programs</b>	<b>36,252</b>	-	<b>13,533</b>	<b>6,575</b>	<b>56,360</b>

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**FAMILY HOUSING, DEFENSE-WIDE**  
Fiscal Year (FY) 2022 Budget Estimates

**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, \$49,785,000.

**DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND**

For the Department of Defense Family Housing Improvement Fund, \$6,081,000, 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.

**DEPARTMENT OF DEFENSE MILITARY UNACCOMPANIED HOUSING  
IMPROVEMENT FUND**

For the Department of Defense Military Unaccompanied Housing Improvement Fund, \$494,000 to remain available until expended, for unaccompanied housing initiatives undertaken pursuant to section 2883 of Title 10, United States Code, providing alternative means of acquiring and improving military unaccompanied housing.

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**FAMILY HOUSING, DEFENSE-WIDE**  
Fiscal Year (FY) 2022 Budget Estimates

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

The FY 2022 Family Housing Operation and Maintenance, Defense-Wide request is \$4,968,000 (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.

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# FAMILY HOUSING, DEFENSE-WIDE

Fiscal Year (FY) 2022 Budget Estimates

## FAMILY HOUSING OPERATION AND MAINTENANCE SUMMARY

(Excludes Leased Units and Costs)

A. <u>Inventory Data</u>	<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
Units in Being Beginning of Year	22		1		1	
Units in Being End of Year	1		1		1	
Average Inventory for Year	12		1		1	
Units Requiring O&M Funding						
a. Conterminous U.S.	-		-		-	
b. U.S. Overseas	-		-		-	
c. Foreign	22		1		1	
d. Worldwide	-		-		-	
	<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost	Cost	Cost	Cost	Cost	Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
B. <u>Funding Requirements</u>						
1. Operations						
a. Management	-	-	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	3,727	727	82,000	727	83,000	739
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	3,727	727	82,000	727	83,000	739
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	3,727	727	82,000	727	83,000	739
2. Utilities						
Direct Obligations-Utilities	591	4,205	13,000	4,113	14,000	4,180
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	591	4,205	13,000	4,113	14,000	4,180
3. Maintenance						
a. M&R Dwellings	682	15	32,000	32	49,000	49
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	682	15	32,000	32	49,000	49
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	682	15	32,000	32	49,000	49
<b>Total Direct Obligations</b>	<b>5,000</b>	<b>4,947</b>	<b>127,000</b>	<b>4,872</b>	<b>146,000</b>	<b>4,968</b>
Anticipated Reimbursements	-	-	-	-	-	-
<b>Total Gross Obligations</b>	<b>5,000</b>	<b>4,947</b>	<b>127,000</b>	<b>4,872</b>	<b>146,000</b>	<b>4,968</b>

Exhibit FH-2 Family Housing O&M

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**NATIONAL SECURITY AGENCY**  
Family Housing Operation and Maintenance, Defense-wide  
Fiscal Year (FY) 2022 Budget Estimates

**PROGRAM SUMMARY**  
(Dollars in Thousands)

	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2022</u></b>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	-	-	-
Utilities	13	13	14
Operations	82	82	83
Maintenance	15	32	49
Leasing	11,710	12,996	13,387
O&M Subtotal	11,820	13,123	13,533
Reimbursable	-	-	-
<b>Total Program</b>	<b>11,820</b>	<b>13,123</b>	<b>13,533</b>

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 stay consistent of 1 unit from the beginning to the end of FY 2022. This program summary displays a funding profile for the leasing of housing units as well as expenses for the government-owned unit, to include utilities, operations, and maintenance funding.

**NATIONAL SECURITY AGENCY**  
Family Housing Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2022 Budget Estimates

**OPERATION AND MAINTENANCE SUMMARY**  
(Excludes Leased Units and Costs)

<u>A. Inventory Data</u>	<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
Units in Being Beginning of Year	22		1		1	
Units in Being End of Year	1		1		1	
Average Inventory for Year	12		1		1	
Units Requiring O&M Funding						
a. Conterminous U.S.	-		-		-	
b. U.S. Overseas	-		-		-	
c. Foreign	22		1		1	
d. Worldwide	-		-		-	
	<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Unit Cost (\$)	Total Cost (\$000)	Unit Cost (\$)	Total Cost (\$000)	Unit Cost (\$)	Total Cost (\$000)
<b><u>B. Funding Requirements</u></b>						
1. <u>Operations</u>						
a. Management	-	-	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	3,727	82	82,000	82	83,000	83
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	3,727	82	82,000	82	83,000	83
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	3,727	82	82,000	82	83,000	83
2. <u>Utilities</u>						
Direct Obligations-Utilities	591	13	13,000	13	14,000	14
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	591	13	13,000	13	14,000	14
3. <u>Maintenance</u>						
a. M&R Dwellings	682	15	32,000	32	49,000	49
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	682	15	32,000	32	49,000	49
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	682	15	32,000	32	49,000	49
<b>Total Direct Obligations</b>	<b>5,000</b>	<b>110</b>	<b>127,000</b>	<b>127</b>	<b>146,000</b>	<b>146</b>
Anticipated Reimbursements	-	-	-	-	-	-
<b>Total Gross Obligations</b>	<b>5,000</b>	<b>110</b>	<b>127,000</b>	<b>127</b>	<b>146,000</b>	<b>146</b>

Exhibit FH-2 Family Housing O&M

**NATIONAL SECURITY AGENCY**  
Family Housing Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2022 Budget Estimates

**OPERATION AND MAINTENANCE**

OP-5 Reconciliation of Increases and Decreases

**Operations:** Supports residential unit maintenance, repair, and replacement of furnishings, and administrative support at the installation level.

**Utilities:** Supports residential unit utility services such as water, sewage, sewage treatment fees, electricity, natural gas, propane gas, etc.

**Maintenance:** Supports residential unit maintenance and repair, associated utility systems, minor alterations, and other incidental improvements.

<b><u>Operations-Furnishings:</u></b>	<b><u>(\$000)</u></b>
<b>1. FY 2021 President's Budget Request</b>	<b>82</b>
2. FY 2021 Appropriated Amount	82
3. FY 2021 Current Estimate	82
4. Price Change	+2
5. Program Decrease: Unit furnishing requirements are expected to remain stable in FY 2022.	-1
<b>6. FY 2022 Budget Request</b>	<b>83</b>

<b><u>Utilities:</u></b>	<b><u>(\$000)</u></b>
<b>1. FY 2021 President's Budget Request</b>	<b>13</b>
2. FY 2021 Appropriated Amount	13
3. FY 2021 Current Estimate	13
4. Price Change	0
5. Program Increase: Unit utility requirements are expected to remain stable in FY 2022.	1
<b>6. FY 2022 Budget Request</b>	<b>14</b>

<b><u>Maintenance:</u></b>	<b><u>(\$000)</u></b>
<b>1. FY 2021 President's Budget Request</b>	<b>32</b>
2. FY 2021 Appropriated Amount	32
3. FY 2021 Current Estimate	32
4. Price Change	1
5. Program Increase: Unit maintenance requirements include additional painting and new flooring.	16
<b>6. FY 2022 Budget Request</b>	<b>49</b>

OP-5 Reconciliation of Increases and Decreases

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**DEFENSE INTELLIGENCE AGENCY**  
Family Housing Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2022 Budget Estimates

**PROGRAM SUMMARY**  
(Dollars in Thousands)

	<u><b>FY 2020</b></u>	<u><b>FY 2021</b></u>	<u><b>FY 2022</b></u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	-	-	-
Operations	645	645	656
Utilities	4,192	4,100	4,166
Maintenance	-	-	-
Leasing	38,852	36,860	31,430
O&M Subtotal	43,967	41,605	36,252
Reimbursable	-	-	-
<b>Total Program</b>	<b>43,689</b>	<b>41,605</b>	<b>36,252</b>

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 DAS 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 (DAO), 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 2022 Family Housing Program funds government leases (of which approximately 210 are high cost leases) at DAOs 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) 2022 Budget Estimates

**OPERATION AND MAINTENANCE SUMMARY**  
(Excludes Leased Units and Costs)

<u>A. Inventory Data</u>	<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
Units in Being Beginning of Year	-		-		-	
Units in Being End of Year	-		-		-	
Average Inventory for Year	-		-		-	
Units Requiring O&M Funding						
a. Conterminous U.S.	-		-		-	
b. U.S. Overseas	-		-		-	
c. Foreign	-		-		-	
d. Worldwide	-		-		-	
	<u>FY 2020</u>		<u>FY 2021</u>		<u>FY 2022</u>	
	Unit Cost (\$)	Total Cost (\$000)	Unit Cost (\$)	Total Cost (\$000)	Unit Cost (\$)	Total Cost (\$000)
<u>B. Funding Requirements</u>						
1. Operations						
a. Management	-	-	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	-	645	-	645	-	656
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	-	645	-	645	-	656
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	645	-	645	-	656
2. Utilities						
Direct Obligations-Utilities	-	4,192	-	4,100	-	4,166
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	4,192	-	4,100	-	4,166
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	-	-	-	-	-	-
<b>Total Direct Obligations</b>	-	<b>4,837</b>	-	<b>4,745</b>	-	<b>4,822</b>
Anticipated Reimbursements	-	-	-	-	-	-
<b>Total Gross Obligations</b>	-	<b>4,837</b>	-	<b>4,745</b>	-	<b>4,822</b>

FH-2 Family Housing Operations and Maintenance



**DEFENSE INTELLIGENCE AGENCY**  
Family Housing Operation and Maintenance, Defense-wide  
Fiscal Year (FY) 2022 Budget Estimates

**OPERATION AND MAINTENANCE**

OP-5 Reconciliation of Increases and Decreases

**Operations:** The Family Housing Operations expenses for DIA furnishings includes the purchase, transportation, maintenance and repair of furniture and appliances for members of the DAS.

**Utilities:** The Family Housing Operations expenses for DIA utilities includes utility purchases for members of the DAS.

<b><u>Operations-Furnishings:</u></b>	<b><u>(\$000)</u></b>
<b>1. FY 2021 President's Budget Request</b>	<b>645</b>
2. FY 2021 Appropriated Amount	645
3. FY 2021 Current Estimate	645
4. Price Change	+13
5. Program Decrease: Slower life-cycle replacement of furniture because of longer durability than expected.	-2
<b>6. FY 2022 Budget Request</b>	<b>656</b>

<b><u>Utilities:</u></b>	<b><u>(\$000)</u></b>
<b>1. FY 2021 President's Budget Request</b>	<b>4,100</b>
2. FY 2021 Appropriated Amount	4,100
3. FY 2021 Current Estimate	4,100
4. Price Change	+82
5. Program Decrease: Supports lower projected costs. Utility demand and pricing for the DAS are projected to remain stable.	-16
<b>6. FY 2022 Budget Request</b>	<b>4,166</b>

OP-5 Reconciliation of Increases and Decreases

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**FAMILY HOUSING, DEFENSE-WIDE**  
Family Housing Operation and Maintenance, Defense-wide  
Fiscal Year (FY) 2022 Budget Estimates

**LEASING SUMMARY**

The FY 2022 leasing request by agency is as follows:

	<b>FY 2020</b>		<b>FY 2021</b>		<b>FY 2022</b>	
	<b><u>Actual</u></b>		<b><u>Estimate</u></b>		<b><u>Request</u></b>	
	Total Cost (\$000)	No Units	Total Cost (\$000)	No Units	Total Cost (\$000)	No Units
<b><u>National Security Agency</u></b>						
Direct Obligations	11,710	255	12,996	255	13,387	263
Reimbursements	-	-	-	-	-	-
Gross Obligations	11,710	255	12,996	255	13,387	263
<b><u>Defense Intelligence Agency</u></b>						
Direct Obligations	38,852	732	36,860	712	31,430	712
Reimbursements	-	-	-	-	-	-
Gross Obligations	38,852	732	36,860	712	31,430	712
<b>Total Program</b>	<b>50,562</b>	<b>987</b>	<b>49,856</b>	<b>967</b>	<b>44,817</b>	<b>975</b>

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 DAS. 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.

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**NATIONAL SECURITY AGENCY**  
Family Housing Operation and Maintenance, Defense-wide  
Fiscal Year (FY) 2022 Budget Estimates

**OPERATION AND MAINTENANCE**  
**Analysis of Leased Units**

<u>Location</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2020</u> Lease <u>Months</u>	<u>Cost</u> <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2021</u> Lease <u>Months</u>	<u>Cost</u> <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2022</u> Lease <u>Months</u>	<u>Cost</u> <u>(\$000)</u>
<b>Domestic Leases</b>									
None									
<b>Foreign Leases</b>									
Special Crypto Activities	255	3,060	11,710	255	3,060	12,996	263	3,156	13,387
Total Foreign Lease	255	3,060	11,710	255	3,060	12,996	263	3,156	13,387
<b>Grand Total</b>	<b>255</b>	<b>3,060</b>	<b>11,710</b>	<b>255</b>	<b>3,060</b>	<b>12,996</b>	<b>263</b>	<b>3,156</b>	<b>13,387</b>

Exhibit FH-4 Analysis of Leased Units

**NATIONAL SECURITY AGENCY**  
Family Housing Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2022 Budget Estimates

**OPERATION AND MAINTENANCE**  
**Leasing**

OP-5 Reconciliation of Increases and Decreases

**Leasing:** NSA's Budget Submission for the FY 2022 Family Housing Program funds government leases. These funds provide for all lease costs to include utilities, maintenance, and operations cost, and administrative and support services performed by the Department of State under the International Cooperative Administrative Support Services (ICASS).

<b><u>Leasing:</u></b>	<b><u>(\$000)</u></b>
<b>1. FY 2021 President's Budget Request</b>	<b>12,996</b>
2. FY 2021 Appropriated Amount	12,996
3. FY 2021 Current Estimate	12,996
4. Price Change	+260
5. Program Increase: Increase in leasing costs associated with supporting additional personnel in Europe.	+131
<b>6. FY 2022 Budget Request</b>	<b>13,387</b>

OP-5 Reconciliation of Increases and Decreases

**DEFENSE INTELLIGENCE AGENCY**  
Family Housing Operation and Maintenance, Defense-wide  
Fiscal Year (FY) 2022 Budget Estimates

**OPERATION AND MAINTENANCE**  
**Analysis of Leased Units**

<u>Location</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2020</u> <u>Lease</u> <u>Months</u>	<u>Cost</u> <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2021</u> <u>Lease</u> <u>Months</u>	<u>Cost</u> <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2022</u> <u>Lease</u> <u>Months</u>	<u>Cost</u> <u>(\$000)</u>
<b>Domestic Leases</b>									
None									
<b>Foreign Leases</b>									
Classified Locations*	732	8,784	38,852	712	8,544	36,860	712	8,544	31,430
Total Foreign Lease	732	8,784	38,852	712	8,544	36,860	712	8,544	31,430
<b>Grand Total</b>	<b>732</b>	<b>8,784</b>	<b>38,852</b>	<b>712</b>	<b>8,544</b>	<b>36,860</b>	<b>712</b>	<b>8,544</b>	<b>31,430</b>

\*Due to sensitive nature of this information, country detail, to include lease months, can be provided to the committee through channels.

Exhibit FH-4 Analysis of Leased Units

**DEFENSE INTELLIGENCE AGENCY**  
Family Housing Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2022 Budget Estimates

**OPERATION AND MAINTENANCE**  
**Leasing**

OP-5 Reconciliation of Increases and Decreases

**Leasing:** An important element of DIA's mission is the operation and management of the DAS for the DAOs located at U.S. embassies in capital cities around the world. The FY 2022 budget request for DIA includes funding associated with ICASS and leases costs for the DAS worldwide which include many in high cost areas worldwide.

<b><u>Leasing:</u></b>	<b><u>(\$000)</u></b>
<b>1. FY 2021 President's Budget Request</b>	<b>36,860</b>
2. FY 2021 Appropriated Amount	36,860
3. FY 2021 Current Estimate	36,860
4. Price Change	+737
5. Program Decrease: This decrease was prompted by a careful program review of DAS staff worldwide and their associated family housing leasing costs. The funds requested in this budget only support those costs incurred by family housing leasing and do not include any additional ICASS costs.	-6,167
<b>6. FY 2022 Budget Request</b>	<b>31,430</b>

OP-5 Reconciliation of Increases and Decreases



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**DEPARTMENT OF DEFENSE**  
**FAMILY HOUSING IMPROVEMENT FUND**  
Fiscal Year (FY) 2022 Budget Estimates

The FY 2022 Department of Defense (DoD) Family Housing Improvement Fund (FHIF) Administrative request is \$6,081,000 to support administration of privatized family housing under the Military Housing Privatization Initiative (MHPI) Program as prescribed by the Federal Credit Reform Act of 1990.

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**DEPARTMENT OF DEFENSE  
FAMILY HOUSING IMPROVEMENT FUND**  
Fiscal Year (FY) 2022 Budget Estimates

**PROGRAM SUMMARY**  
(Dollars in Thousands)

	<u><b>FY 2020</b></u>	<u><b>FY 2021</b></u>	<u><b>FY 2022</b></u>
<b>FY 2022 Budget Request</b>	<b>2,551</b>	<b>5,897</b>	<b>6,081</b>

**Program and Scope**

DoD has privatized 99 percent (more than 200,000 units) of its family housing inventory in the United States, with 79 projects executed under the MHPI, a federal credit program authorized by Congress in 1996. Under the MHPI, Military Departments conveyed their existing government family housing units to competitively selected privatization entities (i.e., the MHPI projects). The MHPI housing projects operate under long-term (typically 50-year) ground leases and associated legal agreements with a Military Department, with one 25-year option period. In return, the MHPI housing projects assumed responsibility for operation, maintenance, repair, construction, and replacement of the housing during the lease term, in accordance with the MHPI authorities as defined in Title 10, United States Code. Through the MHPI, DoD has achieved \$32 billion in private development by leveraging just \$4 billion in DoD investment. The resulting development rapidly eliminated nearly 142,000 inadequate homes and an associated \$20 billion maintenance backlog.

DoD relies on the FHIF to accomplish MHPI family housing oversight and administration consistent with statutory requirements, congressional direction (e.g., the extensive new requirements set out in the Fiscal Year 2020 National Defense Authorization Act (NDAA) (Public Law 116-92)), and OMB Circular A-129, Policies for Federal Credit Programs and Non-Tax Receivables. In particular, the requested funds are necessary for the Office of the Assistant Secretary of Defense for Sustainment (OASD (Sustainment)) MHPI realty / financial advisory and associated consultant support, which is vital for protecting the Government's interest in the MHPI program and the quality of family housing it affords military families, and includes financial support and accounting of the MHPI FHIF program funds. The requested funds are also critical for the execution of the statutorily defined Chief Housing Officer duties assumed by the ASD (Sustainment).

**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, operate, maintain and repair family housing or unaccompanied housing, including temporary lodging, in accordance with a long-term (typically 50-year) ground lease and associated legal agreements; 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 the 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

**DEPARTMENT OF DEFENSE**  
**FAMILY HOUSING IMPROVEMENT FUND**  
Fiscal Year (FY) 2022 Budget Estimates

of loan default or financial restructuring) of each of the 79 family housing MHPI projects (as well as the 8 unaccompanied housing / temporary lodging MHPI projects), to include periodic modifications dependent on military force structure, local housing market changes, or the need to aid in housing recovery following a disaster.

The FY 2022 FHIF budget maintains the Department's commitment to its oversight role and supports our continued, long-term need for enhanced realty / financial advisory and associated consultant support. This support includes the monitoring of the financial health, financing, and accounting aspects of 79 financially complex MHPI family housing projects deal structures (e.g., project debt structures frequently involve the bond market and credit swaps).

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FAMILY HOUSING IMPROVEMENT FUND**  
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Reconciliation of Increases and Decreases

The FHIF budget request of \$6,081 million will fund enhanced oversight of family housing privatized under the MHPI program, to include realty / financial advisory and associated consultant support to the ASD (Sustainment).

	<b><u>(\$000)</u></b>
<b>1. FY 2021 President's Budget Request</b>	<b>5,897</b>
2. Price Change	+118
3. Program Increase: Increases funding for the Department's oversight of MHPI family housing projects and execution of the statutorily defined responsibilities of the Chief Housing Officer, in support of the requirements set out in the FY 2020 and FY 2021 National Defense Authorization Acts.	+66
<b>4. FY 2022 Budget Request</b>	<b>6,081</b>

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**DEPARTMENT OF DEFENSE**  
**MILITARY UNACCOMPANIED HOUSING IMPROVEMENT FUND**  
Fiscal Year (FY) 2022 Budget Estimates

The FY 2022 Department of Defense (DoD) Military Unaccompanied Housing Improvement Fund (MUHIF) Administrative request is \$494,000 to support enhanced oversight of unaccompanied housing (including temporary lodging) privatized under the MHPI Program as prescribed by the Federal Credit Reform Act of 1990.

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**DEPARTMENT OF DEFENSE**  
**MILITARY UNACCOMPANIED HOUSING IMPROVEMENT FUND**  
Fiscal Year (FY) 2022 Budget Estimates

**PROGRAM SUMMARY**  
(Dollars in Thousands)

	<u><b>FY 2020</b></u>	<u><b>FY 2021</b></u>	<u><b>FY 2022</b></u>
<b>FY 2022 Budget Request</b>	<b>0</b>	<b>600</b>	<b>494</b>

**Program and Scope**

DoD has privatized select unaccompanied housing units and temporary lodging (i.e., hotel) rooms on military installations in the United States under the MHPI, a federal credit program authorized by Congress in 1996, entering legal agreements that transferred ownership, maintenance, and operations of these housing assets to private partners/developers via long-term (typically 45 to 50-year) ground leases (with 25-year option periods).

The MUHIF will be used to accomplish oversight, assessment, and administration of current and future unaccompanied housing (including temporary lodging) privatized under the MHPI, consistent with statutory requirements, congressional direction (e.g., the extensive new requirements set out in the Fiscal Year 2020 NDAA (Public Law 116-92)), and OMB Circular A-129, Policies for Federal Credit Programs and Non-Tax Receivables. In particular, the requested funds are necessary for ASD (Sustainment) realty / financial advisory and associated consultant support, which is vital for protecting the Government's interest in the MHPI program and the quality of unaccompanied housing it affords military families, to include financial support and accounting of MUHIF program funds. The requested funds are also critical for the execution of the statutorily defined Chief Housing Officer duties assumed by the ASD (Sustainment).

**Program Summary**

Congress authorized the MHPI in 1996 as a tool to help the DoD address the inadequate condition of on-base 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, operate, maintain and repair family housing or unaccompanied housing, including temporary lodging, in accordance with a long-term (typically 50-year) ground lease and associated legal agreements; 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 7 unaccompanied housing MHPI projects and 1 temporary lodging MHPI project (as well as the 79 family housing MHPI projects), to include periodic modifications dependent on military force structure, local housing market changes, or the need to aid in housing recovery following a natural disaster.

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**MILITARY UNACCOMPANIED HOUSING IMPROVEMENT FUND**  
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The FY 2022 MUHIF budget request recommitts the Department to its oversight role and supports our need for enhanced realty / financial advisory and associated consultant support. This support includes the monitoring of the financial and accounting aspects of 8 financially complex MHPI unaccompanied housing / temporary lodging project deal structures (e.g., project debt structures frequently involve the bond market and credit swaps).

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**MILITARY UNACCOMPANIED HOUSING IMPROVEMENT FUND**  
Fiscal Year (FY) 2022 Budget Estimates

Reconciliation of Increases and Decreases

The MUHIF budget request will fund enhanced oversight of unaccompanied housing (including temporary lodging) privatized under the MHPI program, to include realty / financial advisory and associated consultant support to the ASD (Sustainment).

	<b><u>(\$000)</u></b>
<b>1. FY 2021 President's Budget Request</b>	<b>600</b>
2. Price Change	+12
3. Program Decrease: Decreased funding after a careful review of program execution and current requirements. Maintains the Department's commitment to the oversight of unaccompanied housing and temporary lodging privatized under the MHPI program.	-118
<b>4. FY 2022 Budget Request</b>	<b>494</b>

OP-5 Reconciliation of Increases and Decreases

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