

EXECUTIVE SUMMARY

The Army Family Housing Plan was originally prepared in response to a Congressional directive requiring each Service to submit a plan demonstrating how they intend to meet the Secretary of Defense's goal to eliminate all inadequate housing. The Army submitted its first plan, FHMP 2000, to Congress in June 2000 and the second plan, FHMP 2001, to Congress in July 2001. This report is an updated plan, FHMP FY 03-09, that reflects recent changes in investment strategies and Secretary of Defense guidance.

The FHMP FY 03-09 provides a consolidated strategy for planning, programming, and executing The Army Family Housing (AFH) Program. It reflects a consistent strategy to meet the Defense Planning Guidance (DPG) goal to eliminate all inadequate family housing by 2007. The FHMP is not a single plan, but a series of innovative plans that orchestrate the management of assets, the distribution of AFH resources, and sequencing of investment projects. The goal is accomplished through a combination of: (1) traditional Military Construction (MILCON), (2) Basic Allowance for Housing (BAH) increases, and (3) privatization.

The FHMP FY 03-09 has four major components. They are: (1) a Privatization Plan that includes four pilot projects and 24 additional privatization candidates, (2) an Investment Plan that outlines how inadequate units will be eliminated based on installation, (3) an Inventory Plan that tracks leased, owned, and privatized units—showing a logical progression of units from inadequate to adequate by year, and (4) a Financial Plan that prioritizes the funding required to support the FHMP.

As outlined in the FHMP FY 03-09, The Army has developed an aggressive privatization program utilizing the Military Housing Privatization Initiative (MHPI) Act that Congress granted in 1996 and later extended until December 2014. These authorities allow the Military Services to leverage appropriated housing funds and assets to attract private-sector capital and expertise to operate, manage, maintain, and build housing. By the end of 2006, approximately 82% (73,477 units) of the projected U.S. owned inventory of 89,305 units will be privatized.

The Army has transitioned four projects to privatized operations (Forts Carson, Hood, Lewis and Meade) under a program for housing and community development privatization. The development partner is responsible for operations, maintenance, and renovation, replacement of existing homes, and construction of additional houses. The scheduling of the 24 additional privatization candidates identified in this FHMP was closely coordinated with The Army Secretariat and Major Army Command (MACOM) staffs. These projects are in various stages of planning and solicitation:

- The Army has selected partners for eight projects— Fort Bragg, Presidio of Monterey/ Naval Postgraduate School, Fort Campbell, Fort Belvoir, Fort Hamilton, Fort Irwin/Moffett Community Housing/Parks Reserve Forces Training Area, Fort Stewart/Hunter Army Air

Field, and Forts Eustis/Story/Monroe. Installation teams are collaborating with these partners to develop 50-year Community Development and Management Plans. Transfers of assets/operations are expected to occur in late FY 2003/FY 2004.

- The Army has five projects in various stages of procurement -- Fort Polk, Picatinny Arsenal, Walter Reed Army Medical Center, Fort Detrick, and Fort Shafter/Schofield Barracks.
- The Army plans to solicit partners for eleven projects in FY 2003 and 2004-- Fort Leonard Wood, Fort Sam Houston, Fort Bliss, Fort Drum, Carlisle Barracks, Fort Benning, Fort Rucker, Fort Gordon, Fort Knox, Fort Leavenworth, and Redstone Arsenal.

In conclusion, The Army has built its programs as outlined in this FHMP to support the Secretary of Defense's three-prong strategy to improve Family Housing. Privatization of our Family Housing inventory remains a key factor in helping The Army achieve its goal to provide adequate housing and improve the well being of Soldiers and their families. The Army recognizes that the military, social and economic conditions that influence this plan are constantly changing. Accordingly, The Army will update or amend the FHMP as necessary.