

**FAMILY HOUSING, DEFENSE-WIDE**  
Fiscal Year (FY) 2018 Budget Estimate

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**FAMILY HOUSING, DEFENSE-WIDE**  
Fiscal Year (FY) 2018 Budget Estimate

**PROGRAM SUMMARY**  
(Dollars in Thousands)

	<u>(\$000)</u>
FY 2018 Budget Request	61,895
FY 2017 Program Budget	62,415

	<u>DIA</u>	<u>DLA</u>	<u>NSA</u>	<u>OASD (EI&amp;E)</u>	<u>FY 2018 TOTAL</u>
<b><u>Family Housing Construction</u></b>					
New Construction	-	-	-	-	-
Improvements	-	-	-	-	-
Planning and Design	-	-	-	-	-
<b>Construction Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Family Housing Operation &amp; Maintenance (O&amp;M)</u></b>					
Utilities	4,100	86	268	-	4,454
<u>Operations:</u>					
Furnishings	641	6	407	-	1,054
Management	-	319	-	-	319
Services	-	14	-	-	14
Total Operations	641	339	407	-	1,387
Maintenance	-	567	655	-	1,222
Leasing	39,716	-	12,390	-	52,106
<b>O&amp;M Subtotal</b>	<b>44,457</b>	<b>992</b>	<b>13,720</b>	<b>-</b>	<b>59,169</b>
<b><u>Family Housing Improvement Fund (FHIF)</u></b>					
FHIF Administrative	-	-	-	2,726	<b>2,726</b>
<b>Total FH DW Programs</b>	<b>44,457</b>	<b>992</b>	<b>13,720</b>	<b>2,726</b>	<b>61,895</b>

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**FAMILY HOUSING, DEFENSE-WIDE**

Fiscal Year (FY) 201/ 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, \$59,169,000.

**DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND**

For the Department of Defense Family Housing Improvement Fund, \$2,726,000, 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**  
Fiscal Year (FY) 2018 Budget Estimate

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

The FY 2017 Family Housing Operation and Maintenance, Defense-Wide request is \$7,063,000 (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) 2018 Budget Estimate

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

	<u><b>FY 2016</b></u>	<u><b>FY 2017</b></u>	<u><b>FY 2018</b></u>			
<u>Inventory Data</u>						
Units in Beginning of Year	175	154	148			
Units in End of Year	175	154	116			
Average Inventory for Year	175	154	140			
Units Requiring O&M Funding						
a. Conterminous U.S.	124	124	124			
b. U.S. Overseas	-	-	-			
c. Foreign	51	30	24			
d. Worldwide	-	-	-			
	<u><b>FY 2016</b></u>		<u><b>FY 2017</b></u>		<u><b>FY 2018</b></u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost	Cost	Cost	Cost	Cost	Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
<u>Funding Requirements</u>						
1. Operations						
a. Management	2,602	323	3,129	388	2,572	319
b. Services	250	31	258	32	113	14
c. Furnishings	9,847	3,916	13,461	919	17,006	1,054
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	12,702	4,270	16,848	1,339	19,691	1,387
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	12,702	4,270	16,848	1,339	19,691	1,387
2. Utilities						
Direct Obligations-Utilities	6,910	436	8,599	4,641	5,949	4,454
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	6,910	436	8,599	4,641	5,949	4,454
3. Maintenance						
a. M&R Dwellings	12,618	902	18,501	1,149	17,416	1,222
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	12,618	902	18,501	1,149	17,416	1,222
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	12,618	902	18,501	1,149	17,416	1,222
<b>Total Direct Obligations</b>	<b>32,230</b>	<b>5,608</b>	<b>43,948</b>	<b>7,129</b>	<b>43,056</b>	<b>2,963</b>
Anticipated Reimbursements	-	-	-	-	-	-
<b>Total Gross Obligations</b>	<b>32,230</b>	<b>5,608</b>	<b>43,948</b>	<b>7,129</b>	<b>43,056</b>	<b>2,963</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) 2018 Budget Estimate

**PROGRAM SUMMARY**  
 (Dollars in Thousands)

	<u><b>FY 2016</b></u>	<u><b>FY 2017</b></u>	<u><b>FY 2018</b></u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
<b>Construction Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>
Utilities	294	367	268
Operations	494	399	407
Maintenance	463	800	655
Leasing	10,799	11,044	12,390
O&M Subtotal	12,050	12,610	13,720
<b>Total Program</b>	<b>12,050</b>	<b>12,610</b>	<b>13,720</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 is 24. 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) 2018 Budget Estimate

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

<u>A. Inventory Data</u>	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>	
Units in Being Beginning of Year	51		30		24	
Units in Being End of Year	51		30		24	
Average Inventory for Year	51		30		24	
Units Requiring O&M Funding						
a. Conterminous U.S.	-		-		-	
b. U.S. Overseas	-		-		-	
c. Foreign	51		30		24	
d. Worldwide	-		-		-	
	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</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						
c. Furnishings	9,686	494	13,300	399	16,958	407
d. Miscellaneous			-	-	-	-
Subtotal - Direct Obligations	9,686	494	13,300	399	16,958	407
Anticipated Reimbursement						
Gross Obligations - Operations	9,686	494	13,300	399	16,958	407
2. Utilities - Direct Obligations						
Anticipated Reimbursements						
Gross Obligations - Utilities	5,765	294	7,196	367	5,255	268
3. Maintenance						
a. M&R, Dwellings	9,078	463	15,686	800	12,843	655
b. M&R, Exterior Utilities						
c. M&R, Other Real Property						
d. Alterations & Additions						
Subtotal - Direct Obligations	9,078	463	15,686	800	12,843	655
Anticipated Reimbursements						
Gross Obligations - Maintenance	9,078	463	15,686	800	12,843	655
<b>Grand Total, O&amp;M - Direct Obligations</b>	<b>24,529</b>	<b>1,251</b>	<b>36,182</b>	<b>1,566</b>	<b>35,056</b>	<b>1,330</b>
Grand Total, Anticipated Reimbursements						
<b>Grand Total, O&amp;M - Gross Obligations</b>	<b>24,529</b>	<b>1,251</b>	<b>36,182</b>	<b>1,566</b>	<b>35,056</b>	<b>1,330</b>

Exhibit FH-2 Family Housing O&M

**NATIONAL SECURITY AGENCY**  
Family Housing Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2018 Budget Estimate

**OPERATION AND MAINTENANCE**

OP-5 Reconciliation of Increases and Decreases

**Operations:** Includes now supports 24 government-owned residential units and includes maintenance, repair and replacement of furnishings; and administrative support at the installation level of government-owned units. Leasing costs are covered separately.

**Utilities:** Supports 24 government-owned residential units and includes all utility services such as water, sewage, sewage treatment fees, electricity, natural gas, propane gas, etc.

**Maintenance:** Includes maintenance and repair of buildings and associated utilities systems, and other incidental improvements, including minor alterations for 24 government-owned residential units.

<b><u>Furnishings:</u></b>	<b><u>(\$000)</u></b>
<b>1. FY 2017 President's Budget Request</b>	<b>781</b>
2. FY 2017 Appropriated Amount	781
3. FY 2017 Current Estimate	781
4. Program decrease: Due to number of units being vacant.	-382
<b>5. FY 2018 Budget Request</b>	<b>399</b>

<b><u>Utilities:</u></b>	
<b>1. FY 2017 President's Budget Request</b>	<b>367</b>
2. FY 2017 Appropriated Amount	367
3. FY 2017 Current Estimate	367
4. Program decrease: Due to number of units being vacant.	-99
<b>5. FY 2018 Budget Request</b>	<b>268</b>

<b><u>Maintenance:</u></b>	
<b>1. FY 2017 President's Budget Request</b>	<b>800</b>
2. FY 2017 Appropriated Amount	800
3. FY 2017 Current Estimate	800
4. Program decrease: Due to number of units being vacant.	-145
<b>5. FY 2018 Budget Request</b>	<b>655</b>

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**DEFENSE INTELLIGENCE AGENCY**  
 Family Housing Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2018 Budget Estimate

**PROGRAM SUMMARY**  
 (Dollars in Thousands)

	<u><b>FY 2016</b></u>	<u><b>FY 2017</b></u>	<u><b>FY 2018</b></u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	-	-	-
Operations	3,402	500	641
Utilities	0	4,100	4,100
Leasing	41,273	40,984	39,716
O&M Subtotal	44,675	45,584	44,457
Reimbursable Program	0	0	0
<b>Total Program</b>	<b>44,675</b>	<b>45,584</b>	<b>44,457</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 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 2018 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) 2018 Budget Estimate

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

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</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 2016</u>		<u>FY 2017</u>		<u>FY 2018</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	3,402	0	500	0	641
d. Miscellaneous	0	-	0	-	0	-
Direct Obligations-Operations	0	3,402	0	500	0	641
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	0	3,402	0	500	0	641
2. Utilities						
Direct Obligations-Utilities	-	-	-	4,100	0	4,100
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	-	-	4,100	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	-	-	-	-	-	-
<b>Total Direct Obligations</b>	<b>0</b>	<b>3,402</b>	<b>0</b>	<b>4,600</b>	<b>0</b>	<b>4,741</b>
Anticipated Reimbursements	-	-	-	-	-	-
<b>Total Gross Obligations</b>	<b>0</b>	<b>3,402</b>	<b>0</b>	<b>4,600</b>	<b>0</b>	<b>4,741</b>

FH-2 Family Housing Operations and Maintenance

**DEFENSE INTELLIGENCE AGENCY**  
Family Housing Operation and Maintenance, Defense-wide  
Fiscal Year (FY) 2018 Budget Estimate

**OPERATION AND MAINTENANCE**

OP-5 Reconciliation of Increases and Decreases

**Operations:** 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.

**Utilities:** The Family Housing Operations for DIA utilities includes expenses for utilities purchases for members of the Defense Attaché System.

<b><u>Operations - Furnishings:</u></b>	<b><u>(\$000)</u></b>
<b>1. FY 2017 President's Budget Request</b>	<b>500</b>
<b>2. FY 2017 Appropriated Amount</b>	<b>500</b>
<b>3. FY 2017 Current Estimate</b>	<b>500</b>
4. Price growth: Inflation and price increase of overseas rents	+10
5. Program increase: Mission requirements at Embassy-based platforms	+131
<b>6. FY 2018 Budget Request</b>	<b>641</b>

<b><u>Utilities:</u></b>	
<b>1. FY 2017 President's Budget Request</b>	<b>4,100</b>
<b>2. FY 2017 Appropriated Amount</b>	<b>0</b>
<b>3. FY 2017 Current Estimate</b>	<b>0</b>
4. Price Growth	0
5. Program Increase: Due to properly reflecting utilities costs	4,100
<b>6. FY 2018 Budget Request</b>	<b>4,100</b>

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**DEFENSE LOGISTICS AGENCY**  
 Family Housing Operation and Maintenance, Defense-wide  
 Fiscal Year (FY) 2018 Budget Estimate

**PROGRAM SUMMARY**  
 (Dollars in Thousands)

	<u><b>FY2016</b></u>	<u><b>FY 2017</b></u>	<u><b>FY2018</b></u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
<b>Subtotal Construction</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operation	374	440	339
Utilities	142	174	86
Maintenance	439	349	567
Leasing	-	-	
Subtotal O&M	955	963	992
Reimbursable Program	-	-	-
<b>Total Program</b>	<b>955</b>	<b>963</b>	<b>992</b>

The Defense Logistics Agency (DLA) family housing inventory consisted of one hundred and twenty four (124) units located at the Defense Distribution Depot Susquehanna, Pennsylvania.

The FY 2018 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. Starting in FY 2018, DLA will be moving towards divesting the family housing units and program due to low occupancy and decreased demand. The divestiture is planned to be completed by the end of FY 2019.

**DEFENSE LOGISTICS AGENCY**  
Family Housing Operation and Maintenance, Defense-wide  
Fiscal Year (FY) 2018 Budget Estimate

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

	<u><b>FY 2016</b></u>		<u><b>FY 2017</b></u>		<u><b>FY 2018</b></u>	
<u>Inventory Data</u>						
Units in Beginning of Year	124		124		124	
Units at End of Year	124		124		92	
Average Inventory for Year	124		124		116	
Units Requiring O&M Funding						
a. Conterminous U.S.	124		124		124	
b. U.S. Overseas	-		-		-	
c. Foreign	-		-		-	
d. Worldwide	-		-		-	
	<u><b>FY 2016</b></u>		<u><b>FY 2017</b></u>		<u><b>FY 2018</b></u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost	Cost	Cost	Cost	Cost	Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
<u>Funding Requirements</u>						
1. Operation						
a. Management	2,605	323	3,129	388	2,573	319
b. Services	250	31	258	32	113	14
c. Furnishings	161	20	161	20	48	6
d. Miscellaneous	-	-	-	-	-	-
Subtotal-Gross Obligations	3,016	374	3,548	440	2,733	339
Anticipated Reimbursements	-	-	-	-	-	-
Direct Obligations	3,016	374	3,548	440	2,733	339
2. Utilities Operations						
Anticipated Reimbursements	1,145	142	1,403	174	694	86
Direct Obligations	-	-	-	-	-	-
Direct Obligations	1,145	142	1,403	174	694	86
3. Maintenance						
a. M&R Dwellings	3,540	439	2,815	346	4,573	567
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	3,540	439	2,815	349	4,573	567
Direct Obligations	3,540	439	2,815	349	4,573	567
Anticipated Reimbursements	-	-	-	-	-	-
<b>Total Direct Obligations</b>	<b>7,701</b>	<b>955</b>	<b>7,765</b>	<b>963</b>	<b>7,999</b>	<b>992</b>

FH-2 Family Housing Operations and Maintenance

**DEFENSE LOGISTICS AGENCY**  
Family Housing Operation and Maintenance, Defense-wide  
Fiscal Year (FY) 2018 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. The decrease in management costs is attributable to the divestiture of family housing units in FY 2018.

**Services:** Includes refuse collection and disposal, snow removal, entomological services, street cleaning and custodial services for government-owned family housing units. The decrease of service costs is attributable to the divestiture of family housing units in FY 2018.

**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. The decrease in furnishing costs is attributable to the divestiture of family housing units in FY 2018.

**Utilities:** Included in this category of costs are electricity, gas, water and sewage requirements. The decrease in utility costs is attributable to reduced occupancy rates as more military families move/relocate out of the family housing units which are scheduled for divestiture.

**Maintenance:** In addition to routine maintenance, this category of costs also supports cyclical maintenance requirements such as floor refinishing and interior and exterior painting. The increase in maintenance costs is attributable to demolition of 32 family housing units in FY 2018, as part of the divestiture plan.

**DEFENSE LOGISTICS AGENCY**  
Family Housing Operation and Maintenance, Defense-wide  
Fiscal Year (FY) 2018 Budget Estimate

**OPERATION AND MAINTENANCE**

OP-5 Reconciliation of Increases and Decreases

<b>Management:</b>	(\$000)
1. <b>FY 2017 Budget Request</b>	<b>388</b>
2. FY 2017 Appropriated Amount	<b>388</b>
3. <b>FY 2017 Current Estimate</b>	<b>388</b>
4. Program Decrease: FH divestiture efforts	-69
5. <b>FY 2018 Budget Request</b>	<b>319</b>
<b>Services:</b>	
1. <b>FY 2017 Budget Request</b>	<b>32</b>
2. FY 2017 Appropriated Amount	32
3. <b>FY 2017 Current Estimate</b>	<b>32</b>
4. Program Decrease: FH divestiture efforts	-18
5. <b>FY 2018 Budget Request</b>	<b>14</b>
<b>Furnishings:</b>	
1. <b>FY 2017 Budget Request</b>	<b>20</b>
2. FY 2017 Appropriated Amount	20
3. <b>FY 2017 Current Estimate</b>	<b>20</b>
4. Program Decrease: FH divestiture efforts	-14
5. <b>FY 2018 Budget Request</b>	<b>6</b>
<b>Utilities:</b>	
1. <b>FY 2017 Budget Request</b>	<b>174</b>
2. FY 2017 Appropriated Amount	174
3. <b>FY 2017 Current Estimate</b>	<b>174</b>
4. Program Decrease: FH divestiture efforts	-88
5. <b>FY 2018 Budget Request</b>	<b>86</b>
<b>Maintenance:</b>	
1. <b>FY 2017 Budget Request</b>	<b>349</b>
2. FY 2017 Appropriated Amount	349
3. <b>FY 2017 Current Estimate</b>	<b>349</b>
4. Program increase:	
a. Maintenance requirements for Susquehanna divestiture	+218
5. <b>FY 2018 Budget Request</b>	<b>567</b>

OP-5 Reconciliation of Increases and Decreases

**FAMILY HOUSING, DEFENSE-WIDE**  
 Family Housing Operation and Maintenance, Defense-wide  
 Fiscal Year (FY) 2018 Budget Estimate

**LEASING SUMMARY**

The FY 2018 leasing request by agency is as follows:

	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</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	10,799	242	11,044	263	12,390	275
Reimbursements						
Gross Obligations	10,799	242	11,044	263	12,390	275
<b><u>Defense Intelligence Agency</u></b>						
Direct Obligations	41,273	635	40,984	635	39,716	596
Reimbursements						
Gross Obligations	41,273	635	40,984	635	39,716	596
<b>Total Program</b>	<b>52,072</b>	<b>877</b>	<b>52,028</b>	<b>898</b>	<b>52,106</b>	<b>871</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 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**  
 Family Housing Operation and Maintenance, Defense-wide  
 Fiscal Year (FY) 2018 Budget Estimate

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

<u>Location</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2016</u>		<u>Units</u> <u>Auth.</u>	<u>FY 2017</u>		<u>Units</u> <u>Auth.</u>	<u>FY 2018</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>
<b>Domestic Leases</b>									
None									
<b>Foreign Leases</b>									
Standard	-	-	-	-	-	-	-	-	-
Special Crypto Activities	242	2,906	10,799	263	3,156	11,044	275	3,120	12,390
Total Foreign Lease	242	2,906	10,799	263	3,156	11,044	275	3,120	12,390
<b>Grand Total</b>	<b>242</b>	<b>2,906</b>	<b>10,799</b>	<b>263</b>	<b>3,156</b>	<b>11,044</b>	<b>275</b>	<b>3,120</b>	<b>12,390</b>

Exhibit FH-4 Analysis of Leased Units

**NATIONAL SECURITY AGENCY**  
Family Housing Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2018 Budget Estimate

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

OP-5 Reconciliation of Increases and Decreases

(\$000)

**Leasing:**

<b>1. FY 2017 President's Budget Request</b>	<b>11,044</b>
2. FY 2017 Appropriated Amount	11,044
<b>3. FY 2017 Current Estimate</b>	<b>11,044</b>
4. Price increase: Number of Standard units decreased; ICASS costs added	1,346
<b>5. FY 2018 Budget Request</b>	<b>12,390</b>

**DEFENSE INTELLIGENCE AGENCY**  
 Family Housing Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2018 Budget Estimates

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

<u>Location</u>	<u>FY 2016</u>			<u>FY 2017</u>			<u>FY 2018</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>
<b>Domestic Leases</b>									
None									
<b>Foreign Leases</b>									
Classified Locations*	635	7,620	41,273	635	7,620	40,984	596	7,152	39,716
Reimbursable									
Total Foreign Leases**	635	7,620	41,273	635	7,620	40,984	596	7,152	39,716
<b>Grand Total</b>	<b>635</b>	<b>7,620</b>	<b>42,273</b>	<b>635</b>	<b>7,620</b>	<b>40,984</b>	<b>596</b>	<b>7,152</b>	<b>39,716</b>

\*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.

\*\*Cost variance from FY 2016 to FY 2017 is due to realignment of resources from leasing to utilities to accurately reflect execution.

**DEFENSE INTELLIGENCE AGENCY**  
Family Housing Operation and Maintenance, Defense-Wide  
Fiscal Year (FY) 2018 Budget Estimates

**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 2018 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>
<b>1. FY 2017 President's Budget Request</b>	<b>40,984</b>
2. FY 2017 Appropriated Amount	40,984
<b>3. FY 2017 Current Estimate</b>	<b>40,984</b>
4. Price Growth: Inflation	820
5. Program Decrease: Realigned funds to higher program priorities	-2,088
<b>6. FY 2018 Budget Request</b>	<b>39,716</b>

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**DEPARTMENT OF DEFENSE**  
**FAMILY HOUSING IMPROVEMENT FUND**  
Fiscal Year (FY) 2018 Budget Estimate

The FY 2018 Department of Defense (DoD) Family Housing Improvement Fund (FHIF) Administrative (Admin) request is \$2,726,000 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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**DEPARTMENT OF DEFENSE**  
**FAMILY HOUSING IMPROVEMENT FUND**  
Fiscal Year (FY) 2018 Budget Estimate

**PROGRAM SUMMARY**  
(Dollars in Thousands)

	<u><b>FY 2016</b></u>	<u><b>FY 2017</b></u>	<u><b>FY 2018</b></u>
<b>Total Program/Appropriation</b>	<b>0</b>	<b>3,258</b>	<b>2,726</b>

**Program and Scope**

Department of Defense (DoD) has privatized approximately 202,000 family housing units on 163 installations in the United States through 82 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 (e.g., 50-year) ground leases. Through the MHPI, DoD has eliminated more than 141,500 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 the Office of the Assistant Secretary of Defense for Energy, Installations & Environment's MHPI 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, to include 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 82 MHPI deals, to include periodic modifications dependent on military force structure and local housing market changes.

The FY 2018 FHIF budget request will fund continued realty advisory consultant support, to include continued funding of financial and accounting support related to oversight of 82 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) 2018 Budget Estimate

OP-5 Reconciliation of Increases and Decreases

The Department of Defense Family Housing Improvement Fund (FHIF) request of \$2,726 million will fund continued Military Housing Privatization Initiative (MHPI) program oversight efforts, as well as realign funds for unaccompanied housing program administrative expenses, including significant associated realty/financial advisory consultant support to the Office of the Assistant Secretary of Defense for Energy, Installations & Environment.

	<u>(\$000)</u>
<b>1. FY 2017 President's Budget Request</b>	<b>3,258</b>
2. FY 2017 Appropriated Amount	3,258
<b>3. FY 2017 Current Estimate</b>	<b>3,258</b>
4. Price Growth: Inflation	65
DFAS Services	26
5. Program Decrease:	-623
Realignment for Military Unaccompanied Housing Improvement Fund efforts	
<b>6. FY 2018 Budget Request</b>	<b>2,726</b>