

FAMILY HOUSING, DEFENSE-WIDE
Fiscal Year (FY) 2021 Budget Estimates

Table of Contents

	<u>Page No.</u>
PROGRAM SUMMARY	FH-3
APPROPRIATION LANGUAGE	FH-5
FAMILY HOUSING OPERATION AND MAINTENANCE	
Program Summary	FH-7
National Security Agency	FH-11
Defense Intelligence Agency	FH-15
Defense Logistics Agency	FH-19
Leasing Summary	FH-23
National Security Agency	FH-24
Defense Intelligence Agency	FH-26
DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND	
Program Summary	FH-29
DEPARTMENT OF DEFENSE MILITARY UNACCOMPANIED HOUSING IMPROVEMENT FUND	
Program Summary	FH-35

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FAMILY HOUSING, DEFENSE-WIDE
Fiscal Year (FY) 2021 Budget Estimates

PROGRAM SUMMARY
(Dollars in Thousands)

	<u>(\$000)</u>
FY 2021 Budget Request	61,225
FY 2020 Program Budget	60,545

	<u>DIA</u>	<u>DLA</u>	<u>NSA</u>	<u>OASD (EI&E)</u>	<u>FY 2021 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	-	13	-	4,113
<u>Operations:</u>					
Furnishings	645	-	82	-	727
Management	-	-	-	-	-
Services	-	-	-	-	-
Total Operations	645	-	82	-	727
Maintenance	-	-	32	-	32
Leasing	36,860	-	12,996	-	49,856
O&M Subtotal	41,605	-	13,123	-	54,728
<u>Family Housing Improvement Fund (FHIF)</u>					
FHIF Administrative	-	-	-	5,897	5,897
<u>Military Unaccompanied Housing Improvement Fund (MUHIF)</u>					
MUHIF Administrative	-	-	-	600	600
Total FH DW Programs	41,605	-	13,123	6,497	61,225

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FAMILY HOUSING, DEFENSE-WIDE
Fiscal Year (FY) 2021 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, \$54,728,000.

DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND

For the Department of Defense Family Housing Improvement Fund, \$5,897,000, 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, \$600,000 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) 2021 Budget Estimates

FAMILY HOUSING OPERATION & MAINTENANCE, DEFENSE-WIDE

The FY 2021 Family Housing Operation and Maintenance, Defense-Wide request is \$4,872,000 (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) 2021 Budget Estimates

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

<u>A. Inventory Data</u>	<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>	
Units in Being Beginning of Year	116		22		1	
Units in Being End of Year	22		1		1	
Average Inventory for Year	69		12		1	
Units Requiring O&M Funding						
a. Conterminous U.S.	92		-		-	
b. U.S. Overseas	-		-		-	
c. Foreign	24		22		1	
d. Worldwide	-		-		-	
	<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</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	1,141	105	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	12,542	925	7,130	727	82,000	727
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	13,683	1,030	7,130	727	82,000	727
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	13,683	1,030	7,130	727	82,000	727
2. Utilities						
Direct Obligations-Utilities	4,375	4,369	1,130	4,113	13,000	4,113
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	4,375	4,369	1,130	4,113	13,000	4,113
3. Maintenance						
a. M&R Dwellings	19,196	1,630	2,783	32	32,000	32
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	19,196	1,630	2,783	32	32,000	32
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	19,196	1,630	2,783	32	32,000	32
Total Direct Obligations	37,254	7,029	11,043	4,872	127,000	4,872
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	37,254	7,029	11,043	4,872	127,000	4,872

Exhibit FH-2 Family Housing O&M

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NATIONAL SECURITY AGENCY
 Family Housing Operation and Maintenance, Defense-wide
 Fiscal Year (FY) 2021 Budget Estimates

PROGRAM SUMMARY
 (Dollars in Thousands)

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	-	-	-
Utilities	105	13	13
Operations	301	82	82
Maintenance	48	32	32
Leasing	11,745	12,906	12,996
O&M Subtotal	12,199	13,033	13,123
Reimbursable	-	-	-
Total Program	12,199	13,033	13,123

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 2021 is 1 and at the end of FY 2021 is 1. This program summary displays a funding profile for the leasing of housing units as well as the utilities, operations, and maintenance funding required to support a single government-owned unit.

NATIONAL SECURITY AGENCY
Family Housing Operation and Maintenance , Defense-Wide
Fiscal Year (FY) 2021 Budget Estimates

OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)

<u>A. Inventory Data</u>	<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>	
Units in Being Beginning of Year	24		22		1	
Units in Being End of Year	22		1		1	
Average Inventory for Year	23		12		1	
Units Requiring O&M Funding						
a. Conterminous U.S.	-		-		-	
b. U.S. Overseas	-		-		-	
c. Foreign	24		22		1	
d. Worldwide	-		-		-	
	<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</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	12,542	301	7,130	82	82,000	82
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	12,542	301	7,130	82	82,000	82
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	12,542	301	7,130	82	82,000	82
2. Utilities						
Direct Obligations-Utilities	4,375	105	1,130	13	13,000	13
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	4,375	105	1,130	13	13,000	13
3. Maintenance						
a. M&R Dwellings	2,000	48	2,783	32	32,000	32
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	2,000	48	2,783	32	32,000	32
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	2,000	48	2,783	32	32,000	32
Total Direct Obligations	18,917	454	11,043	127	127,000	127
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	18,917	454	11,043	127	127,000	127

Exhibit FH-2 Family Housing O&M

NATIONAL SECURITY AGENCY
 Family Housing Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2021 Budget Estimates

OPERATION AND MAINTENANCE

OP-5 Reconciliation of Increases and Decreases

Operations: Supports a government-owned residential unit in FY 2021. It includes maintenance, repair and replacement of furnishings and administrative support at the installation level.

Utilities: Supports a government-owned residential unit 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 a government-owned residential unit.

<u>Operations-Furnishings:</u>	<u>(\$000)</u>
1. FY 2020 President's Budget Request	82
2. FY 2020 Appropriated Amount	82
3. FY 2020 Current Estimate	82
4. Price Change	+2
5. Program Decrease: Unit furnishing requirements are expected to remain stable in FY 2021.	-2
6. FY 2021 Budget Request	82

<u>Utilities:</u>	<u>(\$000)</u>
1. FY 2020 President's Budget Request	13
2. FY 2020 Appropriated Amount	13
3. FY 2020 Current Estimate	13
4. Price Change	0
5. Program Decrease: Unit utility costs are projected to remain steady into FY 2021.	0
6. FY 2021 Budget Request	13

<u>Maintenance:</u>	<u>(\$000)</u>
1. FY 2020 President's Budget Request	32
2. FY 2020 Appropriated Amount	32
3. FY 2020 Current Estimate	32
4. Price Change	1
5. Program Decrease: Unit maintenance requirements are expected to remain stable in FY 2021.	-1
6. FY 2021 Budget Request	13

OP-5 Reconciliation of Increases and Decreases

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DEFENSE INTELLIGENCE AGENCY
 Family Housing Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2021 Budget Estimates

PROGRAM SUMMARY
 (Dollars in Thousands)

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	-	-	-
Operations	624	645	645
Utilities	4,264	4,100	4,100
Maintenance	-	-	-
Leasing	37,827	39,222	36,860
O&M Subtotal	42,715	43,967	41,605
Reimbursable	-	-	-
Total Program	42,715	43,967	41,605

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 2021 Family Housing Program funds government leases (of which approximately 200 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) 2021 Budget Estimates

OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)

<u>A. Inventory Data</u>	<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</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 2019</u>		<u>FY 2020</u>		<u>FY 2021</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	-	624	-	645	-	645
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	-	624	-	645	-	645
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	624	-	645	-	645
2. <u>Utilities</u>						
Direct Obligations-Utilities	-	4,264	-	4,100	-	4,100
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	4,264	-	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	-	4,888	-	4,745	-	4,745
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	-	4,888	-	4,745	-	4,745

DEFENSE INTELLIGENCE AGENCY
 Family Housing Operation and Maintenance, Defense-wide
 Fiscal Year (FY) 2021 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.

<u>Operations-Furnishings:</u>	<u>(\$000)</u>
1. FY 2020 President's Budget Request	645
2. FY 2020 Appropriated Amount	645
3. FY 2020 Current Estimate	645
4. Price Change	+13
5. Program Decrease:: DAS overseas presence is declining by 3 percent due to DAO regionalization. DAO regionalization closes DAOs in lower priority countries with continued coverage from regional DAO's. DAO regionalization results in a decrease to funding needed for furnishings.	-13
6. FY 2021 Budget Request	645

<u>Utilities:</u>	<u>(\$000)</u>
1. FY 2020 President's Budget Request	4,100
2. FY 2020 Appropriated Amount	4,100
3. FY 2020 Current Estimate	4,100
4. Price Change	+82
5. Program Decrease: DAS overseas presence is declining by 3 percent due to DAO regionalization. DAO regionalization closes DAOs in lower priority countries with continued coverage from regional DAO's. DAO regionalization results in a decrease to funding needed for utilities.	-82
6. FY 2021 Budget Request	4,100

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DEFENSE LOGISTICS AGENCY
 Family Housing Operation and Maintenance, Defense-wide
 Fiscal Year (FY) 2021 Budget Estimates

PROGRAM SUMMARY
 (Dollars in Thousands)

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	-	-	-
Utilities	-	-	-
Operations	105	-	-
Maintenance	1,582	-	-
Leasing	-	-	-
O&M Subtotal	1,687	-	-
Reimbursable	-	-	-
Total Program	1,687	-	-

DLA is requesting no funds in FY 2021 because it will have completed its divestiture of family housing units due to low occupancy and decreased demand.

DEFENSE LOGISTICS AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2021 Budget Estimates

OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)

<u>A. Inventory Data</u>	<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>	
Units in Being Beginning of Year	92		-		-	
Units in Being End of Year	0		-		-	
Average Inventory for Year	46		-		-	
Units Requiring O&M Funding						
a. Conterminous U.S.	92		-		-	
b. U.S. Overseas	-		-		-	
c. Foreign	-		-		-	
d. Worldwide	-		-		-	
	<u>FY 2019</u>		<u>FY 2020</u>		<u>FY 2021</u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost	Cost	Cost	Cost	Cost	Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
B. Funding Requirements						
1. Operations						
a. Management	1,141	105	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	-	-	-	-	-	-
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	1,141	105	-	-	-	-
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	1,141	105	-	-	-	-
2. Utilities						
Direct Obligations-Utilities	-	-	-	-	-	-
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	-	-	-	-	-
3. Maintenance						
a. M&R Dwellings	17,196	1,582	-	-	-	-
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	17,196	1,582	-	-	-	-
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	17,196	1,582	-	-	-	-
Total Direct Obligations	18,337	1,687	-	-	-	-
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	18,337	1,687	-	-	-	-

FH-2 Family Housing Operations and Maintenance

DEFENSE LOGISTICS AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2021 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. There is no budget request for management because DLA has completed the divestiture of its family housing units.

Services: Includes refuse collection and disposal, snow removal, entomological services, street cleaning and custodial services for government-owned family housing units. There is no budget request for services because DLA has completed the divestiture of its family housing units.

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. There is no budget request for furnishings because DLA has completed the divestiture of its family housing units.

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. There is no budget request for utilities because DLA has completed the divestiture of its family housing units.

Maintenance: In addition to routine maintenance, this category of costs also supports cyclical maintenance requirements such as floor refinishing and interior and exterior painting. There is no budget request for maintenance because DLA has completed the divestiture of its family housing units.

DEFENSE LOGISTICS AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2021 Budget Estimates

OPERATION AND MAINTENANCE

OP-5 Reconciliation of Increases and Decreases

<u>Management:</u>	<u>(\$000)</u>
1. FY 2020 President's Budget Request	0
2. FY 2020 Appropriated Amount	0
3. FY 2020 Current Estimate	0
4. Price Change	0
5. Program Decrease: Family housing divestiture.	0
6. FY 2021 Budget Request	0
<u>Services:</u>	
1. FY 2020 President's Budget Request	0
2. FY 2020 Appropriated Amount	0
3. FY 2020 Current Estimate	0
4. Program Decrease: Family housing divestiture.	0
5. FY 2021 Budget Request	0
<u>Furnishings:</u>	
1. FY 2020 President's Budget Request	0
2. FY 2020 Appropriated Amount	0
3. FY 2020 Current Estimate	0
4. Program Decrease: Family housing divestiture.	0
5. FY 2021 Budget Request	0
<u>Utilities:</u>	
1. FY 2020 President's Budget Request	0
2. FY 2020 Appropriated Amount	0
3. FY 2020 Current Estimate	0
4. Program Decrease: Family housing divestiture.	0
5. FY 2021 Budget Request	0
<u>Maintenance:</u>	
1. FY 2020 President's Budget Request	0
2. FY 2020 Appropriated Amount	0
3. FY 2020 Current Estimate	0
4. Price Change	0
5. Program Increase: Family housing divestiture.	0
6. FY 2021 Budget Request	0

OP-5 Reconciliation of Increases and Decreases

FAMILY HOUSING, DEFENSE-WIDE
 Family Housing Operation and Maintenance, Defense-wide
 Fiscal Year (FY) 2021 Budget Estimates

LEASING SUMMARY

The FY 2021 leasing request by agency is as follows:

	FY 2019		FY 2020		FY 2021	
	<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	11,745	260	12,906	255	12,996	255
Reimbursements	-	-	-	-	-	-
Gross Obligations	11,745	260	12,906	255	12,996	255
<u>Defense Intelligence Agency</u>						
Direct Obligations	37,827	732	39,222	732	36,860	712
Reimbursements	-	-	-	-	-	-
Gross Obligations	37,827	732	39,222	732	36,860	712
Total Program	49,572	992	52,128	987	49,586	967

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.

NATIONAL SECURITY AGENCY
 Family Housing Operation and Maintenance, Defense-wide
 Fiscal Year (FY) 2021 Budget Estimates

OPERATION AND MAINTENANCE
Analysis of Leased Units

<u>Location</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2019</u> Lease <u>Months</u>	Cost <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2020</u> Lease <u>Months</u>	Cost <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2021</u> Lease <u>Months</u>	Cost <u>(\$000)</u>
Domestic Leases									
None									
Foreign Leases									
Special Crypto Activities	260	3,156	11,745	255	3,120	12,906	255	3,060	12,996
Total Foreign Lease	260	3,156	11,745	255	3,120	12,906	255	3,060	12,996
Grand Total	260	3,156	11,745	255	3,120	12,906	255	3,060	12,996

NATIONAL SECURITY AGENCY
Family Housing Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2021 Budget Estimates

OPERATION AND MAINTENANCE
Leasing

OP-5 Reconciliation of Increases and Decreases

Leasing: NSA's Budget Submission for the FY 2021 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 2020 President's Budget Request	12,906
2. FY 2020 Appropriated Amount	12,906
3. FY 2020 Current Estimate	12,906
4. Price Change	+258
5. Program Decrease: Decrease in ICASS costs.	-168
6. FY 2021 Budget Request	12,996

OP-5 Reconciliation of Increases and Decreases

DEFENSE INTELLIGENCE AGENCY
 Family Housing Operation and Maintenance, Defense-wide
 Fiscal Year (FY) 2021 Budget Estimates

OPERATION AND MAINTENANCE
Analysis of Leased Units

<u>Location</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2019</u> Lease <u>Months</u>	Cost <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2020</u> Lease <u>Months</u>	Cost <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2021</u> Lease <u>Months</u>	Cost <u>(\$000)</u>
Domestic Leases									
None									
Foreign Leases									
Classified Locations*	732	8,784	37,827	732	8,784	39,222	712	8,544	36,860
Total Foreign Lease	732	8,784	37,827	732	8,784	39,222	712	8,544	36,860
Grand Total	732	8,784	37,827	732	8,784	39,222	712	8,544	36,860

*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) 2021 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 2021 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 2020 President's Budget Request	39,222
2. FY 2020 Appropriated Amount	39,222
3. FY 2020 Current Estimate	39,222
4. Price Change	+784
5. Program Decrease: DAS overseas presence is declining by 3 percent due to DAO regionalization. DAO regionalization closes DAOs in lower priority countries with continued coverage from regional DAO's. DAO regionalization results in a decrease to funding needed for leasing.	-3,146
6. FY 2021 Budget Request	36,860

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DEPARTMENT OF DEFENSE
FAMILY HOUSING IMPROVEMENT FUND
Fiscal Year (FY) 2021 Budget Estimates

The FY 2021 Department of Defense (DoD) Family Housing Improvement Fund (FHIF) Administrative request is \$5,897,000 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) 2021 Budget Estimates

PROGRAM SUMMARY
(Dollars in Thousands)

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
FY 2021 Budget Request	1,653	3,045	5,897

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 housing units to competitively selected privatization entities (i.e., the MHPI projects). The MHPI 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 projects assumed responsibility for operation, maintenance, 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 (ASD (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, to include financial support and accounting of MHPI program funds and third party surveys of MHPI residents (e.g., resident satisfaction surveys).

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 of loan default or financial restructuring) of each of the 79 family housing MHPI projects (as well as the

DEPARTMENT OF DEFENSE
FAMILY HOUSING IMPROVEMENT FUND
Fiscal Year (FY) 2021 Budget Estimates

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 2021 FHIF budget request recommitments the DoD 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 79 financially complex MHPI family housing projects deal structures (e.g., project debt structures frequently involve the bond market and credit swaps).

**DEPARTMENT OF DEFENSE
FAMILY HOUSING IMPROVEMENT FUND**
Fiscal Year (FY) 2021 Budget Estimates

Reconciliation of Increases and Decreases

The FHIF budget request of \$5,897 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).

	<u>(\$000)</u>
1. FY 2020 President's Budget Request	3,045
2. Price Change	+61
3. Program Increase: Increases funding for the DoD's oversight of privatized family housing under the MHPI program. This additional oversight includes the development and implementation of the processes, policies and procedures necessary to implement the requirements of the FY 2020 NDAA.	+2,791
4. FY 2021 Budget Request	5,897

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DEPARTMENT OF DEFENSE
MILITARY UNACCOMPANIED HOUSING IMPROVEMENT FUND
Fiscal Year (FY) 2021 Budget Estimates

The FY 2021 Department of Defense (DoD) Military Unaccompanied Housing Improvement Fund (MUHIF) Administrative request is \$600,000 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) 2021 Budget Estimates

PROGRAM SUMMARY
(Dollars in Thousands)

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
FY 2021 Budget Request	600	500	600

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.

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 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 MHPI program funds and third party surveys of MHPI residents (e.g., resident satisfaction surveys).

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.

The FY 2021 MUHIF budget request recommits the Department to its oversight role and supports our need for enhanced realty / financial advisory and associated consultant support. This support

DEPARTMENT OF DEFENSE
MILITARY UNACCOMPANIED HOUSING IMPROVEMENT FUND
Fiscal Year (FY) 2021 Budget Estimates

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).

DEPARTMENT OF DEFENSE
MILITARY UNACCOMPANIED HOUSING IMPROVEMENT FUND
Fiscal Year (FY) 2021 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).

	<u>(\$000)</u>
1. FY 2020 President's Budget Request	500
2. Price Change	+10
3. Program Increase: Increases funding for the DoD's oversight of unaccompanied housing and temporary lodging privatized under the MHPI program. The additional oversight includes the development and implementation of the processes, policies and procedures necessary to implement the requirements of the FY 2020 NDAA.	+90
4. FY 2021 Budget Request	600

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