

TESTIMONY OF JARL BLISS  
PRESIDENT, LINCOLN MILITARY HOUSING

BEFORE THE  
SUBCOMMITTEE ON READINESS  
OF THE  
HOUSE COMMITTEE ON ARMED SERVICES

DECEMBER 5, 2019

Chairman Garamendi, Ranking Member Lamborn, and distinguished members of the Subcommittee:

Thank you for the opportunity to testify before you to discuss Lincoln Military Housing's (LMH) provision of residential property management services to our women and men in uniform through the Military Housing Privatization Initiative (MHPI). LMH welcomes your subcommittee's oversight of the MHPI to ensure that all of the public-private ventures (PPVs) are delivering the highest level of service to military families.

We heard the concerns many of our residents raised and have restructured and strengthened our project management approach to address them. We apologize to any military families who have been displaced or inconvenienced throughout this process; we agree they deserve better. We worked directly with military families to develop and implement a number of reforms over the last year, including working with the Safe Military Housing Initiative, which has helped us place resident advocates in our communities to better support our military families. And although we have more work ahead, I am pleased to report that residents are telling us both in person and in anonymous surveys that we are heading in the right direction.

We understand that we serve a special subset of the American population—our Nation's heroes. We regret when we do not live up to the expectations of even one military family. At LMH, we challenge ourselves every day to think outside the box about how we can continue to improve the quality of life in our housing. We invite continued constructive dialogue with military families, the Department of Defense (DOD), this subcommittee, and other members of Congress about how we can better serve the military families who have chosen to serve us.

#### BACKGROUND

As this subcommittee is aware, in the mid-1990s, military family housing was in serious disrepair; residents at that time rated their satisfaction at around 60 out of 100 and DOD estimated that rehabilitating the housing stock would cost taxpayers at least \$16 billion over 30 years. Through the MHPI, private sector investment in military housing has exceeded \$20 billion over the past 16 years, and military families have experienced a marked improvement in the quality of housing, as evidenced by a 20-25 point increase in their self-reported satisfaction scores across the portfolio of homes.

Today, LMH manages around 37,000 residential units at several locations throughout the U.S. Together with our military partners and with the power of private capital markets, we have been able to raise and invest approximately \$4 billion into housing for military families. Much of that has been new construction. Some of that has been significant renovations to existing properties. And some of that has been new schools, parks, recreational facilities and other amenities that are not available to military families who choose to live off base.

LMH employs over 1,200 men and women who dedicate themselves every day to making sure our military families enjoy a quality living experience, thereby enabling them to be their most effective when serving their country. About half of our employees are veterans, military spouses,

or have family members that served; many were once residents in our housing. These shared backgrounds contribute to a sense that serving our military family customers is more of a vocation than simply a job. And part of that culture of dedication means owning up to mistakes when they are made and fixing them promptly, whether that means repairing a piece of drywall or making sweeping reforms throughout our entire housing portfolio.

LMH is proud of its partnership with the DOD, which has, since its inception, significantly improved the quality of military housing for military families. Working with military families, we have developed and implemented a series of reforms over the last few years to address concerns raised by military families and members of Congress. And we are pleased that many of the reforms we have put in place are aligned with those that this Committee and other Members in the House and Senate have offered.

#### PROGRESS TOWARD REFORM

LMH takes very seriously any resident who believes their concerns have not been remedied in professional and satisfactory way. Every day, we work with servicemember families to try to go above and beyond to serve their needs because we understand the unique nature of their residency and their contribution to the readiness of our Armed Forces.

Over the past several years, LMH has implemented a number of changes in response to residents' concerns. A non-exhaustive list of these reforms is below.

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RESIDENTS' CONCERNS	ACTIONS TAKEN
Third Party Review of Mold Policy	Review complete and protocols meet or exceed industry standards
Additional tools for submitting and tracking work orders	Lincoln Military Resident App completed and launched
Incentive fee structure modifications	Discussions in process
Mechanism for withholding rent if repair or resolution is disputed.	Working within state/local tenant law for affected residents.
Access to LMH Senior Leadership	Senior leadership has met personally with family members across the country and added an executive hotline for concerns.
Additional resident feedback opportunities	Adjusted work order survey timing to day service completed and added anonymous survey option.
Increased government access to CRM software	Provided additional access to CRM software and additional weekly info.
Work order follow up	Update phone calls are made to families that have work orders that have not been completed in one calendar day.
Residents wanting to feel more connected to the local PM teams.	Implemented an outreach program that is scheduled to knock on every door multiple times a year (and leave flyers for families not home) to address any concerns.
Residents feeling work orders were being closed before work was complete.	Began sending completion notifications to residents and are in the process of having residents sign for completed work.
Families feeling that homes were not ready when they moved in.	In the process of hiring a National QC Manager and only management-level employees can certify homes ready for move-ins.
Families feeling that there was no dispute resolution with PPV.	Emphasizing our 3-step resolution process and working on an independent dispute resolution solution with professional mediators.

We have received feedback concerning these reforms. Many families believe that we have improved the quality of our housing and services; others are pleased that we are working collaboratively with military families and their representatives but believe that we have more work to do.

We are encouraged by objective third-party survey data about the quality of our military housing, which shows that a majority of families believe we are on the right path. Almost a year ago, an independent survey showed that nearly half of military families were not satisfied with their housing. We were as disappointed in those results as our residents. Immediately, we began to implement reforms. In April 2019, the Navy and Army both commissioned independent surveys of our families and found that their “Overall Satisfaction” rated “Average.” This was progress, but still not what our families deserve. In September of this year, after more reforms were implemented, the same independent survey with the same questions was sent out to our families. This time, the scores increased by nearly 15% and averaged a “Very Good” rating. While we have more work to do, the impact of the reforms instituted as a result of feedback and the work of this Committee, along with our DOD partners, seem to be delivering a much improved experience for our families. Still, we continue to make adjustments and changes that are responsive to resident needs and requests.

#### CONCLUSION

LMH values congressional oversight of our PPVs and constructive dialogue with the military family community. We believe hearings like this strengthen our collective resolve to improve the quality of housing and property management services. We welcome your input as we, our DOD partners, and other stakeholders evaluate and implement ideas for reform, and we thank you for the opportunity to testify at this hearing.