

FAMILY HOUSING, DEFENSE-WIDE
Fiscal Year (FY) 2024 Budget Estimates

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FAMILY HOUSING, DEFENSE-WIDE
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PROGRAM SUMMARY
(Dollars in Thousands)

	<u>(\$000)</u>
FY 2024 Budget Request	57,892
FY 2023 Enacted	57,049

	<u>DIA</u>	<u>DLA</u>	<u>NSA</u>	<u>OASD (EI&E)</u>	<u>FY 2024 TOTAL</u>
<u>Family Housing Construction</u>					
New Construction	-	-	-	-	-
Improvements	-	-	-	-	-
Planning and Design	-	-	-	-	-
Construction Subtotal	-	-	-	-	-
<u>Family Housing Operation & Maintenance (O&M)</u>					
Utilities	4,273	-	15	-	4,288
<u>Operations:</u>					
Furnishings	673	-	89	-	762
Management	-	-	-	-	-
Services	-	-	-	-	-
Total Operations	673	-	89	-	762
Maintenance	-	-	35	-	35
Leasing	32,042	-	13,658	-	45,700
O&M Subtotal	36,988	-	13,797	-	50,785
<u>Family Housing Improvement Fund (FHIF)</u>					
FHIF Administrative	-	-	-	6,611	6,611
<u>Military Unaccompanied Housing Improvement Fund (MUHIF)</u>					
MUHIF Administrative	-	-	-	496	496
Total FH DW Programs	36,988	-	13,797	7,107	57,892

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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, \$50,785,000.

DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND

For the Department of Defense Family Housing Improvement Fund, \$6,611,000, 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, \$496,000 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 and supporting facilities.

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

The FY 2024 Family Housing Operation and Maintenance, Defense-Wide request is \$5,085,000 (excludes leasing costs, which will be addressed separately). The Operation and Maintenance account 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
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FAMILY HOUSING OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)

<u>A. Inventory Data</u>	<u>FY 2022</u>		<u>FY 2023</u>		<u>FY 2024</u>	
Units in Being Beginning of Year	1		1		1	
Units in Being End of Year	1		1		1	
Average Inventory for Year	1		1		1	
Units Requiring O&M Funding						
a. Conterminous U.S.	-		-		-	
b. U.S. Overseas	-		-		-	
c. Foreign	1		1		1	
d. Worldwide	-		-		-	
	<u>FY 2022</u>		<u>FY 2023</u>		<u>FY 2024</u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost	Cost	Cost	Cost	Cost	Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
B. Funding Requirements						
1. Operations						
a. Management	-	-	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	82,000	738	87,000	743	89,000	762
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	82,000	738	87,000	743	89,000	762
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	82,000	738	87,000	743	89,000	762
2. Utilities						
Direct Obligations-Utilities	5,000	4,171	15,000	4,181	15,000	4,288
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	5,000	4,171	15,000	4,181	15,000	4,288
3. Maintenance						
a. M&R Dwellings	12,000	12	34,000	34	35,000	35
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	12,000	12	34,000	34	35,000	35
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	12,000	12	34,000	34	35,000	35
Total Direct Obligations	99,000	4,921	136,000	4,958	139,000	5,085
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	99,000	4,921	136,000	4,958	139,000	5,085

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NATIONAL SECURITY AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2024 Budget Estimates

PROGRAM SUMMARY
(Dollars in Thousands)

	<u>FY 2022*</u>	<u>FY 2023</u>	<u>FY 2024</u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction			
Subtotal	-	-	-
Utilities	5	15	15
Operations	82	87	89
Maintenance	12	34	35
Leasing	12,130	13,306	13,658
O&M Subtotal	12,229	13,442	13,797
Reimbursable	-	-	-
Total Program	12,229	13,442	13,797

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 will remain at 1 unit from the beginning to the end of FY 2024. This program summary displays a funding profile for the leasing of housing units as well as expenses for the government-owned unit, to include utilities, operations, and maintenance funding.

* FY 2022 data for the National Security Agency is incorrectly displayed on the C-1 due to a technical error. FY 2022 data is correctly displayed in this budget justification material.

NATIONAL SECURITY AGENCY
Family Housing Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2024 Budget Estimates

OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)

A. Inventory Data	<u>FY 2022</u>		<u>FY 2023</u>		<u>FY 2024</u>	
Units in Being Beginning of Year	1		1		1	
Units in Being End of Year	1		1		1	
Average Inventory for Year	1		1		1	
 Units Requiring O&M Funding						
a. Conterminous U.S.	-		-		-	
b. U.S. Overseas	-		-		-	
c. Foreign	1		1		1	
d. Worldwide	-		-		-	
	<u>FY 2022</u>		<u>FY 2023</u>		<u>FY 2024</u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost	Cost	Cost	Cost	Cost	Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
 B. Funding Requirements						
1. Operations						
a. Management	-	-	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	82,000	82	87,000	87	89,000	89
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	82,000	82	87,000	87	89,000	89
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	82,000	82	87,000	87	89,000	89
 2. Utilities						
Direct Obligations-Utilities	5,000	5	15,000	15	15,000	15
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	5,000	5	15,000	15	15,000	15
 3. Maintenance						
a. M&R Dwellings	12,000	12	34,000	34	35,000	35
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	12,000	12	34,000	34	35,000	35
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	12,000	12	34,000	34	34,000	35
 Total Direct Obligations	99,000	99	136,000	136	139,000	139
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	99,000	99	136,000	136	139,000	139

NATIONAL SECURITY AGENCY
 Family Housing Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2024 Budget Estimates

OPERATION AND MAINTENANCE

OP-5 Reconciliation of Increases and Decreases

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

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

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

<u>Operations-Furnishings:</u>	<u>(\$000)</u>
1. FY 2023 President's Budget Request	87
2. FY 2023 Appropriated Amount	87
3. FY 2023 Current Estimate	87
4. Price Change	+2
5. Program Increase: Unit furnishing requirements are expected to remain stable in FY 2024.	+0
6. FY 2024 Budget Request	89

<u>Utilities:</u>	<u>(\$000)</u>
1. FY 2023 President's Budget Request	15
2. FY 2023 Appropriated Amount	15
3. FY 2023 Current Estimate	15
4. Price Change	0
5. Program Increase: Unit utility requirements are expected to remain stable in FY 2024.	0
6. FY 2024 Budget Request	15

<u>Maintenance:</u>	<u>(\$000)</u>
1. FY 2023 President's Budget Request	34
2. FY 2023 Appropriated Amount	34
3. FY 2023 Current Estimate	34
4. Price Change	+1
5. Program Decrease: Unit maintenance requirements are expected to remain stable in FY 2024.	0
6. FY 2024 Budget Request	35

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DEFENSE INTELLIGENCE AGENCY
Family Housing Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2024 Budget Estimates

PROGRAM SUMMARY
(Dollars in Thousands)

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	-	-	-
Operations	656	656	673
Utilities	4,166	4,166	4,273
Maintenance	-	-	-
Leasing	31,430	31,849	32,042
O&M Subtotal	36,252	36,671	36,988
Reimbursable	-	-	-
Total Program	36,252	36,671	36,988

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) advise the U.S. Ambassador on military and politico-military matters; (3) represent the DoD and the military services; and (4) administer military assistance programs and foreign military sales as directed. 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 2024 Family Housing Program funds government leases (of which approximately 229 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 DoS 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) 2024 Budget Estimates

OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)

<u>A. Inventory Data</u>	<u>FY 2022</u>		<u>FY 2023</u>		<u>FY 2024</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 2022</u>		<u>FY 2023</u>		<u>FY 2024</u>	
	Unit Cost (\$)	Total Cost (\$000)	Unit Cost (\$)	Total Cost (\$000)	Unit Cost (\$)	Total Cost (\$000)
<u>B. Funding Requirements</u>						
1. <u>Operations</u>						
a. Management	-	-	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	-	656	-	656	-	673
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	-	656	-	656	-	673
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	656	-	656	-	673
2. <u>Utilities</u>						
Direct Obligations-Utilities	-	4,166	-	4,166	-	4,273
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	4,166	-	4,166	-	4,273
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	-	4,822	-	4,822	-	4,946
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	-	4,822	-	4,822	-	4,946

FH-2 Family Housing Operations and Maintenance

DEFENSE INTELLIGENCE AGENCY
Family Housing Operation and Maintenance, Defense-wide
Fiscal Year (FY) 2024 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 2023 President's Budget Request	656
2. FY 2023 Appropriated Amount	656
3. FY 2023 Current Estimate	656
4. Price Change	+14
5. Program Decrease: Marginally higher “make ready” costs for projected residential turnover.	+3
6. FY 2024 Budget Request	673

<u>Utilities:</u>	<u>(\$000)</u>
1. FY 2023 President's Budget Request	4,166
2. FY 2023 Appropriated Amount	4,166
3. FY 2023 Current Estimate	4,166
4. Price Change	+87
5. Program Decrease: Residential utility prices (e.g., gas, electricity, water, etc.) are projected to remain elevated.	+20
6. FY 2024 Budget Request	4,273

OP-5 Reconciliation of Increases and Decreases

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FAMILY HOUSING, DEFENSE-WIDE
 Family Housing Operation and Maintenance, Defense-wide
 Fiscal Year (FY) 2024 Budget Estimates

LEASING SUMMARY

The FY 2024 leasing request by agency is as follows:

	FY 2022		FY 2023		FY 2024	
	<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	12,130	263	13,306	261	13,658	261
Reimbursements	-	-	-	-	-	-
Gross Obligations	12,130	263	13,306	261	13,658	261
<u>Defense Intelligence Agency</u>						
Direct Obligations	31,430	712	31,849	735	32,042	688
Reimbursements	-	-	-	-	-	-
Gross Obligations	31,430	712	31,849	735	32,042	688
Total Program	43,560	975	45,155	996	45,700	949

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

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NATIONAL SECURITY AGENCY
 Family Housing Operation and Maintenance, Defense-wide
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OPERATION AND MAINTENANCE
Analysis of Leased Units

<u>Location</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2022</u> Lease <u>Months</u>	Cost <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2023</u> Lease <u>Months</u>	Cost <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2024</u> Lease <u>Months</u>	Cost <u>(\$000)</u>
Domestic Leases									
None									
Foreign Leases									
Special Crypto Activities	263	3,156	12,130	261	3,060	13,306	261	3,132	13,658
Total Foreign Lease	263	3,156	12,130	261	3,060	13,306	261	3,132	13,658
Grand Total	263	3,156	12,130	261	3,060	13,306	261	3,132	13,658

NATIONAL SECURITY AGENCY
Family Housing Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2024 Budget Estimates

OPERATION AND MAINTENANCE
Leasing

OP-5 Reconciliation of Increases and Decreases

Leasing: NSA’s Budget Submission for the FY 2024 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 DoS under the ICASS.

<u>Leasing:</u>	<u>(\$000)</u>
1. FY 2023 President's Budget Request	13,306
2. FY 2023 Appropriated Amount	13,306
3. FY 2023 Current Estimate	13,306
4. Price Change	+279
5. Program Decrease: Slight increase for “make ready” costs due to projected residential turnover.	+73
6. FY 2024 Budget Request	13,658

OP-5 Reconciliation of Increases and Decreases

DEFENSE INTELLIGENCE AGENCY
 Family Housing Operation and Maintenance, Defense-wide
 Fiscal Year (FY) 2024 Budget Estimates

OPERATION AND MAINTENANCE
Analysis of Leased Units

<u>Location</u>	<u>Units</u> <u>Auth.</u>	<u>FY 2022</u>		<u>FY 2023</u>			<u>FY 2024</u>		
		<u>Lease</u> <u>Months</u>	<u>Cost</u> <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>Lease</u> <u>Months</u>	<u>Cost</u> <u>(\$000)</u>	<u>Units</u> <u>Auth.</u>	<u>Lease</u> <u>Months</u>	<u>Cost</u> <u>(\$000)</u>
Domestic Leases									
None									
Foreign Leases									
Classified Locations*	712	8,544	31,430	735	8,820	31,849	688	8,256	32,042
Total Foreign Lease	712	8,544	31,430	735	8,820	31,849	688	8,256	32,042
Grand Total	712	8,544	31,430	735	8,820	31,849	688	8,256	32,042

*Due to the sensitive nature of this information, country detail, to include lease months, can be provided to the committee under separate cover.

Exhibit FH-4 Analysis of Leased Units

DEFENSE INTELLIGENCE AGENCY
Family Housing Operation and Maintenance, Defense-Wide
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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 2024 budget request for DIA includes funding associated with ICASS and leases costs for the DAS worldwide which include many in high cost areas.

<u>Leasing:</u>	<u>(\$000)</u>
1. FY 2023 President's Budget Request	31,849
2. FY 2023 Appropriated Amount	31,849
3. FY 2023 Current Estimate	31,849
4. Price Change	+669
5. Program Decrease: This decrease is due to the results of a program review of DAS staff worldwide and their associated family housing leasing costs. The funds requested in this budget only support those costs incurred by family housing leasing and minimal ICASS costs.	-476
6. FY 2024 Budget Request	32,042

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DEPARTMENT OF DEFENSE
FAMILY HOUSING IMPROVEMENT FUND
Fiscal Year (FY) 2024 Budget Estimates

The FY 2024 Department of Defense (DoD) Family Housing Improvement Fund (FHIF) Administrative request is \$6,611,000 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) 2024 Budget Estimates

PROGRAM SUMMARY
(Dollars in Thousands)

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
FY 2024 Budget Request	3,829	6,442	6,611

Program and Scope

DoD has privatized 99 percent (more than 200,000 units) of its family housing inventory in the United States, with 78 current projects executed under the Military Housing Privatization Initiative (MHPI), a federal credit program authorized by Congress in 1996. Under the MHPI, Military Departments conveyed their existing government family housing units to competitively selected privatization entities (i.e., the MHPI projects). In return, the MHPI projects assumed responsibility for operation, maintenance, repair, construction, and replacement of the housing during the lease term, in accordance with the MHPI authorities as defined in Title 10, United States Code. The MHPI housing projects operate under long-term (typically 50-year) ground leases and associated legal agreements with a Military Department, with most having a one 25-year option period. Through the MHPI, DoD has achieved more than \$32 billion in private development by leveraging just \$4 billion in DoD investment. The resulting development 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 FY 2020 – FY 2023 National Defense Authorization Acts (NDAA) (Public Laws 116-92, 116-283, 117-81, and 117-263) and OMB Circular A-129 “Policies for Federal Credit Programs and Non-Tax Receivables”. In particular, the requested funds are necessary for Office of the Assistant Secretary of Defense for Energy, Installations, and Environment (OASD (EI&E)) MHPI realty/financial advisory and associated consultant support, which is vital for protecting the Government’s interests, assessing MHPI project financials and financial viability, and accounting of the MHPI FHIF program funds. The requested funds also provide critical support for the ASD (EI&E) to execute the statutorily defined Chief Housing Officer duties and responsibilities.

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 complex real estate 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

DEPARTMENT OF DEFENSE
FAMILY HOUSING IMPROVEMENT FUND
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new, quality on-base housing faster and more efficiently than the 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 78 family housing MHPI projects (as well as the 8 unaccompanied housing / temporary lodging MHPI projects), to include periodic modifications dependent on military force structure, local housing market changes, or the need to aid in housing recovery following a disaster.

The FY 2024 FHIF budget maintains the Department's commitment to its oversight role and supports our continued, long-term need for enhanced realty/financial advisory and associated consultant support. This support includes the monitoring of the financial health, financing, and accounting aspects of 78 financially complex MHPI family housing projects deal structures (e.g., project debt structures frequently involve the bond market and credit swaps).

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Reconciliation of Increases and Decreases

The FHIF budget request of \$6,611 million will fund enhanced oversight of family housing privatized under the MHPI program, to include realty / financial advisory, and associated consultant support to the OASD (EI&E).

	<u>(\$000)</u>
1. FY 2023 President's Budget Request	6,442
2. Price Change	+135
3. Program Increase: Increases funding for the Department's oversight of MHPI family housing projects and execution of the statutorily defined responsibilities of the Chief Housing Officer, in support of the requirements set out in the FY 2020, FY 2021, FY 2022, and FY 2023 NDAAAs.	+34
4. FY 2024 Budget Request	6,611

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The FY 2024 Department of Defense (DoD) Military Unaccompanied Housing Improvement Fund (MUHIF) Administrative request is \$496,000 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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PROGRAM SUMMARY
(Dollars in Thousands)

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
FY 2024 Budget Request	399	494	496

Program and Scope

DoD has privatized select unaccompanied housing units, including temporary lodging (i.e., hotels), on military installations in the United States under the Military Housing Privation Initiative (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 50-year) ground leases (with 25-year option periods).

DoD relies on the MUHIF to accomplish oversight, assessment, and administration of MHPI unaccompanied housing (including temporary lodging) consistent with statutory requirements, congressional direction (e.g., the extensive new requirements set out in the FY 2020 - FY 2023 National Defense Authorization Acts [NDAAs]) (Public Laws 116-92, 116-283, 117-81, and 117-263), and OMB Circular A-129 “Policies for Federal Credit Programs and Non-Tax Receivables”. In particular, the requested funds are necessary for OASD (EI&E) realty/financial advisory and associated consultant support, which is vital for protecting the Government’s interests, assessing MHPI project financials and financial viability, and accounting of MUHIF program funds. The requested funds also provide critical support for the ASD (EI&E) to execute the statutorily defined Chief Housing Officer duties and responsibilities.

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 complex real estate 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 78 family housing MHPI projects), to include periodic

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modifications dependent on military force structure, local housing market changes, or the need to aid in housing recovery following a natural disaster.

The FY 2024 MUHIF budget maintains the Department's commitment to its oversight role and supports our need for enhanced realty / financial advisory and associated consultant support. This support includes the monitoring of the financial and accounting aspects of 8 financially complex MHPI unaccompanied housing/temporary lodging project deal structures (e.g., project debt structures frequently involve the bond market and credit swaps).

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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 OASD (EI&E).

	<u>(\$000)</u>
1. FY 2023 President's Budget Request	494
2. Price Change	+10
3. Program Decrease: Decreased funding after a review of program execution and current requirements. Maintains the Department's commitment to the oversight of unaccompanied housing and temporary lodging privatized under the MHPI program.	-8
4. FY 2024 Budget Request	496

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