

FAMILY HOUSING, DEFENSE-WIDE
Fiscal Year (FY) 2019 Budget Estimates

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FAMILY HOUSING, DEFENSE-WIDE
Fiscal Year (FY) 2019 Budget Estimates

PROGRAM SUMMARY
(Dollars in Thousands)

	<u>(\$000)</u>
FY 2019 Budget Request	60,026
FY 2018 President's Budget (PB) Request	61,895
FY 2018 Annualized Continuing Resolution (CR) Adjustments	96
Total FY 2018 PB request with Annualized CR Adjustments	61,991

	<u>DIA</u>	<u>DLA</u>	<u>NSA</u>	<u>OASD (EI&E)</u>	<u>FY 2019 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	9	106	-	4,215
Operations:					
Furnishings	643	1	416	-	1,060
Management	-	155	-	-	155
Services	-	2	-	-	2
Total Operations	643	158	416	-	1,226
Maintenance	-	1,542	121	-	1,663
Leasing	38,232	-	13,046	-	51,278
O&M Subtotal	42,975	1,709	13,689	-	58,373
<u>Family Housing Improvement Fund (FHIF)</u>					
FHIF Administrative	-	-	-	1,653	1,653
Total FH DW Programs	42,975	1,709	13,689	1,653	60,026

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FAMILY HOUSING, DEFENSE-WIDE
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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, \$58,373,000.

DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND

For the Department of Defense Family Housing Improvement Fund, \$1,653,000, 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 2019 Family Housing Operation and Maintenance, Defense-Wide request is \$7,095,000 (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) 2019 Budget Estimates

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

<u>A. Inventory Data</u>	<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>	
Units in Being Beginning of Year	175		154		116	
Units in Being End of Year	154		116		24	
Average Inventory for Year	165		135		70	
Units Requiring O&M Funding						
a. Conterminous U.S.	124		124		92	
b. U.S. Overseas	-		-		-	
c. Foreign	30		24		24	
d. Worldwide	-		-		-	
	<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost	Cost	Cost	Cost	Cost	Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
B. Funding Requirements						
1. Operations						
a. Management	3,129	388	2,573	319	1,783	155
b. Services	258	32	113	14	22	2
c. Furnishings	9,661	805	17,006	1,054	21,906	1,060
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	13,048	1,225	19,692	1,387	23,711	1,217
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	13,048	1,225	19,692	1,387	23,711	1,217
2. Utilities						
Direct Obligations-Utilities	8,303	4,481	5,949	4,454	5,677	4,215
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	8,303	4,481	5,949	4,454	5,677	4,215
3. Maintenance						
a. M&R Dwellings	12,082	627	17,416	1,222	23,129	1,663
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	12,082	627	17,416	1,222	23,129	1,663
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	12,082	627	17,416	1,222	23,129	1,663
Total Direct Obligations	33,433	6,333	43,057	7,063	52,517	7,095
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	33,433	6,333	43,057	7,063	52,517	7,095

Exhibit FH-2 Family Housing O&M

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NATIONAL SECURITY AGENCY
 Family Housing Operation and Maintenance, Defense-wide
 Fiscal Year (FY) 2019 Budget Estimates

PROGRAM SUMMARY
 (Dollars in Thousands)

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	-	-	-
Utilities	207	268	106
Operations	285	407	416
Maintenance	278	655	121
Leasing	11,683	12,390	13,046
O&M Subtotal	12,453	13,720	13,689
Reimbursable	-	-	-
Total Program	12,453	13,720	13,689

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 anticipated at the beginning of FY 2019 is 24 and at the end of FY 2019 is 19. 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) 2019 Budget Estimates

OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)

<u>A. Inventory Data</u>	<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>	
Units in Being Beginning of Year	51		30		24	
Units in Being End of Year	30		24		19	
Average Inventory for Year	41		27		22	
Units Requiring O&M Funding						
a. Conterminous U.S.	-		-		-	
b. U.S. Overseas	-		-		-	
c. Foreign	30		24		19	
d. Worldwide	-		-		-	
	<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost	Cost	Cost	Cost	Cost	Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
<u>B. Funding Requirements</u>						
1. Operations						
a. Management	-	-	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	9,500	285	16,958	407	21,895	416
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	9,500	285	16,958	407	21,895	416
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	9,500	285	16,958	407	21,895	416
2. Utilities						
Direct Obligations-Utilities	6,900	207	5,255	268	5,579	106
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	6,900	207	5,255	268	5,579	106
3. Maintenance						
a. M&R Dwellings	9,267	278	12,843	655	6,368	121
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	9,267	278	12,843	655	6,368	121
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	9,267	278	12,843	655	6,368	121
Total Direct Obligations	25,667	770	35,056	1,330	33,842	643
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	25,667	770	35,056	1,330	33,842	643

Exhibit FH-2 Family Housing O&M

NATIONAL SECURITY AGENCY
 Family Housing Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 Budget Estimates

OPERATION AND MAINTENANCE

OP-5 Reconciliation of Increases and Decreases

Operations: Supports government-owned residential units in FY 2019 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 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, associated utilities systems, and other incidental improvements, including minor alterations for government-owned residential units.

<u>Operations-Furnishings:</u>	<u>(\$000)</u>
1. FY 2018 President's Budget Request	407
2. FY 2018 Appropriated Amount	0
3. FY 2018 Current Estimate	407
4. Price Change	+9
5. FY 2019 Budget Request	416
<u>Utilities:</u>	
1. FY 2018 President's Budget Request	268
2. FY 2018 Appropriated Amount	0
3. FY 2018 Current Estimate	268
4. Program Decrease: Lower utility costs because of the decrease in Family Housing requirements at Royal Air Force Base Menwith Hill.	-162
5. FY 2019 Budget Request	106
<u>Maintenance:</u>	
1. FY 2018 President's Budget Request	655
2. FY 2018 Appropriated Amount	0
3. FY 2018 Current Estimate	655
4. Program Decrease: Lower maintenance costs because of the decrease in Family Housing requirements at Royal Air Force Base Menwith Hill.	-534
5. FY 2019 Budget Request	121

OP-5 Reconciliation of Increases and Decreases

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DEFENSE INTELLIGENCE AGENCY
 Family Housing Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 Budget Estimates

PROGRAM SUMMARY
 (Dollars in Thousands)

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	-	-	-
Operations	500	641	643
Utilities	4,100	4,100	4,100
Maintenance	-	-	-
Leasing	40,984	39,716	38,232
O&M Subtotal	45,584	44,457	42,975
Reimbursable	-	-	-
Total Program	45,584	44,457	42,975

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 2019 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) 2019 Budget Estimates

OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)

<u>A. Inventory Data</u>	<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</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 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost	Cost	Cost	Cost	Cost	Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
<u>B. Funding Requirements</u>						
1. <u>Operations</u>						
a. Management	-	-	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	-	500	-	641	-	643
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	-	500	-	641	-	643
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	500	-	641	-	643
2. <u>Utilities</u>						
Direct Obligations-Utilities	-	4,100	-	4,100	-	4,100
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	4,100	-	4,100	-	4,100
3. <u>Maintenance</u>						
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	-	4,600	-	4,741	-	4,743
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	-	4,600	-	4,741	-	4,743

DEFENSE INTELLIGENCE AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2019 Budget Estimates

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.

<u>Operations - Furnishings:</u>	<u>(\$000)</u>
1. FY 2018 President's Budget Request	641
2. FY 2018 Appropriated Amount	0
3. FY 2018 Current Estimate	641
4. Price Change	+13
5. Program Decrease: Requirements at Embassy-based platforms.	-11
6. FY 2019 Budget Request	643

<u>Utilities:</u>	
1. FY 2018 President's Budget Request	4,100
2. FY 2018 Appropriated Amount	0
3. FY 2018 Current Estimate	4,100
4. Price Change	+82
5. Program Decrease: Requirements at Embassy-based platforms.	-82
6. FY 2019 Budget Request	4,100

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DEFENSE LOGISTICS AGENCY
 Family Housing Operation and Maintenance, Defense-wide
 Fiscal Year (FY) 2019 Budget Estimates

PROGRAM SUMMARY
 (Dollars in Thousands)

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	-	-	-
Utilities	174	86	9
Operations	440	339	158
Maintenance	349	567	1,542
Leasing	-	-	-
O&M Subtotal	963	992	1,709
Reimbursable	-	-	-
Total Program	963	992	1,709

In FY 2018, DLA began 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) 2019 Budget Estimates

OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)

<u>A. Inventory Data</u>	<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>	
Units in Being Beginning of Year	124		124		92	
Units in Being End of Year	124		92		0	
Average Inventory for Year	124		108		46	
Units Requiring O&M Funding						
a. Conterminous U.S.	124		124		92	
b. U.S. Overseas	-		-		-	
c. Foreign	-		-		-	
d. Worldwide	-		-		-	
	<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost	Cost	Cost	Cost	Cost	Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
B. Funding Requirements						
1. Operations						
a. Management	3,129	388	2,573	319	1,783	155
b. Services	258	32	113	14	22	2
c. Furnishings	161	20	48	6	11	1
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	3,548	440	2,734	339	1,816	158
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	3,548	440	2,734	339	1,816	158
2. Utilities						
Direct Obligations-Utilities	1,403	174	694	86	98	9
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	1,403	174	694	86	98	9
3. Maintenance						
a. M&R Dwellings	2,815	349	4,573	567	16,761	1,542
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	2,815	349	4,573	567	16,761	1,542
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	2,815	349	4,573	567	16,761	1,542
Total Direct Obligations	7,766	963	8,001	992	18,675	1,709
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	7,766	963	8,001	992	18,675	1,709

FH-2 Family Housing Operations and Maintenance

DEFENSE LOGISTICS AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2019 Budget Estimates

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 attributed to the divestiture of family housing units in FY 2019.

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 attributed to the divestiture of family housing units in FY 2019.

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 attributed to the divestiture of family housing units in FY 2019.

Utilities: Included in this category of costs are electricity, gas, water and sewage requirements. The decrease in utility costs is attributed 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 attributed to demolition of family housing units in FY 2019 - part of the divestiture plan.

DEFENSE LOGISTICS AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2019 Budget Estimates

OPERATION AND MAINTENANCE

OP-5 Reconciliation of Increases and Decreases

<u>Management:</u>	<u>(\$000)</u>
1. FY 2018 President's Budget Request	319
2. FY 2018 Appropriated Amount	0
3. FY 2018 Current Estimate	319
4. Program Decrease: Family housing divestiture.	-164
5. FY 2019 Budget Request	155
<u>Services:</u>	
1. FY 2018 President's Budget Request	14
2. FY 2018 Appropriated Amount	0
3. FY 2018 Current Estimate	14
4. Program Decrease: Family housing divestiture.	-12
5. FY 2019 Budget Request	2
<u>Furnishings:</u>	
1. FY 2018 President's Budget Request	6
2. FY 2018 Appropriated Amount	0
3. FY 2018 Current Estimate	6
4. Program Decrease: Family housing divestiture.	-5
5. FY 2019 Budget Request	1
<u>Utilities:</u>	
1. FY 2018 President's Budget Request	86
2. FY 2018 Appropriated Amount	0
3. FY 2018 Current Estimate	86
4. Program Decrease: Family housing divestiture.	-77
5. FY 2019 Budget Request	9
<u>Maintenance:</u>	
1. FY 2018 President's Budget Request	567
2. FY 2018 Appropriated Amount	0
3. FY 2018 Current Estimate	567
4. Program Increase: Demolition cost for family housing divestiture.	+975
5. FY 2019 Budget Request	1,542

OP-5 Reconciliation of Increases and Decreases

FAMILY HOUSING, DEFENSE-WIDE
 Family Housing Operation and Maintenance, Defense-wide
 Fiscal Year (FY) 2019 Budget Estimates

LEASING SUMMARY

The FY 2019 leasing request by agency is as follows:

	FY 2017		FY 2018		FY 2019	
	<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	11,683	251	12,390	275	13,046	260
Reimbursements	-	-	-	-	-	-
Gross Obligations	11,683	251	12,390	275	13,046	260
<u>Defense Intelligence Agency</u>						
Direct Obligations	40,984	635	39,716	596	38,232	720
Reimbursements	-	-	-	-	-	-
Gross Obligations	40,984	635	39,716	596	38,232	720
Total Program	52,667	886	52,106	871	51,278	984

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) 2019 Budget Estimates

OPERATION AND MAINTENANCE
Analysis of Leased Units

<u>Location</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2017</u> Lease <u>Months</u>	Cost <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2018</u> Lease <u>Months</u>	Cost <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2019</u> Lease <u>Months</u>	Cost <u>(\$000)</u>
Domestic Leases									
None									
Foreign Leases									
Special Crypto Activities	251	3,012	11,683	275	3,156	12,390	260	3,120	13,046
Total Foreign Lease	251	3,012	11,683	275	3,156	12,390	260	3,120	13,046
Grand Total	251	3,012	11,683	275	3,156	12,390	264	3,120	13,046

NATIONAL SECURITY AGENCY
Family Housing Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 Budget Estimates

OPERATION AND MAINTENANCE
Leasing

OP-5 Reconciliation of Increases and Decreases

Leasing: NSA's Budget Submission for the FY 2019 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).

<u>Leasing:</u>	<u>(\$000)</u>
1. FY 2018 President's Budget Request	12,390
2. FY 2018 Appropriated Amount	0
3. FY 2018 Current Estimate	12,390
4. Price Change	+248
5. Program Increase: Adjustment in funding for high-rent areas.	+408
5. FY 2019 Budget Request	13,046

OP-5 Reconciliation of Increases and Decreases

DEFENSE INTELLIGENCE AGENCY
 Family Housing Operation and Maintenance, Defense-wide
 Fiscal Year (FY) 2019 Budget Estimates

OPERATION AND MAINTENANCE
Analysis of Leased Units

<u>Location</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2017</u> Lease <u>Months</u>	Cost <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2018</u> Lease <u>Months</u>	Cost <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2019</u> Lease <u>Months</u>	Cost <u>(\$000)</u>
Domestic Leases									
None									
Foreign Leases									
Classified Locations*	635	7,620	40,984	596	7,152	39,716	720	8,640	38,232
Total Foreign Lease	635	7,620	40,984	596	7,152	39,716	720	8,640	38,232
Grand Total	635	7,620	40,984	596	7,152	39,716	720	8,640	38,232

*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) 2019 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 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>Leasing:</u>	<u>(\$000)</u>
1. FY 2018 President’s Budget Request	39,716
2. FY 2018 Appropriated Amount	0
3. FY 2018 Current Estimate	39,716
4. Price Change	+794
5. Program Decrease: Realigned to fund higher program priorities.	-2,278
6. FY 2019 Budget Request	38,232

OP-5 Reconciliation of Increases and Decreases

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DEPARTMENT OF DEFENSE
FAMILY HOUSING IMPROVEMENT FUND
Fiscal Year (FY) 2019 Budget Estimates

The FY 2019 Department of Defense (DoD) Family Housing Improvement Fund (FHIF) Administrative (Admin) request is \$1,653,000 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) 2019 Budget Estimates

PROGRAM SUMMARY
(Dollars in Thousands)

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
FY 2019 Budget Request	3,258	2,726	1,653
FY 2018 Annualized Continuing Resolution (CR) Adjustment		+510	
FY 2019 Adjusted Budget Request	3,258	3,236	1,653

Program and Scope

Department of Defense (DoD) has privatized more than 200,000 family housing units on 155 installations in the United States through 81 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 nearly 142,000 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 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 81 MHPI deals, to include periodic modifications dependent on military force structure and local housing market changes.

The FY 2019 FHIF budget request will fund continued realty advisory consultant support, to include continued funding of financial and accounting support related to oversight of 81 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) 2019 Budget Estimates

Reconciliation of Increases and Decreases

The Department of Defense Family Housing Improvement Fund (FHIF) request of \$1,653 million will fund continued Military Housing Privatization Initiative (MHPI) program oversight efforts, as well as realign funds for unaccompanied housing program administrative expenses and DFAS services, including significant associated realty/financial advisory consultant support to the Office of the Assistant Secretary of Defense for Energy, Installations & Environment.

	<u>(\$000)</u>
1. FY 2018 President’s Budget Request	2,726
2. FY 2018 Annualized Continuing Resolution (CR) Adjustment	+510
3. FY 2018 Current (Adjusted) Estimate	3,236
4. Price Growth: General Inflation.	+49
5. Program Increase: MHPI Family Housing review efforts	+22
6. Program Decrease:	
(1) Realignment for Unaccompanied Housing Improvement Fund efforts	-600
(2) Reversal of FY 2018 Annualized CR adjustment	-510
(3) Transfer of funds for DFAS Services to Military Departments	-521
(4) Inflation Rate Reductions for Non-pay and Non-fuel	-23
7. FY 2019 Budget Request	1,653