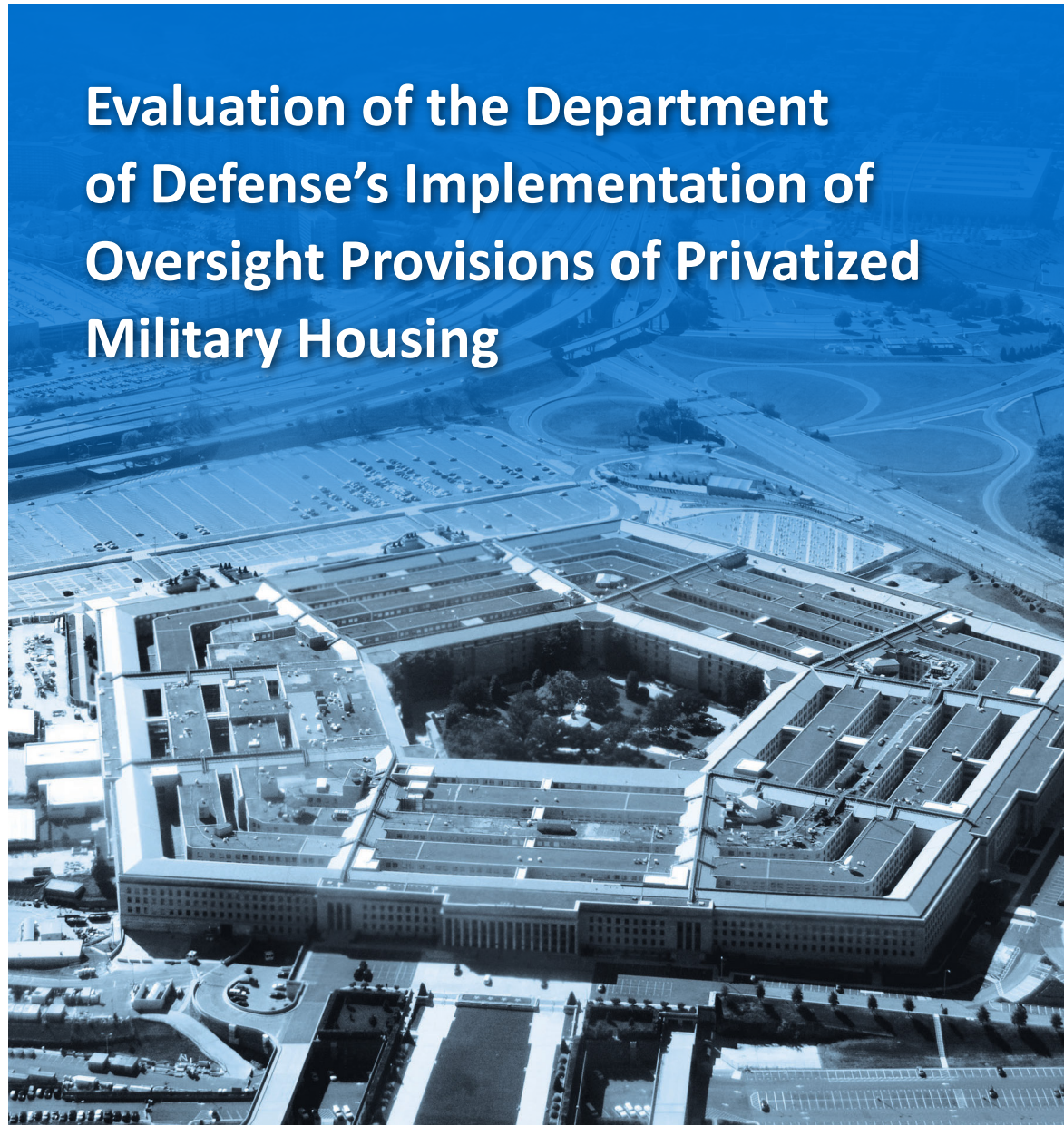




INSPECTOR GENERAL

U.S. Department of Defense

OCTOBER 21, 2021



Evaluation of the Department of Defense's Implementation of Oversight Provisions of Privatized Military Housing

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE





Results in Brief

Evaluation of the Department of Defense's Implementation of Oversight Provisions of Privatized Military Housing

October 21, 2021

Objective

The objective of this evaluation was to determine whether the DoD is providing effective oversight of privatized military housing. Our evaluation focused on whether the DoD implemented the oversight provisions of the FY 2020 National Defense Authorization Act (NDAA) Military Housing Privatization Initiative (MHPI). Our finding captures the status of the DoD's implementation of the oversight provisions of the FY 2020 NDAA through February 2021.

Background

In 1996, Congress established the MHPI to help improve the quality of housing conditions for Service members. Congress developed the MHPI to address the poor condition of DoD-owned housing and a shortage of affordable private housing. The MHPI authorizes the Military Departments to enter into business agreements with landlords to maintain and operate privatized military housing through 50-year leases. Business agreements are legal documents signed between the Military Departments and the landlords that, among other things, outline the management, operation, and maintenance of privatized military housing.

In 2019, the Senate Armed Services and the House Armed Services Committees held several hearings on the poor housing conditions caused by a lack of DoD oversight. The Senate hearings detailed problems

Background (cont'd)

with privatized military housing that affected the health, safety, and well-being of Service members and their families. The hearings prompted Congress to include provisions in the FY 2020 NDAA related to tenants' rights and responsibilities, and oversight to reform privatized military housing.

Finding

The DoD has taken steps to implement some of the FY 2020 NDAA MHPI oversight provisions for privatized military housing. For example, the DoD designated a Chief Housing Officer and implemented the tenant responsibilities. In addition, between 2019 and 2020, the DoD issued MHPI oversight guidance to the Military Departments including a common incentive fee framework, tenant satisfaction survey policy, Universal Lease, Dispute Resolution Process including rent segregation request and tenant displacement guidelines, and move-in and move-out checklists.

However, the DoD has not implemented all of the FY 2020 NDAA MHPI provisions to improve the oversight of privatized military housing. For example, the DoD has not:

- issued comprehensive oversight guidance to the landlords for implementation of all of the rights in the Tenant Bill of Rights;
- established a publically available complaint database;
- developed a uniform checklist for Housing Management Offices to validate completion of all health and safety maintenance work; or
- submitted a civilian personnel shortage report to Congress.

The DoD has not fully implemented the FY 2020 NDAA MHPI oversight provisions because the DoD has taken a three-phased approach, from January 2020 to September 2021, to address the provisions. For example, from October 2019 to November 2020, the DoD has issued guidance and is currently working on implementing the four remaining rights in the Tenant Bill of Rights. However, many of the landlords are waiting for



Results in Brief

Evaluation of the Department of Defense's Implementation of Oversight Provisions of Privatized Military Housing

Finding (cont'd)

the DoD to issue relevant MHPI oversight policies before agreeing to implement the FY 2020 NDAA MHPI oversight provisions.

As a result of the DoD's phased approach to implementing the FY 2020 NDAA oversight provisions, nine of the fourteen landlords requested the DoD provide a comprehensive proposal for implementation of all relevant MHPI provisions. Those nine landlords sent letters between May 2020 to January 2021 to the DoD expressing concerns with the DoD's unilateral issuance of guidance to implement sections of the FY 2020 NDAA including, but not limited to, prospective tenant access to seven-year maintenance history, and use of the Universal Lease and the Dispute Resolution Process without first obtaining landlord consent. Specifically, the nine landlords explained that they could not consider partial requests to implement portions of the FY 2020 NDAA.

The DoD is unlikely to obtain agreement from the landlords to implement the MHPI oversight provisions without fully developing policy and an implementation proposal for the FY 2020 NDAA MHPI oversight provisions. Therefore, the DoD's ability to provide oversight of privatized military housing is limited, and the DoD's assurance that safe and quality living conditions are available to Service members and families is reduced.

Recommendation

We recommend that the Office of the Deputy Assistant Secretary of Defense for Housing, in coordination with the Military Departments, develop a plan of action and milestones for issuing comprehensive implementation guidance for the remaining Fiscal Year 2020 National Defense Authorization Act Military Housing Privatization Initiative oversight provisions. In addition, in coordination with the Military Departments, develop a comprehensive implementation proposal for presentation to the landlords.

Management Comments and Our Response

The Office of the Deputy Assistant Secretary of Defense for Housing did not provide comments to the draft report; therefore, the recommendation is unresolved. We request that the Office of the Deputy Assistant Secretary of Defense for Housing provide comments on the final report.

Recommendation Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Office of the Deputy Assistant Secretary of Defense for Housing	1		

Please provide Management Comments by November 21, 2021.

Note: The following categories are used to describe agency management's comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – OIG verified that the agreed upon corrective actions were implemented.





**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

October 21, 2021

**MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION
AND SUSTAINMENT**

**HEADQUARTERS UNITED STATES MARINE CORPS
AUDITOR GENERAL, DEPARTMENT OF THE ARMY
AUDITOR GENERAL, DEPARTMENT OF THE AIR FORCE
AUDITOR GENERAL, DEPARTMENT OF THE NAVY
INSPECTOR GENERAL, DEPARTMENT OF THE ARMY
NAVAL INSPECTOR GENERAL
INSPECTOR GENERAL, DEPARTMENT OF THE AIR FORCE**

**SUBJECT: Evaluation of Department of Defense's Implementation of Oversight Provisions
of Privatized Military Housing (Report No. DODIG-2022-004)**

This final report provides the results of the DoD Office of Inspector General's evaluation. We previously provided copies of the draft report and requested written comments on the recommendation.

This report contains a recommendation that is considered unresolved because the Office of the Deputy Assistant Secretary of Defense for Housing did not provide a response to the report. Therefore, as discussed in the Recommendations, Management Comments, and Our Response section of this report, the recommendation remains open. We will track the recommendation until an agreement is reached on the actions that you will take to address the recommendation, and you have submitted adequate documentation showing that all agreed-upon actions are completed.

DoD Instruction 7650.03 requires that recommendations be resolved promptly. Therefore, please provide us within 30 days your response concerning specific actions in the process or alternative corrective actions proposed on the recommendation. Send your response to [email] if unclassified or [email] if classified SECRET.

If you have any questions, please contact [REDACTED]

Bryan Clark

Bryan Clark
Acting Assistant Inspector General, Evaluations
Programs, Combatant Commands, and
Overseas Contingency Operations

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Introduction

Objective

The objective of this evaluation was to determine whether the DoD is providing effective oversight of privatized military housing. Our evaluation focused on whether the DoD implemented the oversight provisions of the FY 2020 National Defense Authorization Act (NDAA) Military Housing Privatization Initiative (MHPI).

Our finding captures the status of the DoD's implementation of the oversight provisions of the FY 2020 NDAA through February 2021.

Our finding captures the status of the DoD's implementation of the oversight provisions of the FY 2020 NDAA through February 2021.

Background

In 1996, Congress established the MHPI to help improve the quality of housing conditions for Service members. Specifically, Congress developed the MHPI to address the poor condition of DoD-owned housing and a shortage of affordable private housing. The MHPI authorizes the Military Departments to enter into business agreements with privatized housing partners, referred to as landlords in this report, to maintain and operate privatized military housing through 50-year leases.¹ Business agreements are legal documents signed between the Military Departments and the landlords that, among other things, outline the management, operation, and maintenance of privatized military housing.

Department of Defense Oversight of Privatized Military Housing

In 2019, the Senate Armed Services and the House Armed Services Committees held several hearings on the poor housing conditions caused by a lack of DoD oversight. These hearings detailed problems with privatized military housing that affected the health, safety, and well-being of Service members and their families. Additionally, these hearings prompted Congress to include provisions in the FY 2020 NDAA related to tenants' rights and responsibilities, and oversight to reform privatized military housing.

In 2020, the Government Accountability Office (GAO) reported that the DoD needed to improve its oversight of privatized military housing. The GAO report detailed the Military Departments' oversight of the physical condition of privatized military housing. However, GAO found that the Military Departments' oversight efforts

¹ While the Military Departments selected the landlords through a competitive process, the business agreements are not Government contracts and the landlords are not required to comply with the provisions set forth in the Federal Acquisition Regulations.

were limited in scope.² For instance, each Military Department was working to implement Service-specific initiatives with minimal guidance from the Office of the Secretary of Defense on the expected level of oversight expected as it relates to the condition of privatized military housing. In collaboration with the Military Departments, the GAO recommended that the Secretary of Defense ensure that the Assistant Secretary of Defense for Sustainment, provide updated guidance for the oversight of privatized military housing. This recommendation collaboration includes oversight objectives for each Service to monitor the physical condition of privatized military houses.

The FY 2020 NDAA MHPI Provisions for Oversight of Privatized Military Housing

The FY 2020 NDAA added and amended sections in Title 10 of the United States Code and covered a broad array of provisions related to privatized military housing. In all, the NDAA had 15 housing provisions relevant to our evaluation of the DoD's implementation of MHPI oversight provisions, including topics such as contract management, health and safety hazard management, tenants' rights and responsibilities, and an assessment of the Government personnel needed to achieve the reform.

The responsibilities for implementing the FY 2020 NDAA MHPI oversight provisions spans from the Office of the Secretary of the Defense to the Military Departments to the landlords. For a complete list of the 15 relevant housing provisions applicable to our evaluation, the office of responsibility, and implementation status, see Appendix C.

The FY 2020 NDAA requires the Secretary of Defense to:

- designate a Chief Housing Officer (CHO) who oversees housing units;
- develop the MHPI Tenant Bill of Rights and the MHPI Tenant Responsibilities for tenants of housing units;³
- establish a database of complaints made on housing units that is publically available and includes tenant complaints as well as landlord responses to the complaints made regarding housing units;
- implement a standardized formal dispute resolution process to ensure the prompt and fair resolution of disputes that arise between landlords and tenants, including processes for rent segregation;

² GAO-20-281, "Military Housing: DOD Needs to Strengthen Oversight and Clarify Its Role in the Management of Privatized Housing," March 26, 2020.

³ See Appendix B for a complete list of the 18 MHPI tenant rights.

- require that each landlord have an electronic work order system to track all maintenance requests;
- develop a uniform checklist to be used by Housing Management Offices (HMOs) to validate the completion of all maintenance work related to health and safety issues at privatized military housing;⁴
- develop standardized documentation, templates, and forms for use throughout the DoD with respect to privatized military housing; and
- submit to the congressional defense committees a report containing an evaluation of the shortages in the number of civilian personnel performing oversight functions at DoD HMOs or assigned to housing-related functions at headquarters levels.⁵

The DoD Office of Inspector General’s Evaluation of the DoD’s Oversight of Privatized Military Housing

Section 3044 of the FY 2020 NDAA titled, “Inspector General Review of Department of Defense Oversight of Privatized Military Housing,” directed the DoD Office of Inspector General to conduct, at not less than three military installations, a review of the oversight by the Secretary of Defense of privatized military housing at such installations. In response to this requirement, we evaluated whether the DoD implemented the FY 2020 MHPI oversight provisions by reviewing the MHPI project business agreements, and conducting site visits for the following installations:

- Army–Fort Huachuca, Arizona (Fort Huachuca/Yuma Proving Ground Project business agreement date: April 1, 2009);
- Marine Corps–Camp Pendleton, California (Camp Pendleton II Project business agreement date: January 15, 2010); and
- Air Force–Joint Base Elmendorf-Richardson, Alaska (Joint Base Elmendorf-Richardson II Project business agreement date: September 30, 2004).

These three installations’ MHPI project business agreements were effective before the FY 2020 NDAA’s December 20, 2019, issuance; therefore, the oversight provisions for privatized military housing previously discussed are not applicable to these installations’ project business agreements.⁶ Implementation of the

⁴ In order to maintain consistency throughout this report, the term HMO includes, and is used in place of, the term Military Housing Office.

⁵ The NDAA set a due date of completing these actions no later than six months after the date of enactment on December 20, 2019.

⁶ We reviewed one business agreement from one of the landlords at each installation. Two landlords manage the privatized housing at Camp Pendleton, one landlord manages the privatized housing at Joint Base Elmendorf-Richardson, and one landlord manages the privatized housing at Fort Huachuca

oversight provisions is also dependent on the landlords' voluntary acceptance of the FY 2020 NDAA MHPI provisions because the project business agreements were signed before the FY 2020 NDAA was enacted.

This report provides a status update of the DoD's implementation of the FY 2020 MHPI oversight provisions. We conducted site visits of the three installations to observe how the DoD's guidance was applied to installation housing. See Appendix A for the scope and methodology for the installation and MHPI project selections.

Applicability of the FY 2020 NDAA to Existing Business Agreements

According to the DoD Office of General Counsel, each existing MHPI project is governed by a variety of business agreements between the Government/Military Departments and the private parties/landlords who own the housing. Neither party can unilaterally make substantive changes to the terms of those governing business agreements and any changes require the consent of both parties. Further, the lease that a military tenant signs to live in privatized housing is a rental agreement between that military tenant and the landlord.⁷ The Government is not a party to the lease. The Government's legal rights to control the terms of a tenant lease or otherwise influence how the landlord and tenant resolve disputes is tied to the project business agreements. Many of the FY 2020 NDAA MHPI oversight provisions do not apply to existing business agreements as a matter of law and the implementation of these provisions require voluntary acceptance and agreement by all parties. See Appendix C for the list of FY 2020 NDAA sections relevant to MHPI oversight.

Three notable FY 2020 NDAA sections contain some of the most robust provisions related to the management and oversight of privatized military housing. However, each of the three sections instructs the Secretary of Defense to seek agreement from all landlords with existing business agreements to accept and implement the provisions. The first provision, section 3013, requires landlords to ensure that the maintenance work order system is current and provides a reliable mechanism through which a tenant may submit work order requests via Internet and mobile application, as well as provides real-time access to Department officials. Additionally, section 3013 requires that the tenant and the head of the installation

⁷ "The term 'landlord' means an eligible entity that enters into, or entered into, a contract as a partner with the Military Department Secretary concerned for the acquisition or construction of a housing unit. The term includes any agent of the eligible entity or any subsequent lessor who owns, manages, or is otherwise responsible for a housing unit. The term does not include an entity of the Federal Government." Section 2871, title 10, U.S.C., as amended by the FY 2020 NDAA.

HMO sign off before a work order or maintenance ticket is closed. Section 3014 adds oversight requirements for the installation commander, installation HMOs, and landlords including additional inspection requirements.

The third provision, section 3022, requires the implementation of:

a standardized formal dispute resolution process to ensure the prompt and fair resolution of disputes that arise between landlords providing housing units and tenants residing in housing units concerning maintenance and repairs, damage claims, rental payments, move-out charges, and such other issues relating to housing units.

Oversight Roles and Responsibilities for Privatized Military Housing

In accordance with DoD Instruction 4165.63, eligible personnel and their families should have access to affordable, quality housing facilities; receive services consistent with grade and dependent status, and contemporary community living standards.⁸ DoD Instruction 4165.63 further states that the heads of the DoD Components shall manage privatized housing within their respective jurisdictions, including program and financial management, accounting, and reporting. The Office of the Secretary of Defense and the Military Departments share oversight roles and responsibilities for the MHPI.

Chief Housing Officer

Section 3012 of the FY 2020 NDAA requires the Secretary of Defense to designate a CHO to oversee MHPI housing units. On February 25, 2020, the Secretary of Defense designated the Assistant Secretary of Defense for Sustainment as the CHO. The CHO is responsible for creating and standardizing privatized military housing policies and processes, and oversight of the administration of any department-wide MHPI policies. Specifically, the CHO maintains the enhanced level of DoD senior leader engagement with the MHPI landlords. The CHO holds quarterly tri-Service roundtable meetings and quarterly installation meetings with the senior leaders of the MHPI landlords.

Office of the Deputy Assistant Secretary of Defense for Housing

The Office of the Deputy Assistant Secretary of Defense for Housing, within the Office of the Assistant Secretary of Defense for Sustainment, is responsible for the MHPI. The Deputy Assistant Secretary of Defense for Housing supports the CHO by executing the statutorily defined CHO duties and responsibilities by providing programmatic oversight of DoD privatized military housing.

⁸ DoD Instruction 4165.63, "DoD Housing," July 21, 2008.

Department of the Army

The Army Materiel Command provides asset management oversight, guidance, and support to the Installation Management Command, Senior Commander, Garrison Commander, and Garrison housing representatives. The Installation Management Command provides asset management oversight, serves as the subject matter expert on all private company issues, and ensures the Garrison Housing Manager executes their compliance oversight responsibilities.

The Garrison Commander serves as the Secretary of the Army's local representative to the landlords. The Garrison Commander assists with landlord and tenant disputes that the Property Manager or Garrison Housing Manager cannot resolve. The Garrison Commander also maintains order and discipline, health, safety, security, and protection of the project. The Garrison Housing Manager serves as the Garrison Commander's Chief Advisor on the Residential Communities Initiative Program. The Garrison Housing Manager is responsible for the coordination and implementation of plans, resolution of issues, and long-term oversight of the Residential Communities Initiative Company at the installation level.

Department of the Navy

The Naval Facilities Engineering Command establishes and implements processes for conducting the complete oversight of landlords' compliance with business agreements. Oversight includes monitoring, evaluating, and assessing business agreements' performance. The Naval Facilities Engineering Command supports the Marine Corps with the design, acquisition, construction and portfolio management of family housing. The Naval Facilities Engineering Command is the delegated authority to execute Public Private Venture for the Navy and Marine Corps.

During the evaluation, we assessed a Marine Corps installation; therefore, we focused on Navy oversight offices that directly oversee Marine Corps installations. The Marine Corps Installations Command's oversight responsibilities include ensuring the delivery of quality housing and property management services directly to military residents on-site at Public Private Venture neighborhoods. The Marine Corps Installations Command is responsible for all Marine Corps housing programs and provides management oversight of Marine Corps housing and portfolio management of privatized Marine Corps housing.

The Installation Commander ensures all Service members, their families, and eligible civilians have access to suitable housing and services. The Installation Housing Manager monitors compliance and provides oversight of the business agreements. The Installation HMO prepares and analyzes family housing surveys,

management reports, and studies. The Installation HMO plans for the acquisition and improvement of family housing, as well as the programs, operation budgets, and the maintenance, repair, and improvement of family housing.

United States Air Force

The Assistant Secretary of the Air Force for Installations, Environment, and Energy is responsible for providing policy, guidance, strategic direction, priorities, and oversight for the management and execution of Air Force housing programs for accompanied and unaccompanied members. The Air Force Civil Engineer Center, Installation Directorate serves as the Air Force Portfolio Manager and Execution Agent with specific roles and fiduciary responsibilities. The responsibilities include approving or disapproving quarterly performance incentive fee payments for privatized housing projects for the Air Force MHPI Program.

The Installation Commander oversees the acquisition, operations, and management of the privatized housing projects. The HMO Housing Manager is primarily responsible for providing oversight of the privatized housing projects, and advocates for all Service members and families for safe, affordable, and quality housing. The HMO Housing Manager is the first point of contact for all complaint resolution issues and also assists in the mediation of complaints associated with privatized housing.

Finding

The DoD Can Improve the Implementation of the FY 2020 NDAA MHPI Oversight Provisions of Privatized Military Housing

The DoD has taken steps to implement some of the FY 2020 NDAA MHPI oversight provisions for privatized military housing.⁹ For example, the DoD designated a CHO and implemented the tenant responsibilities. In addition, between 2019 and 2020, the DoD issued MHPI oversight guidance to the Military Departments, including a common incentive fee framework, tenant satisfaction survey policy, Universal Lease, Dispute Resolution Process (including rent segregation request and tenant displacement guidelines), and move-in and move-out checklists.

However, the DoD has not implemented all of the FY 2020 NDAA MHPI provisions to improve the oversight of privatized military housing. For example, the DoD has not:

- issued comprehensive oversight guidance to the landlords for implementation of all of the rights in the Tenant Bill of Rights;
- established a publically available complaint database;
- developed a uniform checklist for HMOs to validate completion of all health and safety maintenance work; or
- submitted a civilian personnel shortage report to Congress.

The DoD has not fully implemented the FY 2020 NDAA MHPI oversight provisions because the DoD has taken a three-phase approach, from January 2020 through September 2021, to address the provisions. Additionally, between October 2019 and November 2020, the DoD issued guidance and is currently working on implementing the four remaining rights in the Tenant Bill of Rights.¹⁰ However, many of the landlords are waiting for the DoD to issue the relevant policies for MHPI oversight before presenting questions to their lenders for approval and agreement to implement the FY 2020 NDAA MHPI oversight provisions.

As a result of the DoD's phased approach to implementing the FY 2020 NDAA MHPI oversight provisions, nine of the fourteen landlords requested the DoD provide a comprehensive proposal for implementation of all relevant MHPI provisions.

⁹ For a list of the relevant FY 2020 NDAA MHPI oversight provisions, offices of responsibility, and implementation status, see Appendix C.

¹⁰ The DoD made 14 of 18 rights in the Tenant Bill of Rights fully available to all tenants. For a list of the fully available and unavailable rights, see Appendix B.

Those nine landlords sent letters between May 2020 and January 2021 to the DoD expressing concerns with the DoD's unilateral issuance of guidance to implement sections of the FY 2020 NDAA including prospective tenant access to 7-year maintenance history, and use of the Universal Lease and the Dispute Resolution Process without first obtaining landlord consent. Specifically, the nine landlords explained that they could not consider partial requests to implement portions of the FY 2020 NDAA.¹¹

The DoD is unlikely to obtain agreement from the landlords to implement the MHPI oversight provisions without fully developing policy and an implementation proposal for the FY 2020 NDAA MHPI oversight provisions. Therefore, the DoD's ability to provide oversight of privatized military housing is limited. In turn, the DoD's assurance that safe and quality living conditions are available to Service members and families is reduced.

The DoD Has Taken Steps to Increase Oversight of Privatized Military Housing

The DoD has taken steps to implement some of the FY 2020 NDAA MHPI oversight provisions for privatized military housing. For example, the DoD designated a CHO on February 25, 2020, and implemented the tenant responsibilities on June 2, 2020. In addition, in 2019 and 2020, the CHO issued MHPI oversight guidance to the Military Departments including a common incentive fee framework, tenant satisfaction survey policy, Universal Lease, Dispute Resolution Process including rent segregation request and tenant displacement guidelines, and move-in and move-out checklists.

The DoD Designated a Chief Housing Officer and Implemented Tenant Responsibilities

The FY 2020 NDAA required the Secretary of Defense to designate a CHO to oversee housing units. On February 25, 2020, the Secretary of Defense designated the Assistant Secretary of Defense for Sustainment as the CHO. The CHO is responsible for creating and standardizing privatized military housing policies and processes, and oversight of the administration of any department-wide MHPI policies. Specifically, the CHO maintains the enhanced level of DoD senior leader engagement with the MHPI landlords. On June 2, 2020, the DoD implemented the MHPI Tenant Responsibilities which outlines the five expectations of Military Service members and their families residing in privatized housing.

¹¹ The business agreements between the Military Departments and the landlords are 50-year leases.

The DoD Issued MHPI Oversight Guidance to the Military Departments

In 2019 and 2020, the CHO issued MHPI oversight guidance to the Military Departments to address the FY 2020 MHPI oversight provisions and Tenant Bill of Rights. The guidance included a common incentive fee framework, Universal Lease, Dispute Resolution Process including rent segregation request and tenant displacement guidelines, move-in and move-out checklists, and a tenant satisfaction survey policy.

On October 28, 2019, the CHO issued the common incentive fee framework for MHPI Projects memorandum which directed the Military Departments to revise their respective performance incentive fee schedules to include the following four property management performance categories: resident satisfaction, maintenance management, project safety, and financial management.¹²

On July 16, 2020, the CHO issued the “Universal Lease and Dispute Resolution Process for Privatized Housing” memorandum that provided the overarching policy for use of the universal lease template and directed the Military Departments on specific actions each must take to implement the policy which included the Dispute Resolution Process, minimum standards for tenant displacement, and move-in/move-out checklists.¹³ The Dispute Resolution Process allows eligible tenants of privatized military housing to obtain prompt and fair resolution of housing disputes concerning rights and responsibilities established in the lease. The tenant displacement guidelines discuss the minimum standards and conditions within a housing unit that will require the displacement of a tenant and entitlements of the displaced tenant during the displacement timeframe. The policy also included move-in/move-out checklists for HMOs to use during inspections.

On November 16, 2020, the CHO issued the Tenant Satisfaction Survey Policy for DoD Privatized, Owned or Leased Housing memorandum.¹⁴ The memorandum directs “the Military Departments to annually conduct a tenant satisfaction survey for all privatized housing and all government owned/leased family housing in the first quarter of each fiscal year, or soon after as practicable.” Additionally, the memorandum states that “[t]he survey will use the same questions across all housing types (government-owned/leased family housing and privatized housing).”

¹² Assistant Secretary of Defense for Sustainment Memorandum, “Common Incentive Fee Framework for Military Housing Privatization Initiative Projects,” October 28, 2019.

¹³ Assistant Secretary of Defense for Sustainment Memorandum, “Universal Lease and Dispute Resolution Process for Privatized Housing,” July 16, 2020.

¹⁴ Assistant Secretary of Defense for Sustainment Memorandum, “Tenant Satisfaction Survey Policy for DoD Privatized, Owned or Leased Housing,” November 16, 2020.

The Chief Housing Officer Issued Guidance to the Military Departments Regarding the Applicability of FY 2020 NDAA Sections 3013 and 3014

On August 20, 2020, the CHO issued a memorandum clarifying and reaffirming the applicability of FY 2020 NDAA sections 3013 and 3014 to existing business agreements. The memorandum states that the requirements “shall apply to appropriate legal documents entered into or renewed on or after the date of the enactment of the FY 2020 NDAA between the Secretary of a Military Department and a landlord regarding privatized military housing.” Further, the memorandum states that each Military Department shall continue to seek agreement of the landlords to “voluntarily accept” the application of the requirements.

The DoD Has Not Implemented All of the FY 2020 NDAA Privatized Military Housing Oversight Provisions

The DoD has not implemented all of the FY 2020 NDAA MHPI provisions to improve the oversight of privatized military housing. For example, the DoD has not issued comprehensive oversight guidance to the landlords for implementation of all of the rights in the Tenant Bill of Rights. Also, the DoD has not established a publically available complaint database, has not developed a uniform checklist for HMOs to validate completion of all health and safety maintenance work, and has not submitted the civilian personnel shortage report to Congress.

The DoD Has Not Issued Comprehensive Guidance to the Landlords for Implementation of All of the Rights in the Tenant Bill of Rights

The DoD has not issued comprehensive oversight guidance to the landlords for implementation of all of the rights in the Tenant Bill of Rights. On June 1, 2020, the CHO issued a memorandum announcing that 14 of the 18 rights were fully available to the tenants. The memorandum stated that the DoD was committed to working with the landlords to resolve challenges to make the remaining rights available to tenants. However, as of January 14, 2021, only 14 of the 18 rights are fully available to all tenants. The four remaining rights are standard documentation, dispute resolution process, rent segregation, and provision of a 7-year maintenance history.

On July 16, 2020, the CHO issued the “Universal Lease and Dispute Resolution Process for Privatized Housing” memorandum that instructed the Military Departments to work with the landlords to implement a Universal Lease template, which incorporated the dispute resolution and rent segregation processes outlined in the FY 2020 NDAA. On December 21, 2020, the CHO issued a memorandum

titled “CHO Dispute Resolution Process Guidance” to provide additional guidance for the Dispute Resolution Process, as well as rent segregation. Before the July and December 2020 memoranda, the CHO issued a titled “Tenant Bill of Rights” on June 1, 2020, updating tenants on the DoD’s progress on implementation of the rights in the Tenant Bill of Rights and stated that the focus on the fifteenth right effort, standard documentation, was on creating a universal lease with common terms and schedules applicable to all MHPI projects. The CHO stated in the June 2020 memorandum that, “[b]ecause this universal lease will include dispute resolution and rent segregation, once complete, this document will not only make [the fifteenth right] fully available, but also two of the three remaining rights.”

While the July and December 2020 memoranda covered the remaining rights in the Tenant Bill of Rights that are not yet available, the MHPI companies raised concerns about the Dispute Resolution Process, specifically rent segregation, because the guidance was not comprehensive and did not provide the proper framework for implementation. The landlords indicated that they would prefer to see how the DoD would implement all of the provisions in the FY 2020 NDAA before agreeing to implement the provisions captured in the Universal Lease. In a January 14, 2021, letter to Congress, the CHO stated:

[t]he fifteenth right, standard documentation (focused on a universal lease) and the three rights not included (dispute resolution process, rent segregation, and provision of a seven-year maintenance history) require MHPI companies’ voluntary agreement to accept retroactive application of the legal requirements underpinning those rights to existing MHPI projects.

For the full list and status of the MHPI Tenant Bill of Rights, see Appendix B.

The Office of the Deputy Assistant Secretary of Defense for Housing Has Not Established a Publicly Available Complaint Database

The DoD has not established a publicly available complaint database. The FY 2020 NDAA requires the Secretary of Defense to establish a public database of complaints made regarding housing units. However, the ODASD(H) determined that confidentiality makes implementation of the provision to establish a publicly available complaint database difficult. According to an ODASD(H) official, the office completed research on how to create an effective complaint database and will work to address this provision during FY 2021.

The Office of the Deputy Assistant Secretary of Defense for Housing Has Not Developed a Uniform Checklist for Validation of All Health and Safety Maintenance Work

The ODASD(H) has not developed a uniform checklist for HMOs to validate completion of all health and safety maintenance work. The FY 2020 NDAA requires the Secretary of Defense to “develop a uniform checklist to be used by housing management offices to validate the completion of all maintenance work related to health and safety issues at privatized military housing.” An ODASD(H) official stated that they have not developed or issued a uniform maintenance checklist and that the Military Departments are currently using their own maintenance checklists. In addition, the ODASD(H) official stated that their priority moving forward is to implement the remaining provisions in calendar year 2021.

The Office of the Deputy Assistant Secretary of Defense for Housing Has Not Submitted the Civilian Personnel Shortage Report to Congress

Further, the ODASD(H) has not submitted the civilian personnel shortage report to Congress. The FY 2020 NDAA requires the Secretary of Defense to submit a one-time report containing an evaluation of the shortage of civilian personnel performing oversight functions at the DoD HMOs. The NDAA states that the personnel shortages contribute to problems regarding the management of privatized military housing. The report should also contain recommendations to address the personnel shortages to the congressional defense committees. However, an ODASD(H) official stated that each Military Department was conducting its own review of civilian personnel shortages and the ODASD(H) was not aware of the status of the Military Departments’ actions.

For a complete list of relevant FY 2020 NDAA MHPI oversight provisions applicable to our evaluation, the office of responsibility, and implementation status, see Appendix C.

The DoD Took a Phased Approach and Has Not Fully Implemented the FY 2020 NDAA Privatized Military Housing Oversight Provisions

The DoD has not fully implemented the FY 2020 NDAA MHPI oversight provisions because the DoD has taken a three-phase approach, from January 2020 through September 2021, to address the provisions. According to ODASD(H), the DoD took a phased approach to implementing the numerous FY 2020 NDAA MHPI oversight provisions because the initial focus was on the development of the policies and

procedures necessary for implementation of the Tenant Bill of Rights. For example, from October 2019 through November 2020, the DoD issued guidance, and is currently working on implementing the four remaining rights in the Tenant Bill of Rights. An ODASD(H) official stated the DoD's priority for CY 2021 is to implement the remaining provisions with an emphasis on the provisions intended to improve the safety, quality, and maintenance of privatized housing. However, many of the landlords are waiting for the DoD to issue the relevant policies for MHPI oversight before presenting questions to their lenders for approval and agreement to implement the FY 2020 NDAA MHPI oversight provisions. An ODASD(H) official stated for CY 2021, the DoD will also focus on the monitoring and enforcing of performance standards for the landlords.

The DoD and the Military Departments must seek voluntary agreement from the landlords to apply the FY 2020 NDAA MHPI oversight provisions to existing business agreements. As previously discussed in the background section, one party cannot retroactively and unilaterally modify the terms of an existing business agreement.

In a letter to Congress on January 14, 2021, the CHO stated, “[a]bsent such agreement by the MHPI companies, these requirements only apply to project legal documents entered into or renewed after the date of enactment of the FY 2020 NDAA.” In the same letter, the CHO confirmed the concerns raised by the landlords with the DoD issuances regarding the FY 2020 NDAA MHPI oversight provisions. The letter stated, “[c]oncerns raised by the MHPI companies indicate, among other things, that the companies and lenders would prefer to see how the Department will implement all of the provisions in the FY 2020 NDAA prior to agreeing to implement the provisions captured in the Universal Lease.”

The ODASD(H)'s delay in issuing all the necessary guidance because of the phased approach for implementation of the FY 2020 NDAA MHPI oversight provisions has also delayed the implementation of the provisions by the landlords with existing business agreements. Specifically, nine of the fourteen landlords stated that any amendments and corresponding operational changes to the business agreements will be reliant on the DoD first issuing a comprehensive proposal for implementation of the FY 2020 NDAA oversight provisions. Therefore, the Office of the Deputy Assistant Secretary of Defense for Housing, in coordination with the Military Departments, should develop a plan of action and milestones for issuing comprehensive implementation guidance for the remaining FY 2020 MHPI oversight provisions. In addition, the plan of action and milestones should include the development of a comprehensive implementation proposal for presentation to the landlords.

The DoD's Limited Ability to Provide Oversight Results in Reduced Assurance of Quality Housing For Service Members and Their Families

As a result of the DoD's phased approach to implementing the FY 2020 NDAA MHPI oversight provisions, nine of the fourteen landlords requested the DoD provide a comprehensive proposal for implementation of all relevant MHPI provisions. Those nine landlords sent letters to the DoD between May 2020 through January 2021, expressing concerns with the DoD's unilateral issuance of guidance to implement sections of the FY 2020 NDAA including, but not limited to, prospective tenant access to 7-year maintenance history, and use of the Universal Lease and the Dispute Resolution Process without first obtaining landlord consent. Specifically, the nine landlords explained that they could not consider partial requests to implement portions of the FY 2020 NDAA until the DoD and MHPI project owners and lenders have agreed on the applicable amendments and operational changes.

According to an Office of the Secretary of Defense Office of General Counsel official, many landlords are waiting for the DoD to issue a comprehensive implementation proposal for the FY 2020 NDAA MHPI oversight provisions. The landlords requested that the DoD instruct the Military Departments and installations that MHPI projects are not required to comply with the provisions of the FY 2020 NDAA until the DoD and the MHPI project owners and lenders have agreed upon any necessary updates to the MHPI project business agreements. The landlords communicated to the DoD and the Military Departments that the MHPI project business agreements must be amended before a MHPI project owner has any legal obligation to make permanent operational changes relating to the FY 2020 NDAA MHPI oversight provisions.

The DoD is unlikely to obtain agreement from the landlords to implement the MHPI oversight provisions without fully developing policy and an implementation proposal for the FY 2020 NDAA MHPI oversight provisions. Therefore, the DoD's ability to provide oversight of privatized military housing is limited, and the DoD's assurance that safe and quality living conditions are available to Service members and families is reduced.

Recommendation, Management Comments, and Our Response

Recommendation 1

We recommend that the Office of the Deputy Assistant Secretary of Defense for Housing, in coordination with the Military Departments, develop a plan of action and milestones for issuing comprehensive implementation guidance for the remaining Fiscal Year 2020 National Defense Authorization Act Military Housing Privatization Initiative oversight provisions. In addition, in coordination with the Military Departments, develop a comprehensive implementation proposal for presentation to the landlords.

Office of the Deputy Assistant Secretary of Defense for Housing Comments

The Office of the Deputy Assistant Secretary of Defense for Housing did not provide comments on the draft report. Therefore, the recommendation is unresolved and open. We request that the Office of the Deputy Assistant Secretary of Defense for Housing provide comments on the final report.

Appendix A

Scope and Methodology

We conducted this evaluation from March 2020 through February 2021 in accordance with the “Quality Standards for Inspection and Evaluation,” published in January 2012 by the Council of Inspectors General on Integrity and Efficiency. Those standards require that we adequately plan the evaluation to ensure that objectives are met and that we perform the evaluation to obtain sufficient, competent, and relevant evidence to support the findings, conclusions, and recommendations. We believe that the evidence obtained was sufficient, competent, and relevant to lead a reasonable person to sustain the findings, conclusions, and recommendations.

To determine the status of the DoD’s implementation of the FY 2020 NDAA MHPI oversight provisions, we reviewed and analyzed applicable laws, policies, guidance, legal documents, and collected data relevant to the DoD’s oversight of privatized military housing. Specifically, we reviewed the FY 2020 NDAA, DoD issuances, and the Military Departments’ policies regarding the management of privatized military housing including:

- DoD Instruction 4165.06, “Real Property,” October 13, 2004;
- DoD Instruction 4165.63, “DoD Housing,” July 21, 2008;
- DoD Manual 4165.63-M, “DoD Housing Management,” October 28, 2010;
- Air Force Instruction, 32-6007, “Privatized Housing Management,” September 19, 2012;
- Army Portfolio and Asset Management Handbook, December 2019; and
- Marine Corps Order 11000.22 Chapter 1, “Marine Corps Bachelor and Family Housing Management,” January 22, 2018.

We also reviewed policy and guidance issued by the Services in response to the FY 2020 NDAA. We reviewed Air Force Instruction 32-6000, “Housing Management,” March 18, 2020. We reviewed Department of the Army Operations Orders (OPORDs) including OPORD 20-012, “U.S. Army Materiel Command (AMC) Housing Summit,” November 2019; OPORD 20-190, “[AMC FY 2020 NDAA] Task Implementation,” June 2020; and OPORD 20-048, “[NDAA] Task Implementation,” July 2020. We reviewed Marine Corps Installation Command Policy Letter 1-20, “Marine Corps Privatized Housing Oversight,” June 16, 2020; Marine Corps Installation Command Move-in and Move-out Checklists, and other relevant Marine Corps Installation Command letters. Additionally, we reviewed installation-specific policies.

Section 3044 of the FY 2020 NDAA directed the DoD Office of Inspector General to conduct a review of the oversight by the Secretary of Defense of privatized military housing at not less than three military installations. In response to this requirement, we used a non-statistical sampling approach for the selection of military installation MHPI projects for review. We decided to select one Army, one Navy/Marine Corps, and one Air Force installation. To further narrow the selection between which Army, Navy/Marine Corps, and Air Force installation MHPI project to select, we chose housing unit size as a variable. We selected one small, medium, and large installation MHPI project; thus, we compared the total number of housing units in inventory for the project list. We based the selection of our virtual site visit installation MHPI projects on the outlined criteria but also at the discretion of the team with regards to what we considered small, medium, and large based on the inventory numbers. We conducted virtual site visits for the following installations:

- Army–Fort Huachuca, Arizona – Fort Huachuca/Yuma Proving Ground Project;
- Marine Corps–Camp Pendleton, California – Camp Pendleton II Project; and
- Air Force–Joint Base Elmendorf-Richardson, Alaska – Joint Base Elmendorf-Richardson II Project.

For each installation we visited, we obtained the MHPI project business agreements between the Military Departments and the landlords. We reviewed and analyzed the installation MHPI project business agreements to determine the DoD’s oversight requirements for privatized military housing.

We also interviewed the CHO, ODASD(H), and Army, Navy, Marine Corps, and Air Force management officials, installation commanders, HMO officials, and landlords regarding privatized military housing oversight activities and identified any challenges and areas that require improvement. Additionally, an ODASD(H) official provided an implementation tracker spreadsheet that the office uses to record the DoD’s progress in implementing the FY 2020 NDAA MHPI oversight provisions. The spreadsheet includes each provision’s action items, tasks, and the status of each task. We compared the data in the implementation trackers with information received from the Military Departments, HMOs, and landlords. To validate the implementation of the FY 2020 NDAA provisions, we obtained and reviewed various documents, including signed memorandums; DoD updates to Congress; DoD policies and procedures; implementation plans; ODASD meeting minutes; e-mail correspondences; landlords’ letters to OSD; and other documentation.

Use of Computer-Processed Data

We did not use computer-processed data during this evaluation.

Prior Coverage

During the last 5 years, the GAO, the DoD Office of Inspector General, the Naval Audit Service, and the Department of the Army Inspector General issued seven reports discussing privatized military housing.

Unrestricted GAO reports can be accessed at <http://www.gao.gov>.

Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>.

Unrestricted Naval Audit Service reports can be accessed at <https://www.secnav.navy.mil/navaudsvc/audit-report-listings>.

Unrestricted Department of the Army Inspector General reports can be accessed at <https://armypubs.army.mil/>.

GAO

Report No. GAO-20-281, “Military Housing: DOD Needs to Strengthen Oversight and Clarify Its Role in the Management of Privatized Housing,” March 26, 2020

The GAO determined that the DoD conducts some oversight of the physical condition of privatized housing, but the scope of these oversight efforts has been limited. The DoD has not used reliable or consistent data to report on the condition of privatized housing. The GAO also found that military housing offices have not effectively communicated their role as a resource for Service members experiencing challenges with privatized housing. Furthermore, the GAO determined that the DoD has made progress in developing and implementing initiatives intended to improve privatized housing; however, the DoD may face challenges with timeliness, resources, and the financial risk of improvement initiatives.

Report No. GAO-18-218, “Military Housing Privatization: DOD Should Take Steps to Improve Monitoring, Reporting, and Risk Assessment,” March 13, 2018

The GAO determined that the DoD has regularly assessed the financial condition of its privatized housing projects; however, it has not used consistent measures or consistently assessed future sustainment (that is, the ability to maintain the housing in good condition), or issued required reports to Congress in a timely manner.

DoD OIG

Report No. DODIG-2019-056, “Accounting and Financial Reporting for the Military Housing Privatization Initiative,” February 12, 2019

The DoD OIG found that MHPI program and financial management personnel need to improve funds and privatized housing inventory management for MHPI projects. These funds management and privatized housing inventory deficiencies occurred because MHPI program and financial management personnel lacked adequate oversight, policies, and procedures to properly manage funds and maintain complete and accurate private housing inventories. Without effective funds management and privatized housing accountability controls, MHPI program management personnel may not be able to efficiently manage and oversee the MHPI program and related projects, or obtain necessary MHPI-related information including information for required reports to Congress.

Report No. DODIG-2017-004, “Summary Report – Inspections of DoD Facilities and Military Housing and Audits of Base Operations and Support Services Contracts,” October 14, 2016

The DoD OIG identified deficiencies in electrical system safety, fire protection systems, and environmental health and safety were pervasive because of a lack of adequate preventative maintenance and inspections being performed at the installations. As a result, DoD personnel and military families were exposed to health and safety hazards at installations around the world. DoD policy and guidance requires periodic inspections of DoD facilities. However, none of these inspections comprehensively examine the effectiveness of facility sustainment processes with respect to the overall health and safety of occupants.

Navy

Report No. N2020-0006, “Navy Public-Private Venture Military Base Housing,” November 6, 2019

The Naval Audit Service found that improvements needed to the oversight of the end-to-end service call process due to concerns with the data reliability of Public-Private Venture partners’ management systems, lack of quality Navy oversight, and because 36 percent of all service calls reviewed did not fall under service call criteria covered by the business agreements with the Public-Private Venture partners. Additionally, response and/or completion times may be misleading and impede appropriate Navy oversight, in part due to the additional service call classifications created by the partners. Additionally, the business agreements reviewed lacked an indicator for quality. Instead, both parties depended on residents as part of the process to advise them of quality concerns and/or issues with satisfaction. The report also

identified that significant opportunities exist to improve Navy oversight of the Public-Private Venture military family housing program, policy guidance, and the control environment.

Report No. N2020-0012, "U.S. Marine Corps Public-Private Venture Military Base Housing," January 24, 2020

The Naval Audit Service identified improvements needed to the oversight of the end-to-end service call process due to concerns with data reliability of the Public-Private Venture partners' management systems, lack of quality of Marine Corps oversight, and because not all service calls reviewed fell under criteria covered by the business agreements with the Public-Private Venture partners. Additionally, the report identified response and/or completion times may be misleading and impede appropriate Marine Corps oversight, in part due to the additional service call classifications created by the partners that are not specified in the business agreements. The report also identified that improvements were needed to ensure incentive fee packages are consistently and thoroughly reviewed during the validation process. Furthermore, the report identified that the business agreements reviewed lacked an indicator for quality.

Army

Report ID-1903, "Department of the Army Inspector General Special Interest Item Assessment of the Residential Communities Initiative," May 15, 2019

Overall, the inspectors identified several findings. Senior commanders, garrison staffs and residents expressed confusion concerning the roles and responsibilities, and authorities regarding Residential Communities Initiative housing. The oversight, governance, and synchronization were insufficient to identify current housing challenges. The Residential Communities Initiative deal structures present unique challenges to the Army (favored corporate companies). Installation housing offices could not validate Residential Communities Initiative companies' performance. Senior commanders, garrison commanders, Directorate of Public Works, and housing staff were inadequately trained. The residents were dissatisfied with Residential Communities Initiative companies' management performance. The residents were unaware of feedback mechanisms to identify housing issues. The installations with a mayoral system appeared to have a higher degree of resident satisfaction. The military families who spoke up about housing concerns and submitted multiple work orders experienced a perception of retribution, retaliation, or reprisal from Residential Communities Initiative companies. The historical homes present unique challenges to the Army, Residential Communities Initiative companies, and residents.

Appendix B

Elements of the MHPI Tenant Bill of Rights

The FY 2020 NDAA outlined 18 rights for tenants residing in privatized military housing. On February 25, 2020, the Secretary of Defense and the Military Department Secretaries signed the MHPI Tenant Bill of Rights, including 15 of the 18 rights outlined in the FY 2020 NDAA (DoD Issued MHPI Tenant Bill of Rights column). On June 1, 2020, the CHO issued a memorandum announcing that full benefits of 14 of the 18 rights were available to the tenants (located in the Availability of the Rights to the Tenants column). The remaining rights pertain to legal matters that do not lend themselves to unilateral action by the DoD. Therefore, the DoD and the MHPI landlords must continue to work together to reach an agreement before the remaining rights are incorporated into the MHPI Tenant Bill of Rights and the benefits are available to tenants.

Table 1. Elements of the MHPI Tenant Bill of Rights

The Tenant Rights Outlined in the FY 2020 NDAA	DoD Issued MHPI Tenant Bill of Rights	Availability of the Rights to the Tenants
1. The right to reside in a housing unit and community that meets applicable health and environmental standards.	Included	Fully Available
2. The right to reside in a housing unit that has working fixtures, appliances, and utilities and reside in a community with well-maintained common areas and amenity spaces.	Included	Fully Available
3. The right to be provided with a maintenance history of the prospective housing unit before signing a lease, as provided in section 2892a of this title.	Excluded	Not Available
4. The right to a written lease with clearly defined rental terms to establish tenancy in a housing unit, including any addendums and other regulations imposed by the landlord regarding occupancy of the housing unit and use of common areas.	Included	Fully Available
5. The right to a plain-language briefing, before signing a lease and 30 days after move-in, by the installation housing office on all rights and responsibilities associated with tenancy of the housing unit, including information regarding the existence of any additional fees authorized by the lease, any utilities payments, the procedures for submitting and tracking work orders, the identity of the military tenant advocate, and the dispute resolution process.	Included	Fully Available

Table 1. Elements of the MHPI Tenant Bill of Rights (cont'd)

The Tenant Rights Outlined in the FY 2020 NDAA	DoD Issued MHPI Tenant Bill of Rights	Availability of the Rights to the Tenants
6. The right to have sufficient time and opportunity to prepare and be present for move-in and move-out inspections, including an opportunity to obtain and complete necessary paperwork.	Included	Fully Available
7. The right to report inadequate housing standards or deficits in habitability of the housing unit to the landlord, the chain of command, and housing management office without fear of reprisal or retaliation.	Included	Fully Available
8. The right of access to a military tenant advocate, as provided in section 2894(b)(4) of this title, through the housing management office of the installation of the Department at which the housing unit is located.	Included	Fully Available
9. The right to receive property management services provided by a landlord that meet or exceed industry standards and that are performed by professionally and appropriately trained, responsive, and courteous customer service and maintenance staff.	Included	Fully Available
10. The right to have multiple, convenient methods to communicate directly with the landlord maintenance staff, and to receive consistently honest, accurate, straightforward, and responsive communications.	Included	Fully Available
11. The right to have access to an electronic work order system through which a tenant may request maintenance or repairs of a housing unit and track the progress of the work.	Included	Fully Available
12. With respect to maintenance and repairs to a housing unit, the right to the following: A. Prompt and professional maintenance and repair; B. To be informed of the required time frame for maintenance or repairs when a maintenance request is submitted; and C. In the case of maintenance or repairs necessary to ensure habitability of a housing unit, to prompt relocation into suitable lodging or other housing at no cost to the tenant until the maintenance or repairs are completed.	Included	Fully Available
13. The right to receive advice from military legal assistance on procedures involving mechanisms for resolving disputes with the property management company or property manager to include mediation, arbitration, and filing claims against a landlord.	Included	Fully Available

Table 1. Elements of the MHPI Tenant Bill of Rights (cont'd)

The Tenant Rights Outlined in the FY 2020 NDAA	DoD Issued MHPI Tenant Bill of Rights	Availability of the Rights to the Tenants
14. The right to enter into a dispute resolution process, should all other methods be exhausted and, in which case, a decision in favor of the tenant may include a reduction in rent or an amount to be reimbursed or credited to the tenant.	Excluded	Fully Available
15. The right to have the tenant's basic allowance housing payments segregated and held in escrow, with approval of a designated commander, and not used by the property owner, property manager, or landlord pending completion of the dispute resolution process.	Excluded	Not Available
16. The right to have reasonable, advance notice of any entrance by a landlord, installation housing staff, or chain of command into the housing unit, except in the case of an emergency or abandonment of the housing unit.	Included	Fully Available
17. The right to not pay non-refundable fees or have application of rent credits arbitrarily held.	Included	Not available
18. The right to expect common documents, forms, and processes for housing units will be the same for all installations of the Department, to the maximum extent applicable without violating local, State, and Federal regulations.	Included	Not available

Appendix C

Relevant FY 2020 NDAA MHPI Oversight Provisions

Table 2. FY 2020 NDAA MHPI Oversight Provisions

FY 2020 NDAA MHPI Oversight Provisions	Relevant Requirements	Status	Responsible Office(s)	Applicability to Business Agreements
Sec. 3011. Improved accountability and oversight of privatized military housing and protections and responsibilities for tenants of privatized military housing.	The Secretary of Defense shall develop the following documents and the Secretary of each Military Department should ensure that the documents are attached to each lease: 1. Tenant Bill of Rights; and 2. Tenant Responsibilities	1. 14 of 18 rights are available 2. Complete	Office of the Secretary of Defense and Military Departments	Applicable to new and renewed business agreements. Must seek voluntary agreement with the landlords to retroactively apply requirements to existing business agreements.
Sec. 3012. Designation of Chief Housing Officer for privatized military housing.	The Secretary of Defense shall designate a Chief Housing Officer who oversees housing units.	Complete	Office of the Secretary of Defense	N/A
Sec. 3013. Additional requirements relating to contracts for privatized military housing.	A landlord shall provide a reliable electronic maintenance work order system, allow real-time access to DoD officials, and close ticket only once tenant and head of HMO sign off.	Varied levels of implementation	Office of the Secretary of Defense, Military Departments, and Landlords	Applicable to new and renewed business agreements. Must seek voluntary agreement with the landlords to retroactively apply requirements to existing business agreements.
Sec. 3014. Additional requirements relating to management of privatized military housing.	The head of the HMO should: 1. conduct a physical inspection of vacant units upon move-in and move-out; and 2. reach out to tenant regarding satisfaction between 15-60 days after move-in.	Varied levels of implementation*	Office of the Secretary of Defense, Military Departments, and Landlords	Applicable to new and renewed business agreements. Must seek voluntary agreement with the landlords to retroactively apply requirements to existing business agreements.

Table 2. FY 2020 NDAA MHPI Oversight Provisions (cont'd)

FY 2020 NDAA MHPI Oversight Provisions	Relevant Requirements	Status	Responsible Office(s)	Applicability to Business Agreements
Sec. 3016. Additional improvements for management of privatized military housing.	The Secretary of Defense shall establish a database of complaints made regarding housing units that is publically available and includes tenant complaints as well as landlord responses to the complaints.	Incomplete	Office of the Secretary of Defense	N/A
Sec. 3017. Maintenance work order system for privatized military housing.	The Secretary of Defense shall require that each landlord of a housing unit have an electronic work order system to track all maintenance requests relating to the housing unit and that it is accessible to DoD personnel.	Incomplete Implementation is varied across installations	Office of the Secretary of Defense	Applicable to new and renewed business agreements. Must seek voluntary agreement with the landlords to retroactively apply requirements to existing business agreements.
Sec. 3018. Access by tenants of privatized military housing to maintenance work order system.	The Secretary of Defense shall require each landlord to provide access to the maintenance work order system to the tenant of the housing unit to permit the tenant to track the status and progress of work orders for maintenance requests relating to the housing unit.	Complete Implementation is varied across installations	Office of the Secretary of Defense	N/A
Sec. 3019. Access by tenants to historical maintenance information for privatized military housing.	The Secretary concerned shall require each landlord that offers a housing unit to provide a prospective tenant of the housing unit, before the prospective tenant moves into the housing unit, all information regarding maintenance conducted to that unit for the previous seven years.	Complete*	Office of the Secretary of Defense	Applicable to new and renewed business agreements. Must seek voluntary agreement with the landlords to retroactively apply requirements to existing business agreements.

Table 2. FY 2020 NDAA MHPI Oversight Provisions (cont'd)

FY 2020 NDAA MHPI Oversight Provisions	Relevant Requirements	Status	Responsible Office(s)	Applicability to Business Agreements
Sec. 3022. Dispute resolution process for landlord-tenant disputes regarding privatized military housing and requests to withhold payments during dispute resolution process.	The Secretary concerned shall implement a standardized formal dispute resolution process to ensure the prompt and fair resolution of disputes that arise between landlords and tenants concerning maintenance and repairs, damage claims, rental payments, move-out charges, and other issues relating to housing units.	Incomplete	Office of the Secretary of Defense	Applicable to new and renewed business agreements. Must seek voluntary agreement with the landlords to retroactively apply requirements to existing business agreements.
Sec. 3041. Report on civilian personnel shortages for appropriate oversight of management of military housing constructed or acquired using alternative authority for acquisition and improvement of military housing.	The Secretary of Defense, in coordination with the Secretaries of the Military Departments, shall submit to the congressional defense committees a report containing an evaluation of the shortages in the number of civilian personnel performing oversight functions at DoD housing management offices or assigned to housing-related functions at headquarters levels contribute to problems regarding the management of privatized military housing and recommendations to address such personnel shortages.	Incomplete	Office of the Secretary of Defense and Military Departments	N/A

Table 2. FY 2020 NDAA MHPI Oversight Provisions (cont'd)

FY 2020 NDAA MHPI Oversight Provisions	Relevant Requirements	Status	Responsible Office(s)	Applicability to Business Agreements
Sec. 3042. Plans for creation of councils on privatized military housing.	The Assistant Secretary of each Military Department shall submit to the congressional defense committees a plan for the creation within each of the Military Departments of a council on privatized military housing for maintaining adequate oversight of the military housing program and serving as a mechanism to identify and resolve privatized military housing issues.	Complete	Military Departments	N/A
Sec. 3044. Inspector General review of DoD oversight of privatized military housing.	The Inspector General of the DoD shall conduct a review of the oversight by the Secretary of Defense of privatized military housing at such installations and make a summary of the results of the review publicly available.	Complete	DoD Inspector General	N/A
Sec. 3056. Requirements relating to move-in, move-out, and maintenance of privatized military housing.	The Secretary of Defense shall: 1. develop a uniform move-in and move-out checklist for landlord and tenant use; and 2. develop a uniform checklist to be used by housing management offices to validate the completion of all maintenance work related to health and safety issues at privatized military housing	1. Complete 2. Incomplete	Office of the Secretary of Defense	1. Applicable to new and renewed business agreements. Must seek voluntary agreement with the landlords to retroactively apply requirements to existing business agreements. 2. N/A

Table 2. FY 2020 NDAA MHPI Oversight Provisions (cont'd)

FY 2020 NDAA MHPI Oversight Provisions	Relevant Requirements	Status	Responsible Office(s)	Applicability to Business Agreements
Sec. 3057. Standardized documentation, templates, and forms for privatized military housing.	The Secretary of Defense shall develop standardized documentation, templates, and forms for use throughout the DoD with respect to privatized military housing.	Incomplete	Office of the Secretary of Defense	Applicable to new and renewed business agreements. Must seek voluntary agreement with the landlords to retroactively apply requirements to existing business agreements.
Sec. 3058. Satisfaction survey for tenants of military housing.	The Secretary of Defense shall require that each installation use the same satisfaction survey for tenants of military housing, including privatized military housing.	Complete	Office of the Secretary of Defense	N/A

* Indicates that a policy has been published or processes have been developed and are pending implementation.

Acronyms and Abbreviations

CHO	Chief Housing Officer
CY	Calendar Year
GAO	Government Accountability Office
HMO	Housing Management Office
MHPI	Military Housing Privatization Initiative
NDAA	National Defense Authorization Act
ODASD(H)	Office of the Deputy Assistant Secretary of Defense for Housing

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