

APPENDIX A

REQUIREMENTS DETERMINATION

1. INTRODUCTION

The purpose of this Annex is to outline the Army's initiative to further refine the FHMP by developing Installation-level investment requirements. The investment requirements are developed in a two-step process:

- Step 1 consists of performing a Housing Market Analysis (HMA) to determine the appropriate split between housing Soldiers and their families on and off the installation.
- Step 2 consists of taking the on-post requirements determined in Step 1 and developing an installation-level FHMP (I-FHMP). Analysts from the National Association of Home Builders Research Center (NAHBRC), a Department of the Army contractor, develop the installation plan. NAHBRC works closely with the installation to determine revitalization costs, project phasing, and year-by-year programming schedules. For privatization (RCI) sites, this step is not accomplished by NAHBRC, but by the partners during development of the Community Development and Management Plan (CDMP).

2. HOUSING MARKET ANALYSES. A HMA is conducted for each for installation. The HMA is a detailed study of housing demand and supply within a defined market area. The purpose of the HMA is to determine the ability of the local housing market to meet the needs of accompanied Army personnel. The HMA also provides the Army with necessary information so that action may be taken, as warranted, to satisfy unfulfilled housing needs of Army personnel and their families.

Once completed, each HMA is validated by the OACSIM to ensure that the methodology is consistent with HQDA and OSD policy. It is then staffed with the Installation and the MACOM/Region for comment and approval. The approved HMA is then incorporated in The Army FHMP. Current Congressional and Department of Defense (DoD) policy specifies that any government-financed housing project shall be considered only when it has been demonstrated that the local market is unable to meet government requirements for housing location, affordability, number of bedrooms, and quality.

Methodology. The analysis is conducted using the following methodology:

- All military families, other than the floor requirement (see below), are treated as requirements for community housing. This is consistent with current HQDA guidance (Headquarters, Department of the Army, 2001). Personnel currently residing in post housing are considered to be potential renters off post.
- The housing market area should be consistent with Basic Allowance for Housing (BAH) survey market area. This is generally defined as 20 miles.

- The acceptability of community housing is determined through interviews with property managers, realtors, and local planning officials. Mobile homes are excluded from the acceptable rental housing stock for military families. Mobile homes owned by their military occupants are assumed to be acceptable, just as all other military owner-occupied units are considered acceptable housing regardless of any other factors involved. Whenever possible, the percent of the local market excluded will be consistent with the areas excluded from the BAH survey area.
- The affordability definition used is the Maximum Acceptable Housing Cost (MAHC). For 2003, MAHC has two components – Basic Allowance for Housing (BAH) and Out-of-Pocket (OOP) expenses. For 2005, OOP is assumed to be zero with BAH increasing to cover projected rent and utility costs.
- The methods used in this study are a combination of a floor analysis and a cost-band quality segmentation method. The principal features of this approach are:
 - a) The floor requirement establishes the minimum number of AFH units required on-post based on the greatest of four criteria - on-post community requirements (ten percent of the effective military family housing requirement by grade segment); key and essential personnel (designated housing for key and essential or Priority 1 personnel) ; historic housing (on-post family housing listed on or eligible for listing on the National Register of Historic Places under the National Historic Preservation Act).; and quality of life (housing for members whose annual regular military compensation falls below 50 percent of the median family income for the housing market area).
 - b) The number of potential military renters is the difference between the effective family housing requirement and the floor requirement, less those families who own homes in the area. This military family rental demand is then matched to community rental housing based on how much each military grade segment can afford to pay. Military personnel are assumed to pay approximately 85 percent to 100 percent of MAHC for rent plus utilities.
 - c) Potential residents of community rental housing are analyzed based on the probability they will obtain an adequate-quality rental unit within their affordable cost band. Just because acceptable housing is available, there is no guarantee that a military family will obtain it when other (civilian) families also are looking for housing. All market shares (capture rates) are assumed equal to the share of housing adequate in quality for that market cost band.
 - d) Vacant housing is considered available for military members only to the extent there are excess vacancies in the market area (vacancies in excess of a natural or normal vacancy level).
- Military families are estimated to have requirements for two-, three-, or four-bedroom units based on the number of family members and grade of the military member. Each family member, other than the spouse, is entitled to his or her own bedroom. Accompanied

military personnel in grades E7-E9 and W4-O5 are assigned a minimum of three bedrooms due to seniority. Personnel in grades O6 and above are assigned a minimum of four bedrooms.

- As of 15 August 2002, the final step of all future HMAs will be an assessment of private sector housing supply versus military demand via use of the OSD "Dynamic Adjustment Housing Model"

Program Status. For this FHMP update, 27 HMAs are complete (see **Table A-1**). The remaining HMAs (see **Table A-2**) are nearing completion. All currently planned HMAs should be completed by July 2003 and incorporated in the FHMP (FY 04-09) scheduled for an August 2003 publication. Future dates are displayed for planning purposes and are subject to change.

Table A-1
Completed Housing Market Analyses

Installation	Type	Inbrief	Final HMA
Presidio of Monterey	RCI	Apr-01	Jun-01
Fort Bragg	RCI	Dec-00	Jul-01
Fort Campbell	RCI	Dec-00	Jul-01
Fort Stewart	RCI	Dec-00	Aug-01
Hunter AAF	RCI	Dec-00	Aug-01
Fort Hamilton	RCI	Dec-00	Sep-01
Fort Detrick	RCI	Aug-01	Jan-02
Fort Huachuca	I-FHMP	Jun-01	Feb-02
Walter Reed	RCI	Aug-01	Feb-02
Camp Parks	RCI	Jun-01	Mar-02
Fort Irwin	RCI	Jun-01	Mar-02
Moffett Field	RCI	Jun-01	Mar-02
Picatinny Arsenal	RCI	Apr-01	Apr-02
Carlisle Barracks	RCI	Dec-01	Apr-02
Fort Belvoir	RCI	Oct-01	May-02
Fort Leavenworth	RCI	May-01	May-02
Fort Wainwright	I-FHMP	Sep-01	May-02
Fort Drum	RCI	Jun-02	Jun-02
Fort Polk	RCI	Sep-01	Jun-02
Fort Richardson	I-FHMP	Sep-01	Jun-02
Fort Eustis	RCI	Nov-01	Jul-02
Fort Monroe	I-FHMP	Nov-01	Jul-02
Fort Story	RCI	Nov-01	Jul-02
Yuma Proving Ground	I-FHMP	Feb-02	Aug-02
Fort Knox	RCI	Nov-01	Aug-02
White Sands	I-FHMP	Feb-02	Sep-02
Hawaii	RCI	Jun-02	Jan-03

**Table A-2
In-Progress Housing Market Analyses**

Installation	Type	Inbrief	Final HMA
Dugway Proving Ground	I-FHMP	Mar-02	Mar-03
Fort Bliss	RCI	Aug-02	Mar-03
Fort Leonard Wood	RCI	Aug-02	Mar-03
Fort Monmouth	I-FHMP	Jun-02	Mar-03
Fort Sill	I-FHMP	Mar-02	Mar-03
Pine Bluff Arsenal	I-FHMP	Mar-02	Mar-03
Selfridge	I-FHMP	Apr-02	Mar-03
Watervliet Arsenal	I-FHMP	Apr-02	Mar-03
Aberdeen	I-FHMP	Mar-02	Mar-03
Fort Benning	RCI	Sep-02	Mar-03
Fort Gordon	RCI	Sep-02	Mar-03
Fort Jackson	I-FHMP	Feb-02	Mar-03
Fort Lee	I-FHMP	Oct-01	Mar-03
Fort McCoy	I-FHMP	Aug-02	Mar-03
Fort McPherson	I-FHMP	Aug-02	Mar-03
Fort Riley	I-FHMP	Aug-02	Mar-03
Fort Rucker	RCI	Sep-02	Mar-03
Fort Sam Houston	RCI	Aug-02	Mar-03
Redstone Arsenal	RCI	Sep-02	Mar-03
US Military Academy	I-FHMP	Apr-02	Apr-03
Camp Merrill	RCI	Feb-03	Jun-03
Fort Knox (update)	RCI	Mar-03	Jul-03

3. INSTALLATION-FHMP. The I-FHMP process produces a detailed housing plan and supporting Military Construction Project Data (DD Form 1391) sheets to program and budget for construction funds required to eliminate all inadequate houses on the installation by FY 2007. Using the validated HMA, analysts from the National Association of Home Builders (NAHB) Research Center, a Department of the Army contractor, works closely with the installation to determine revitalization costs, project phasing, and year-by-year programming schedules. An I-FHMP is developed for all non-privatization sites.

Table A-3 is the I-FHMP Schedule sorted by inspection dates. Future dates are displayed for planning purposes and are subject to change.

**Table A-3
Installation Family Housing Master Plan Schedule**

Installation	Inspections	Documentation
Ansbach/Illeshien	Dec-00	Dec-01
Bad Aibling	Dec-00	Omitted
Bamberg	Dec-00	Oct-01
Baumholder	Dec-00	Oct-01
Darmstadt/Babenhausen	Dec-00	On-Hold
Garmisch	Dec-00	Oct-01
Giessen	Dec-00	On-Hold
Grafenwoehr	Dec-00	Nov-01
Hanau	Dec-00	On-Hold
Heidelberg	Dec-00	Apr-02
Hohenfels	Dec-00	Nov-01
Mannhiem	Dec-00	On-Hold
Schweinfurt	Dec-00	Dec-01
Stuttgart	Dec-00	Feb-02
Vilseck	Dec-00	Nov-01
Wiesbaden/Dexhiem	Dec-00	Feb-02
Wuerzburg/Kitzingen	Dec-00	Apr-02
Fts. Myer/McNair	Jun-01	On-Hold
Ft. Wainwright	Sep-01	Apr-03
Ft. Richardson	Sep-01	Feb-03
White Sands	Sep-01	Feb-03
Yuma Proving Ground	Sep-01	Dec-02
Dugway	Dec-01	Feb-03
Pine Bluff	Dec-01	Mar-03
Ft. Lee	Feb-02	Aug-03
Ft. Huachuca	Mar-02	Sep-03
Carlisle Barracks	Mar-02	Jun-02
Watervliet	Mar-02	Feb-03
Aberdeen	May-02	Jul-03
Ft. Jackson	Jun-02	May-03
Ft. Riley	Jul-02	May-03
Ft. Sill	Aug-02	Apr-03