

**DEPARTMENT OF THE AIR FORCE**

**STATEMENT BY**

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**BEFORE THE**

**SUBCOMMITTEE ON READINESS  
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**MISMANAGED MILITARY FAMILY HOUSING PROGRAMS: WHAT IS THE RECOVERY  
PLAN?**

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BY THE COMMITTEE ON ARMED SERVICES  
UNITED STATES HOUSE OF REPRESENTATIVES**

## **Introduction**

The United States Air Force endeavors to build, operate, and maintain installations which serve as power projection platforms, while providing safe and healthy communities for our Airmen and their families. The health and safety of our Airmen, their families, and the communities in which we serve is our priority, and the quality of life of our Airmen is key to meeting our recruiting and retention goals. A significant component to the quality of life of our Airmen is access to adequate housing. We share the concerns of our Airmen as well as the concerns of this Committee when we are confronted with instances where our housing objectives have not been met. When there are challenges, Air Force leadership owns it. We have intervened with the project owners, advocated for our residents, and supported installation commanders in our mission to take care of our Airmen and their families.

Currently, the Air Force provides 71,200 family housing units worldwide for use by our Service Members and their families. In 1996, Congress passed the Military Housing Privatization Initiative, giving the Services the authority to enter into agreements with the private sector to improve housing and quality of life for service members and their families. Since then, across the United States, the Air Force has privatized more than 55,000 homes in an effort to improve the quality of housing for the service members and families living on our Air Force bases. We sought to leverage private sector funding and expertise to provide quality housing for our members while shedding a non-core warfighting function. In the first 16 years, the Air Force completed 32 projects that privatized housing at 63 installations with a total end state of 53,237 homes. Of these, 18,028 existing adequate homes were conveyed at closing, and \$619 million in Air Force scored costs were used to obtain \$8.3 billion in total development through private partnerships to renovate 12,595 homes and construct an additional 22,219 homes. Of the 32 projects, 28 are now complete (42,786 homes) and four are still in development (10,451 homes).

Twenty-two years into this journey, we are focused on overseeing the long-term project health and sustainment of these projects with an emphasis on providing a quality housing experience for our service members. Airmen generally give high marks for their accommodations. A 2018 third-party survey found that nearly 82% of respondents reported their homes to be “Very Good.” A recent review of military housing concerns by base commanders showed similar findings that nearly 86% of residents are satisfied with the health and safety of their homes. While this is a significant improvement over the past 22 years, these results also mean that we have thousands of residents still living in unsatisfactory conditions.

This has been reinforced by a number of media reports which highlighted these problems as well as our challenges to adequately address them, especially at some of our bases where privatized housing project owners have not met expectations. These media reports, as well as the concerns expressed by our Airmen and their families during the recent Air Force reviews of privatized housing, have reinforced these challenges as well as several opportunities to improve the housing experience for our residents. We are listening to our Airmen. They have a right to openly report housing problems without fear of reprisal, and we are committed to improving trust and transparency between our Airmen, the housing management teams, and base leadership to resolve issues quickly and fairly, and to help our Airmen thrive.

### **How the Air Force Manages Housing**

The Air Force has a comprehensive portfolio management process including housing offices at each of our installations that work for the wing commanders to serve as advocates for our families. They engage daily with the project owners' on-site management staff and residents, inspect housing units, and assess compliance with transactional documents for privatized housing. Airmen are encouraged to address housing issues with their local housing office. These housing offices play a critical role to ensure healthy and safe living conditions for our residents as well as keeping the command chain informed of challenges and disputes. Our recent review of our housing management program showed that our housing management offices face challenges in adequately performing these duties due to personnel cuts over the past several years and lack of authority to address shortcomings in project owner performance. The Air Force is looking at options to address these challenges.

Above the installation, the Air Force established a centralized organization within the Air Force Civil Engineer Center to manage business agreements with privatized project owners and work directly with our installations and project owners to address concerns with both individual projects and the broader portfolio. When local housing management offices are unable to resolve residents' housing issues within the chain of command, they can elevate those issues directly to the Air Force Civil Engineer Center. The Air Force Civil Engineer Center then works directly with project owners, including their senior-level business representatives, wing commanders, and our office to resolve those programmatic concerns.

Through these Air Force resources, we conduct oversight of the 32 projects across 63 installations where housing has been privatized. We focus on proactive interventions in an effort to identify and prevent problems before they happen. Each quarter, the Air Force Civil Engineer Center conducts project reviews with installation leaders, project owners, and local housing offices. Corrective action plans can be

established as needed to bring performance back into alignment with transactional documents. The Air Force Civil Engineer Center also conducts annual site visits to each installation, visiting a sample of the housing units and assessing compliance with project requirements. The Air Force Civil Engineer Center and the Deputy Assistant Secretary of the Air Force for Installations conduct regular program management reviews to address a wide range of issues across the entire portfolio of privatized projects and work closely together on an almost daily basis with installations to resolve resident concerns. Finally, the Air Force Civil Engineer Center, the Deputy Assistant Secretary of the Air Force for Installations, and the project owners meet twice a year to share best practices, discuss lessons learned, and conduct one-on-one feedback sessions with the partners. Through this process, the Air Force works diligently with installations, residents, the chain of command, and project owners to resolve concerns to ensure that our service members have a positive family housing experience and that any challenges they have are resolved quickly and fairly.

### **Immediate Actions to Address Airmen Concerns and Maintenance Challenges**

The health and safety of our Airmen and their families is a leadership imperative. At the direction of the Secretary and Chief of Staff of the Air Force, we conducted a health and safety review of our military housing. Wing commanders with responsibility for military and privatized housing on their installations led the reviews with their subordinate unit commanders and senior enlisted leaders. Our office created a standard checklist and sent it to each installation housing office. Commanders used the checklist to personally contact military residents of privatized housing and document their health or safety concerns. We established an action team at the Air Force Civil Engineer Center to support our wing commanders to provide guidance, advice, and assistance, and to gather the data collected during this review. The Air Force also completed an Air Force Inspector General review and assessment of policies and procedures for handling resident health and safety challenges.

The Secretary of the Air Force, the Under Secretary of the Air Force, the Chief of Staff of the Air Force, and the Assistant Secretary of the Air Force for Installations, Environment and Energy have all personally conducted visits to our most troubled installations to see the housing issues firsthand and to interact directly with Airmen and their families, installation leaders, and, in some cases, the project owners. They also participated in listening sessions with Airmen and their families to better understand what was working and where we need to better focus our attention.

### ***Wing Commander Review***

The data reported through 1 March included responses from 50,991 military residents out of a total of 57,500 military personnel residing in government-owned, government-controlled, and privatized housing. There were 44,097 responses for privatized housing. Our commanders have continued working to meet with the other eleven percent of military residents which could not be reached during the limited time of the review for various reasons including personal and work travel.

At joint bases, Air Force, Army, and Navy commanders worked to avoid redundant reviews and to ensure sharing of information among all commanders of housing concerns identified by their members. Overall, 14.1 percent of military members contacted expressed a life, health, or safety concern with their home. The percentage was much lower in government-owned and leased homes, where only 1.5 percent expressed concerns vice 15.4 percent for privatized housing. Common issues include mold and moisture, insects, or mice. Some military residents also expressed concerns about other areas for further investigation, like peeling paint that could potentially contain lead, or the potential presence of radon or asbestos.

Of the 50,991 military housing residents who responded, 9,861 members requested visits. Leadership visited those homes and found:

- 2,421 had mold and moisture issues,
- 482 had chipped or flaking paint,
- 1,254 had droppings, or other evidence of vermin, and
- 7,009 presented other maintenance concerns.

Resident concerns with housing have been communicated to project owners and commanders. The Air Force Civil Engineer Center is tracking through completion the maintenance work orders created by the project owner to address those concerns. This is a start. While we work to resolve the immediate concerns of military residents, we will also follow through to address the larger programmatic issues at each of our installations that are the root causes of these concerns.

The results of the wing commander's reviews and Air Force senior leadership visits highlighted five important concerns:

- Project owners need to ensure the qualifications, staffing, and responsiveness of their maintenance crews is adequate
- Housing management offices are too small and require additional skill sets to perform adequate quality assurance of work by project owners

- Some military residents do not fully understand their rights and how to obtain assistance in resolving concerns with their housing or disputes using their chain of command
- Project owner performance incentive fees are not driving desired outcomes
- The Air Force needs to provide better moisture and mold policy/guidance to installation commanders and project owners

## **Our Path Forward**

The Air Force has taken a number of near-term actions to address these challenges, including the ongoing Inspector General assessment of policies, procedures, and best practices for handling resident complaints and protecting residents from potential health and safety hazards. Additionally we are drafting a letter to all commanders from the Secretary of the Air Force and Chief of Staff of the Air Force reiterating chain of command responsibilities with regard to the health and safety of residents in privatized housing. Lastly, we are conducting a review of the staff size and authorities in the housing management offices which are so important in supporting our residents and keeping the chain of command informed of challenges.

Also, we are taking steps to improve our communication and expand the resources available to Airmen and their families. We established a toll-free call center where residents can report concerns with privatized housing, and we are crafting policy to implement a tenant council for both privatized and government-run housing across the Air Force enterprise. The Air Force Judge Advocate General has provided guidance to legal offices to educate tenants about the services available through military legal assistance, tenants' rights under leases and state law, and the process for filing claims. Finally, we are working in coordination with the Office of the Secretary of Defense, the other military services, our project owners, and stakeholders on a joint service Resident Bill of Rights and common Military Housing Privatization Initiative tenant lease which will inform military families living in privatized housing of their rights and establish consistent expectations with the landlord-tenant relationship and responsibilities.

We have also initiated a number of medium and long-term efforts to address shortcomings in privatized housing, which include automated systems to improve maintenance work order visibility, maintenance quality assurance, performance incentive fee structure, and enhancement of the Air Force Civil Engineer Center annual site visits to include additional feedback from commanders and residents.

Air Force leadership at every level is committed to rectifying the poor conditions that exist in some privatized homes. Senior Air Force leaders have conducted multiple privatized housing site visits in the last month and I will continue inspecting base housing projects during each installation visit I make. My next base visits will be to Joint Base Langley-Eustis and Joint Base Charleston in early April.

## **Conclusion**

The Air Force is committed to providing safe and healthy housing for our residents living on our installations. While a majority of our Airmen are satisfied with their housing, we have some privatized housing project owners who are not meeting expectations. We will hold those project owners accountable for performance and provide the necessary resources to our wing commanders to ensure that our Airmen living in safe and healthy conditions. We are addressing the housing issues we know about and taking steps to improve each Airman's access to get help quickly and fairly. As we move forward, we look forward to working with the Congress on an enforceable Resident Bill of Rights, as well as any other needed improvements.