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ANALYSIS OF USAREUR FAMILY HOUSING

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Prepared by
Engineer Studies Center
US Army Corps of Engineers

April 1985

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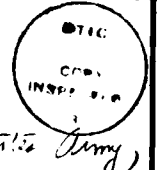
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EXECUTIVE SUMMARY

During the Commander's Conference of April 1984, the CINCUSAREUR expressed concerns about family housing problems in Europe. In response to those concerns, the Vice Chief of Staff of the Army asked the Chief of Engineers to task the Engineer Studies Center (ESC) to evaluate the current Army family housing situation in Europe. This report documents the results of that evaluation.

The study examined the largest family housing operation in the free world. The USAREUR family housing program provides shelter for more than 400,000 people--the equivalent of a metropolitan area the size of Knoxville, Tennessee. It has an annual budget of over \$500 million and directly employs some 2,000 managers and workers at almost 300 installations, spread over an area about half the size of California.

The study found that until 1982, USAREUR's family housing situation was not good. Even though there was a large housing deficit, there was no money for new construction. There also was only moderate funding for government leasing. Service members were generally dissatisfied with the condition of on-post "stairwell" apartments, and a weak US dollar made adequate economy housing expensive. Beginning in 1982, increased Congressional support for Army family housing in Europe, a strong US dollar, and the Rent-Plus program improved the situation dramatically.

Despite those recent improvements, a number of problems still exist. Foremost among these is the current and projected future deficit in Army family housing. Although there may be some question as to the accuracy of the deficit determinations, there is no doubt that it is substantial. This is indicated by the fact that there are:

- * Long waiting lists for government-controlled housing.
- * Large numbers of service members who are involuntarily separated from their families.
- * Some service members living in unsuitable economy housing.

To correct these and other problems, USAREUR has already developed and implemented a broad range of improvement programs and initiatives. This study examined those programs and initiatives and found that they all show promise. The one which shows the greatest potential for solving USAREUR's family housing problems is the USAREUR Family Housing Acquisition Plan. That Plan is designed to eliminate the family housing deficit by 1990. However, the success of the Acquisition Plan depends on how vigorously it is supported by DA, OSD, and Congress. The Plan's success--and that of several of the other promising initiatives--also depends on the strength of the US dollar in the European marketplace.

Despite the promise shown by the USAREUR Family Housing Acquisition Plan and its companion improvement programs and initiatives, ESC concluded that a number of other actions should be taken. The actions that ESC recommends are

needed to provide more immediate help to the service members in Europe. The actions are also needed to improve the efficiency and responsiveness of USAREUR family housing operations and to improve the image and credibility of the Army family housing planning process.

1. To improve the customer services offered to military families seeking economy housing units, ESC recommends that major changes be made in the way the Housing Referral Office (HRO) conducts its business. Within this area, the study makes five specific recommendations. They are to:

- * Consolidate the HRO with the other family housing functions.
- * Extend the hours of operation to provide housing referral services at least twice weekly during service members' off-duty hours.
- * Adjust the housing manpower authorizations to ensure that staffing is commensurate with workload.
- * Train all staff members in customer relations.
- * Correct the transportation problems by taking the steps necessary to ensure that housing referral has adequate transportation support.

2. To reduce the financial burdens and cultural pressures of a USAREUR tour of duty on junior enlisted personnel, ESC recommends that:

- * Command-sponsored E3s and below be given the same priority for government-controlled family housing as service members in paygrades E4 and above.
- * Current housing allocations be changed to give the E3-E1s a fair share of government-controlled housing.
- * A long-range plan be developed to provide government-controlled housing to all command-sponsored E3-E1 service members.

3. To better support all service members on their arrival in Europe, ESC recommends that USAREUR improve the adequacy of its transient family housing facilities. The requirements for adequate transient family housing facilities should be given a higher level of importance and coordinated with USAREUR's Family Housing Acquisition Plan.

4. To help service members cope with up-front costs, ESC recommends that the joint travel regulations be changed to allow service members to be reimbursed for German real estate agent finder's fees.

5. To help service members to be better informed about living conditions in Europe, ESC recommends that major improvements be made in the preparation and presentation of pre-move briefings and post-move orientations.

6. To improve communications within the family housing community, ESC recommends that USAREUR conduct a family housing policy conference annually.

7. To improve the credibility of the Army family housing planning process, ESC recommends three changes to the DOD Family Housing Survey (FHS). These changes are recommended in addition to those changes already proposed by OSD. The recommended changes are to:

- * Collect basic housing-related information from unaccompanied as well as accompanied service members to better determine voluntarily and involuntarily separated rates as well as marital/dependency factors.
- * Establish a control procedure and audit trail for limiting, recording, and tracking changes made to the FHS through various levels of review.
- * Make projections of the long-range requirement more credible by improving the way long-range marital/dependency factors and long-range voluntarily separated rates are computed and the way impacts of stationing changes are projected.

ABBREVIATIONS AND ACRONYMS

AAA.....Army Audit Agency
AAFES.....Army and Air Force Exchange System
ACE.....Assistant Chief of Engineers
ADCSSENGR.....Assistant Deputy Chief of Staff, Engineer
ADP.....automatic data processing
AFH.....Army family housing
AFHC.....Army Family Housing Construction
AMC.....Army Materiel Command
AOE.....Army of Excellence
AR.....Army Regulation
ARI.....United States Army Research Institute
ARLOC.....Army Location Code
A/T.....assignments and terminations
ATC.....Army Training Center
AVF.....All-Volunteer Force

BAQ.....basic allowance for quarters
BTL.....build-to-lease

CDP.....Community Demographic Profile
CINCUSAREUR.....Commander in Chief, United States Army, Europe
COHORT.....Cohesion, Operational Readiness, and Training
CONUS.....Continental United States

DA.....Department of the Army
DAIG.....Department of the Army Inspector General
DARCOM.....United States Army Materiel Development and Readiness
 Command
DCSENGR.....Deputy Chief of Staff, Engineer
DCSPER.....Deputy Chief of Staff, Personnel
DEH.....Directorate of Engineering and Housing
DHMSO.....Defense Housing Management Systems Office
DMAR.....deferred maintenance and repair
DOD.....Department of Defense
DVQ.....distinguished visitors quarters

EA.....economic analysis
ECIP.....Energy Conservation and Improvement Program
EH.....engineering and housing
ESC.....Engineer Studies Center
EUD.....United States Army Engineer Division, Europe

FAO.....Federal Asset Office
FAS.....Force Accounting System
FC.....Field Circular

FESA.....United States Army Facilities Engineering Support Agency
FHMA.....Family Housing Management Account
FHS.....Family Housing Survey
FORSCOM.....United States Army Forces Command
FRG.....Federal Republic of Germany
FY.....fiscal year
FYDP.....Five Year Defense Plan

GAO.....General Accounting Office

HOMES.....Housing Operations Management System
HQ.....headquarters
HQDA.....Headquarters, Department of the Army
H.R.House Report
HRO.....Housing Referral Office
HR/S.....Housing Referral/Survey
HRV.....Highest Reasonable Value

IG.....Inspector General
IPR.....In-Process Review
ISAE.....Installation Support Activity, Europe

JTR.....Joint Travel Regulation
JUMPS.....Joint Uniform Military Pay System

LRV.....Lowest Reasonable Value

MACOM.....Major Army Command
MCA.....Military Construction, Army
MFS.....Military Fair Share
MILCOM.....military community
MILCON.....military construction
MILPERCEN.....United States Army Military Personnel Center
MLV.....Most Likely Value
MRI.....maintenance, repair, and improvement

NAF.....non-appropriated fund
NATO.....North Atlantic Treaty Organization
NCO.....non-commissioned officer
NMS.....New Manning System
NTV.....non-tactical vehicle

OCE.....Office of the Chief of Engineers
OCONUS.....Outside Continental United States

ODCSENGR.....Office of the Deputy Chief of Staff for Engineering
ODCSRМ.....Office of the Deputy Chief of Staff for Resource Management
ORSA.....operations research/systems analysis
OSD.....Office of the Secretary of Defense

PAC.....Personnel and Administration Center
PCS.....Permanent Change of Station
PERSCOM.....Personnel Command
PX.....post exchange

REA.....United States Army Real Estate Agency, Europe
RFP.....request for proposal
RPHA.....Rent-Plus Housing Allowance
RPM.....Requirements Projection Methodology

SAG.....Study Advisory Group
SETAF.....United States Army Southern European Task Force
SHA.....Station Housing Allowance
SIDPERS.....Standard Installation/Division Personnel System
SJA.....Staff Judge Advocate
SPSS.....Statistical Package for the Social Sciences
STAMMIS.....Standard Army Multi-Command Management System
STATPROStationing Program
SUPCOM.....support command

TDA.....table of distribution and allowance
TDY.....temporary duty
TLA.....temporary lodging allowance
TOE.....table of organization and equipment
TRADOC.....United States Army Training and Doctrine Command

UIC.....Unit Identification Code
UK.....United Kingdom
UMC.....USAREUR Major Command
UPH.....unaccompanied personnel housing
UPOS.....USAREUR Personnel Opinion Survey
US.....United States
USAREUR.....United States Army, Europe

VAT.....Value Added Tax
VEQ.....visiting enlisted quarters
VFAS.....Vertical Force Accounting System
VHA.....Variable Housing Allowance
VIABLE.....Vertical Installation Automation Baseline
VOQ.....visiting officer quarters

ANALYSIS OF USAREUR FAMILY HOUSING

I. INTRODUCTION

1. Purpose. This report presents the results of an Engineer Studies Center (ESC) analysis of the Army family housing program in Europe.

2. Scope. The study examined the significant issues that influence USAREUR's ability to adequately house the military family. The analysis was structured to review and evaluate current problems and initiatives, with particular emphasis on the FRG, less Berlin. It was not the purpose of this study to either verify or audit USAREUR's family housing assets or requirements. Specifically, the study reviewed and evaluated:

a. The way in which the information derived from the current Family Housing Survey (FHS) is used to make important operating and planning decisions for the Army family housing program in Europe.

b. The policies and procedures which govern how USAREUR plans, programs, acquires, allocates, and assigns government-controlled and economy assets.

c. The roles that Congress, economic pressures, stationing plans, and similar factors play in the USAREUR family housing program.

3. Background.

a. General. During the Commander's Conference of April 1984, the CINCUS 'EUR expressed concerns about the family housing problems in Europe. Among his most important concerns were:

(1) Of the 220,000 service members serving in the Army in Europe, 70,400 needed family housing. However, there were only 43,000 government-controlled units, 10,000 government-leased units, and 8,000

(3) Revised procedures for submitting information on housing availability. One of the conclusions of a 1984 USAREUR HQ Inspector General (IG) inspection was that housing availability forecasts (i.e., waiting times to obtain housing) needed to be improved. These forecasts are used by the 1st PERSCOM to make travel decisions (concurrent, deferred, or denied). As a result of the USAREUR IG inspection, the USAREUR ORSA cell has proposed a methodology for forecasting available housing. Using this methodology, housing officers would develop forecasts for 1-month intervals using historical data. This may significantly improve the accuracy of 1st PERSCOM's travel decisions.

(4) Implementation of the Housing Operations Management System (HOMES). HOMES will automate many of the functions of the housing office to satisfy the immediate information needs of housing personnel as well as the historical and long-range information needs of management. Now under design at the US Army Facilities Engineering Support Agency (FESA), HOMES has five modules: Family Housing Assignments and Terminations; Housing Referral/Survey; Furnishings Management; Billeting; and Financial Management. Most of the HOMES modules will be executed on microcomputers. Housing personnel will enter and retrieve data on service members, housing units, budget, and furnishings. HOMES is tentatively scheduled to be fielded at one USAREUR test location in FY 86.

d. Family housing goals and objectives. USAREUR is developing family housing goals and objectives to include such areas as concurrent travel, occupancy rates, HRO services, waiting times, furnishings, quarters adequacy, and MRI. One goal already set is that 30 percent of USAREUR's overall housing requirements will be satisfied with economy assets. This goal defines a level

c. Improvements in management information. There are several initiatives underway to improve the quality and timeliness of information:

(1) Redesign of the FHS. Aware of the Army's concerns with the accuracy and credibility of the FHS, the Defense Housing Management Systems Office (DHMSO) is proposing a radical change in the survey's philosophy and is abandoning the sampling approach in favor of a system that will use more complete data gathered directly from the MILCOM. The proposed system will change data collection procedures and, hopefully, improve the accuracy of the FHS. DHMSO's intent is that these data eventually will be processed locally by each MILCOM, using a service-wide standard data processing system. Although the DHMSO effort is commendable, additional improvements can be made:

(a) DHMSO has not suggested improvements to the current method of projecting requirements, marital/dependency factors, or voluntarily separated rates. The inaccuracies in these forecasts are a serious shortcoming of the current FHS.

(b) Like the FHS, the DHMSO-proposed system does not track changes, or the reasons or authority for changes. Lack of an audit trail was one of the deficiencies found by a recent review of the FHS by the Army Audit Agency (AAA).⁵

(2) Review of the stationing documents. USAREUR HQ is fully aware of the inconsistencies in the VFAS, STATPRO, and CDP. A review was conducted in October and November 1984 to evaluate USAREUR's ability to station the force. During this review, the command databases, including the CDP and STATPRO, were revised to improve their accuracy. USAREUR now plans to review the CDP and STATPRO semiannually.

⁵Department of the Army, US Army Audit Agency, Report of Audit--Housing Management, U.S. Army, Europe and Seventh Army, Washington, D. C., 20 February 1985.

MILCOMs, has developed a 5-year USAREUR Family Housing Acquisition Plan. The plan establishes milestones and goals to eliminate the family housing shortfall, and gives USAREUR a clearer perspective of its family housing requirement. Figure 1 shows the magnitude of the acquisition plan compared to existing assets. If this one initiative is successful, it could have the most profound influence on solving USAREUR's future housing problems.

USAREUR FAMILY HOUSING ACQUISITION PLAN

Category	Current	Planned Assets	Future (FY 91)
On Post Economy	41,376	3,939	45,315
Government Leased	22,986	6,278	29,264
	10,873	6,288	17,161
Total	75,235	16,505	91,740

Figure 1

b. Expedition of the lease process. An integral part of the acquisition plan is the leasing of government-controlled assets. This leasing program has moved slowly. However, USAREUR now understands how and why the leasing program has had problems, and is taking firm steps to resolve them. The US Army Real Estate Agency, Europe, is being moved from Frankfurt to Heidelberg; real estate boundaries are being realigned; in-process reviews have been developed to help those involved with the leasing program; and Title 10 training sessions are underway. In order to attract additional investors willing to finance Build-to-Lease projects, USAREUR is experimenting with several non-traditional approaches to the program. Among these are a proposal to extend the leasing period to 20 years and a lease/purchase option which would turn the facility over to the US government after a specific time period has lapsed and certain other conditions are met.

member's adjustment to USAREUR.³ While 89 percent of the command-sponsored officers that were surveyed said that they had a sponsor, just 40 percent of the non-commissioned officers and fewer than 17 percent of the junior enlisted indicated that they were sponsored. Of those people surveyed, only one out of every three said they had a sponsor who actually helped them in their transition. The program's problems also were discussed in a 1984 DOD survey of overseas living conditions.⁴

8. Current Initiatives Show Promise. There are three major factors that have had a dominant influence on improving housing conditions in USAREUR. They include the Congressional support for government leasing, new construction, and the maintenance, repair, and improvement (MRI) programs; the Rent-Plus Housing Allowance; and the strong US dollar. A number of other factors are helping turn the situation around. These factors involve a number of current Army initiatives. The success of these initiatives can be directly attributed to the command emphasis of top Army leadership and the resourcefulness and dedication of USAREUR's family housing managers. The following paragraphs summarize some of the most important of these initiatives that ESC feels have already shown positive results.

a. Development of a USAREUR Family Housing Acquisition Plan. For the first time, there is a single USAREUR Program Manager for all family housing acquisition programs. This Program Manager, working with the UMCs and

³Department of the Army, Office of the Chief of Staff, Army, Deputy Chief of Staff for Personnel, US Army Research Institute for the Behavioral and Social Sciences, A Profile of Army Families in USAREUR: Results of the 1983 Families in Europe Survey, Prepared by H. Ozkaptan, et al., Alexandria, Virginia, June 1984 (hereafter referred to as ARI Profile).

⁴Department of Defense, US Navy Personnel Research and Development Center, Department of Defense Survey of Living Conditions Overseas--1984, Review Draft, San Diego, California, January 1985.

accuracy of the CDP can vary greatly from one MILCOM to another. In some cases, a command may not count a detachment (or a whole unit) that is in the MILCOM area, or may count a unit which is leaving--these differences can accumulate into large discrepancies. For example, an August 1984 ODCSENGR spotcheck of Frankfurt's May 1983 CDP found more than 200 families who had been missed.

(3) Access and understanding. The CDP and other stationing documents are classified. Housing managers complain that access to them is too restrictive. This may contribute to the fact that ESC found that many housing managers do not have a good understanding of the stationing process or of the expected future demands for housing.

e. Junior enlisted personnel. Junior enlisted personnel are the one group that suffers the most from a shortage of government-controlled housing. As a group, they cause the MILCOM commander and the private German landlord the most problems: they suffer more than other service member groups from being forced to live apart from the on-post American community, since they are generally younger and less mature and thus are less able to cope with the pressures of adjusting to living in a foreign culture. They also are more prone to getting into financial difficulty, and so default more often than other groups on rent and utility payments. When a German landlord removes a unit (or block of units) suddenly from the HRO list, it is usually because an unpleasant or costly experience with a junior enlisted tenant has made the landlord unwilling to rent to other Americans.

f. Sponsor program. A 1983 survey of Army families in Europe reported the sponsor program as one of the least helpful aids to the service

which is reportedly so unreliable that sometimes important policy messages are not received. Many MILCOM housing managers feel that the guidance that they do receive is often inadequate or conflicting and this causes confusion in the execution of important programs. Some higher headquarters housing people counter that the MILCOM housing managers who claim that guidance is lacking are poor managers who are trying to avoid making decisions. Regardless of who is right or wrong, such sharp disagreement between headquarters and the field is evidence of severe communications problems.

d. Requirements estimation process. In USAREUR, the 5-year projection of requirements for family housing is based on the Community Demographic Profile (CDP). This document depicts the projected authorized strength of each MILCOM based on the Vertical Force Accounting System (VFAS) and the restationing actions reflected in the Stationing Program (STATPRO). There are several problems with the CDP:

(1) Timeliness. The February 1983 VFAS was used as the baseline to develop the May 1983 CDP. When it came time to conduct the FY 84 FHS in September 1983, the population values from the May CDP were used. Since stationing plans and MILCOM populations change routinely, the strength figures from the May 1983 CDP were somewhat out-of-date; nevertheless, they were used in the FHS. The housing managers are therefore right to question whether housing requirements generated from the CDP are accurate and timely.

(2) Accuracy. The VFAS normally specifies the location only of units of battalion size or larger. USAREUR HQ, the UMCs, the MILCOMs, and other commands (e.g., the 32d Air Defense Command) create the CDP by refining the VFAS data to at least the company level and including detachments smaller than company-size and non-USAREUR units located in the MILCOM area. Because some commands refine their data very thoroughly and others do not, the

correct. There is evidence that the Housing Referral Offices (HROs) are not properly resourced or structured to acquire those additional assets. Also, those who argue that the deficit is overstated should be reminded that it only considers the family housing requirements of military personnel in the grades E4 and above. USAREUR also provides housing assistance to DOD civilians; the families of soldiers in the grades E1 through E3; bachelor personnel in the grades E7 and above who want to live off post; and unaccompanied personnel for whom on-post unaccompanied quarters are not available. These other personnel require approximately 38,000 housing units. Their needs are not reflected in official statements of the Army family housing deficits. Thus, the USAREUR housing deficit is very real.

b. The HRO. In general, USAREUR's HROs are a poor advertisement for USAREUR's Army family housing system (Annex B). The film "Making Your Home in Germany" emphasizes the importance of the HRO and the services it can provide. After viewing this film, a new service member may show up at his USAREUR MILCOM's housing office expecting to find a courteous HRO counselor ready and able to meet his needs. Instead, he usually finds few counselors, long waiting lines, and minimal service. In their defense, housing managers say they are unable to recruit and keep quality people, must contend with low manpower authorizations, and are not given the transportation resources they feel they need to do their jobs well. But the fact remains that there are large gaps between what a service member expects, what he needs, and what he gets.

c. Policy and guidance. Although ESC made no attempt to exhaustively review all of USAREUR's housing policy, it did find that some important USAREUR regulations are out-of-date relative to Army regulations. But a surprising and potentially serious problem is the USAREUR message/mail system,

Europe, thus increasing the family housing requirements. USAREUR forecasts an increase in family housing requirements of nearly 3,000 units between FY 84 and FY 89.

(2) Deficits are not accurately measured. The DOD FHS was introduced in 1965 to collect data which the services could use to justify the military family housing construction program. The survey is conducted annually. The data it collects are used to derive both current and long-range projections of requirements and assets. If requirements exceed assets, then a deficit exists. Unfortunately, the accuracy of the FHS in determining either requirements or economy assets has been questioned at every level of Army housing management (Annex A).

(a) The FHS, which is conducted in October, must be processed and validated; this can take as long as 8 or 9 months. As a result, statements of the current deficit are often misleading or inaccurate. For example, at the April 1984 Commander's Conference, the CINCUSAREUR reported a current deficit of 9,600 units, based on the FY 83 FHS (October 1982). By August 1984, the validated results of the FY 84 FHS reported a 13,459-unit deficit. Although the deficit appears to have grown by almost 4,000 units in only 4 months, the increase was spread over a longer period.

(b) Inaccuracies in long-range requirements, created in part by rapidly changing stationing and force modernization plans, can cause the FHS to understate or overstate long-range deficits. Other factors that are not predicted or reflected in the FHS, such as changing demographics and the buying power of the dollar, also create errors in long-range deficits.

(c) Those who argue that USAREUR's deficit is overstated say that existing economy assets are being ignored, but they are not entirely

USAREUR housing managers have seen their family housing deficit increase from about 5,000 units in 1982 to more than 14,000 units in 1985. Simply stated, USAREUR does not have sufficient government-controlled or economy assets to adequately accommodate every "eligible" soldier who is authorized to and wants to bring his family to Europe. Deficits are stated as current (i.e., the situation today) and long-range (a 5-year projection). Based on the "USAREUR Family Housing Acquisition Plan," dated 25 February 1985, USAREUR's current deficit is 14,099 units. If planned acquisition programs are not implemented, USAREUR's deficit in FY 89 is projected to exceed 16,500 units. Even though the actual magnitude of USAREUR's deficit may be questionable, there are strong indications that a deficit of a sizable magnitude does exist--some soldiers are forced to serve their European tour unaccompanied by their families, others bring their families but must live in substandard housing. Also, waiting lists for government-controlled housing are almost always long. Since gains are continuously being made in the acquisition of additional assets, only two conclusions are possible--the requirements are increasing or the deficit is not being properly measured. Evidence shows a strong likelihood that both conclusions are correct.

(1) Requirements are increasing. From 1980 to 1983, there was a more than 7-percentage point increase in the marriage rate for military personnel in USAREUR, which is partially due to a decrease in the number of junior enlisted personnel in USAREUR (Annex D). There also are other factors that contribute to this increase. For example, the stronger dollar and the Rent-Plus program make more and better economy housing available to junior enlisted personnel. This improved economic situation increases the likelihood of families accompanying or waiting to accompany the junior service member to

military infrastructure, Congressional funding has allowed USAREUR to upgrade and add to its current inventory of government-controlled family housing units. Rent-Plus and a strong dollar have made a large segment of economy housing affordable for the US military family. Already progress has been made in increasing the number of government and private leases, and a contract has been awarded for the first new family housing construction project at Wildflecken. Thus, due to strong Congressional support, command emphasis and interest, and the strong dollar, many improvements have been made. By May 1984, the CINCUSAREUR was able to deliver a guardedly optimistic assessment of the family housing situation in Europe: "We are on the road to success....We must continue what we have begun. We must also maintain what we have already constructed and repaired. Our annual operating costs need to be fully funded to prevent the deterioration of new or newly renovated facilities. Any curtailment in established funding levels will leave serious problems unresolved and begin a new cycle of decay to the detriment of the morale and readiness of USAREUR soldiers."²

7. Problems Still Exist. Despite recent improvements in the family housing situation in Europe, problems do still exist. Many are beyond the Army's control, such as the scarcity of land for new construction and leasing projects (Annex C). However, there are certain other problems over which the Army does have control. They include:

a. USAREUR's family housing deficit. A deficit currently exists, and despite programs to eliminate it, the deficit will not go away quickly.

²Department of the Army, US Army, Europe and Seventh Army, Headquarters, Commander in Chief, Living and Working Conditions in United States Army, Europe, Special Report to Congress, Heidelberg, Federal Republic of Germany, 1 May 1984.

associated with stairwell living. Studies by the US Army Research Institute (ARI) field unit in USAREUR have shown that families widely regard stairwell living as a miserable experience. Perhaps the best way to describe the overall condition of USAREUR family housing up to the early 1980s is with a term commonly used to describe US military housing: American Ghettos.

b. Economy housing. The history of USAREUR economy housing has been even unhappier than that of government-controlled housing. As the Army family housing situation worsened throughout the seventies, USAREUR soldiers were faced with long waiting lists for on-post housing. But the German housing market had serious shortages. Many USAREUR service members simply could not compete on the open housing market because of the weak US dollar of the late seventies and early eighties. That general economic condition, coupled with an inadequate Station Housing Allowance, kept most adequate economy housing out of the economic reach of most service members. So soldiers were forced to make a difficult choice: live in deplorable economy housing or be separated from their families. A 1981 Army orientation film, "Making Your Home in Germany," identified this grim economic reality in its advice to service members contemplating an accompanied tour. The narrator of this film warned the soldier that on-post housing in most areas had lengthy waiting lists, and that if he planned to bring his family, he should expect to live with them on the economy. But the film painted a bleak picture of house hunting in the FRG: the service member is solemnly informed that if he expects to be able to prepay the security and utility deposits required to lease a German apartment, he must arrive at his duty station with at least five times his basic housing allowance in hand.

6. The Situation Has Improved. With the shift of the Army's perceived role in Europe from short-term guardian to fulltime member of the European

II. FINDINGS

5. USAREUR's Past Family Housing Situation Has Not Been Good. From the early sixties to the early eighties, the conditions under which the typical US military family in Europe lived were difficult at best, yet their plight received little if any formal attention from Congress (Annex F). This unofficial policy of neglect was probably rooted in Congressional unwillingness to make a long-term commitment to maintaining US forces in the FRG and to USAREUR's lack of long-range planning. It was perpetuated during the late sixties and early seventies as funds were diverted to support the Vietnam conflict. It gradually became accepted that many soldiers serving in USAREUR would endure poor and sometimes substandard housing as a condition of their tour. In a 1981 Special Report to Congress, the CINCUSAREUR described government-controlled family housing as "barely adequate" in most MILCOMs and characterized the living and working conditions for USAREUR's soldiers as "generally appalling."¹

a. On-post housing. Stairwell apartments, mostly built in the fifties by the FRG, account for 95 percent of the government's housing units in USAREUR. They are home to about 130,000 people. A typical four-story building has three stairwells; eight apartments line each stairwell. Although the structural design was excellent for its time, the factors of age, inadequate maintenance, and high occupant turnover have taken their toll on wiring, floors, cabinets, bathroom and kitchen fixtures, heating systems, and the buildings' exteriors. There also can be serious sociological problems

¹Department of the Army, US Army, Europe and Seventh Army, Headquarters, Commander in Chief, Living and Working Conditions in Europe, Special Report to Congress, Heidelberg, Federal Republic of Germany, 1 April 1981.

a mix of Congressional fiscal constraints, an unresponsive survey reporting system, local cultural and economic pressures, and other factors which contribute to the USAREUR family housing problem (Annex H). That report indicated that the USAREUR family housing problem could not be adequately portrayed by a single set of "deficit" numbers or characterized by any one particular type of complaint. In general, ESC concluded that:

(1) Europe's family housing problems were perceived differently by MILCOM commanders, housing staffs, and service members.

(2) MILCOMs have unique environmental, economic, and social factors which affect their family housing problems.

(3) The DOD FHS was held in low regard and did not accurately portray the deficit.

d. Study plan. ESC's preliminary findings were used to prepare a study plan for an analysis of the range of issues that have either a positive or negative impact on USAREUR's ability to adequately house the military family. The study plan was approved by the Study Advisory Group (SAG) on 31 October 1984 and ESC began the study effort. This report documents the results of that analysis.

4. Method. The analysis described in this report was based on a literature search of regulations, policy documents, studies, memoranda, and similar material pertaining to family housing in USAREUR. Interviews were also conducted with key OSD, DA, and USAREUR managers. ESC visited selected USAREUR Major Commands (UMCs) and MILCOMs in the FRG and surveyed all MILCOM housing managers; that survey is described in Annex E.

privately leased economy units available to meet this demand--a shortfall of 9,400 units.

(2) Of the 9,400 service members whose needs were not met by the family housing program, 4,000 were renting substandard economy units and 5,400 were involuntarily separated from their families.

(3) Also, many service members were avoiding the problems of family housing in Europe by choosing 24-month tours and leaving their families in CONUS.

(4) Finally, those service members who were bringing their families to Europe usually had to wait a long time to be assigned housing. Among all USAREUR Military Communities (MILCOMs), junior enlisted personnel were waiting an average of 37 weeks for housing; at some MILCOMs, the waiting time exceeded 100 weeks.

b. Study request. In response to the CINCUSAREUR's presentation at the Commander's Conference, the Vice Chief of Staff of the Army asked the Chief of Engineers to task ESC to evaluate the current Army family housing situation in Europe (Annex I). The Chief of Engineers appointed the Assistant Chief of Engineers (ACE) as the study's sponsor; ESC was formally tasked with the study on 22 June 1984. At the ACE's direction, a study team from ESC visited with the USAREUR DCSENGR, his staff, and several MILCOMs during the weeks of 15 and 22 July 1984. Those visits were designed to gather initial data, develop points of contact, and obtain the DCSENGR's guidance about the scope of the project. Following several conversations during the months of August and early September, the ACE and the USAREUR DCSENGR reached general agreement about the direction the study should take.

c. Preliminary findings. On 1 October 1984, ESC published a preliminary report which described how housing managers in Europe must contend with

of effort required by the HRO and establishes a commitment to actively pursue economy assets. In conjunction with this goal, the DCSENGR has suggested the MILCOM commanders review and implement a series of initiatives designed to increase the efficiency and effectiveness of the HRO.

e. Mandatory 1-year occupancy of economy housing. Effective 1 October 1984, service members choosing to live in economy housing must remain on the economy for at least 1 year before they can move into government housing. This initiative has encouraged service members to be more selective in their choice of economy apartments. It has also improved the Army's reputation with German landlords, since economy units are no longer used as a temporary holding area for US military families. The initiative's supporters believe that many service members who participate in the 1-year program will remain in their economy apartments for the rest of their tour. This should lessen the demand for government-controlled housing.

f. Quarters for the young married. A pilot program has been developed to convert unused, or little used, attic space in stairwell buildings into adequate two-bedroom quarters for small families. To increase the attractiveness of these fourth-floor quarters, skylights, recessed balconies, and washers and dryers are included in each apartment. The initial program for FY 86 consists of 138 units located at Butzbach, Erlangen, Goeppingen, Mannheim, and Schwaebisch Gmuend. The program will also convert existing temporary quarters located in some attics to permanent and adequate units. In all, 1,781 units are scheduled (FY 86 through FY 90) for conversion.

g. HRO leased-vehicle support. An HRO must have adequate vehicle support to operate successfully. Like US realty agents, the HRO staff must travel continually between appointments with tenants and landlords, and to

preview and inspect available rental units. In the past, the HRO could draw only from a pool of irregularly available, unreliable military administrative vehicles. Many of these were in poor repair or were overbooked; the HRO staff was never sure if transportation would be available when promised, which made it difficult to schedule and keep appointments. Through a concentrated effort, USAREUR obtained authority to lease vehicles until enough dependable military vehicles can be provided by the MILCOM. This initiative significantly enhanced the operation of the HRO.

h. HRO conferences. A tri-service housing referral conference was sponsored by USAREUR in late March 1985. This provided a much needed forum for the exchange of ideas--success stories, methods of operation, and novel approaches to solve common problems. The last conference of this nature was held in October 1981 and was credited with improving housing referral services in Europe.

i. Army Family Action Plan. The Army Chief of Staff's report⁶ set in motion many initiatives which were published in a 1984 DCSPER plan.⁷ Among these initiatives were improvements in the sponsorship program and development of a more effective overseas orientation.

(1) Sponsorship. The Army regulation covering sponsorship, AR 612-10,⁸ is being rewritten and a DA pamphlet has been developed to correct the deficiencies in the sponsorship program. Under the new regulation, all

⁶Department of the Army, Office of the Chief of Staff, Army, White Paper 1983--The Army Family, Washington, D. C., 15 August 1983.

⁷Department of the Army, Office of the Chief of Staff, Army, Office of the Deputy Chief of Staff for Personnel, Human Resources Development Directorate, The Army Family Action Plan, Washington, D. C., 8 January 1984.

⁸Department of the Army, Headquarters, AR 612-10, Personnel Processing--Reassignment Processing and Army Sponsorship and Orientation Program, Washington, D. C., August 1981.

service members in paygrades E1 through O6 will have a sponsor. Those who do not have a pinpoint assignment or who arrive unexpectedly will be assigned a sponsor on the spot. Civilians will now be assigned sponsors by the gaining organization. USAREUR regulations are being updated to reflect these changes.

(2) Overseas orientations. A package of pamphlets, films, and briefings is being assembled by the US Army Community and Family Support Center and the USAREUR DCSPER. The revised DA Pamphlet 608-37⁹ and new pocket guides will replace current DA pamphlets. A new orientation film is being prepared; this film should feature a discussion of housing. MACOM and local briefings will be organized around a content outline provided in a pamphlet by the US Army Community and Family Support Center.

⁹Department of the Army, Headquarters, DA Pamphlet 608-37, Going Overseas, Washington, D. C., January 1984.

III. CONCLUSION

9. Family Housing in Europe Is a Big Business. The Army family housing program in Europe has an annual budget of more than \$500 million; it oversees some 2,000 managers and workers at almost 300 installations spread over an area about half the size of California. Unfortunately, a history of neglect driven by too little funding has tarnished its image as a service organization. The program's credibility as a business has suffered as well, mainly because of the complex and little understood process by which it identifies its requirements and projects its needs.

10. The Business Conditions Are Not Good. ESC's analysis indicates that the CINCUSAREUR's April 1984 assessment of Europe's family housing problems was essentially correct. There was, and is, a real deficit of family housing units. Although the actual size of the deficit has not yet been accurately measured, indications are that it is large. There are large numbers of service members involuntarily separated from their families. Those service members who bring their families to Europe may face long waiting lists for government-controlled housing. Also, some may eventually end up living in privately leased, unsuitable economy housing units. However, ESC found that many of the problems identified by the CINCUSAREUR are being addressed by a number of strong improvement programs and initiatives.

11. Conditions Are Improving. The USAREUR family housing improvement program is on track with a momentum fired by Congressional funding. Current initiatives are addressing many of the major problems. Unfortunately, there is no guarantee that the new programs will all come to fruition. Neither the strength of the dollar nor the degree of next year's Congressional support can be influenced by USAREUR. Although the USAREUR Family Housing Acquisition

Plan is a giant stride forward, it could stumble over unexpected future stationing actions, lack of Congressional support, or problems created by the local government or economy. The housing managers must still strive to predict their requirements more accurately and to execute existing authority with conviction. By necessity, economy housing will continue to play an important role in satisfying significant portions of the requirement. Finally, managers at all levels must be encouraged to recognize that the most important aspect of the family housing program is good customer service and the well-being of service members and their families.

12. More Improvements Needed. Despite the fact that the Army family housing situation in Europe is improving, more corrective actions are still needed. The recommendations presented in Section IV will complement the USAREUR initiatives already underway. All are designed to accelerate the resolution of USAREUR's family housing problems. If accepted, they should improve the image of USAREUR's housing program by establishing credibility for its planning process. Most importantly, they should raise the quality of community-level customer services.

IV. RECOMMENDATIONS

13. Improve the Method for Projecting Family Housing Requirements.

a. Attempts to define USAREUR's programmable family housing deficit based on the FHS have caused anguish and frustration. This is because long-range (5-year) projections derived from the FHS are simply not accurate. Volatile stationing actions and demographic shifts are a constant threat to the programs planned and justified from the FHS. A major weakness of the FHS is that it attempts to make point estimates without considering the uncertainties inherent to long-range projections. This problem will persist despite DHMSO's proposed revisions. ESC's evaluation of the FHS indicates that, in addition to the OSD redesign proposals, the FHS should be further improved by:

(1) Collecting basic housing-related information from unaccompanied as well as accompanied service members to better determine voluntarily and involuntarily separated rates as well as marital/dependency factors.

(2) Establishing a control procedure and audit trail for limiting, recording, and tracking changes made to the FHS through various levels of review.

(3) Making projections of the long-range requirement more credible by improving the way long-range marital/dependency factors and long-range voluntarily separated rates are computed and the way impacts of stationing changes are projected.

b. Implications. Improving the accuracy of the FHS will help USAREUR establish credibility for its acquisition planning process.

c. Implementation. DA should make these recommended improvements before DHMSO's revised FHS is fielded. ESC has developed a model for

forecasting family housing requirements (Annex G). This model is provided for USAREUR consideration.

14. Improve the Housing Referral Program.

a. Economy units are a flexible and liquid asset that can become USAREUR's buffer between a deficit and overprogramming. They are also the quickest fix for current deficits. ESC determined that the MILCOM could take better advantage of these assets by making improvements in the operation of the HRO and the services it provides. Within this area, ESC has five specific recommendations. They include:

(1) Consolidating the MILCOM HRO with the other family housing functions. The consolidation would allow the service member to conduct most of his housing business at one location, eliminate overlaps in function and responsibility, encourage a "team" approach to managing the housing program, provide for a more efficient use of resources, allow middle management spaces to be upgraded through a redefinition of job requirements, and allow for cross-training of personnel from the two elements, which should enhance career development opportunities.

(2) Extending hours of operation at least twice weekly to provide housing referral services during the soldiers' off-duty hours. Evening hours on Wednesdays and morning hours on Saturdays would mean that housing could provide special service on the days the German newspapers advertise apartments.

(3) Adjusting housing manpower authorizations to ensure that staffing is commensurate with workload.

(4) Training all staff members in customer relations.

(5) Correcting the transportation problems of the MILCOM housing office by taking the steps necessary to ensure that adequate transportation

support is available. Leased vehicles are being phased out as government vehicles become available. Many feel that the loss of dedicated vehicles will affect housing referral operations adversely.

b. Implications. Consolidating the HRO and the Family Housing Branch will be disruptive, but will create a more effective and efficient housing program. Housing management will have to re-think their organizational missions and manpower requirements. Because of facilities constraints, physical layout problems may also have to be solved.

c. Implementation. Although ESC recommends consideration of all the above housing referral recommendations, each is a stand-alone fix that could be implemented separately by USAREUR. The UMCs must establish manpower levels for the consolidated housing office and set new policy to cover the office's combined mission.

15. Provide Government-Controlled Housing for Junior Enlisted Personnel.

a. OSD, DA, and USAREUR should make every attempt to provide government-controlled housing for junior enlisted personnel. This is the group that is least able to afford or adapt to living on the economy. It is also the group that is most likely to get into financial trouble, default on rent and utility payments, and cause the loss of economy assets. ESC has three recommendations regarding the junior enlisted personnel.

(1) Command-sponsored E3-E1 service members should be given the same priority for government-controlled family housing as service members in paygrades E4 and above.

(2) USAREUR's current housing allocations (Annex B) should be changed to give paygrades E3-E1 their fair share of government-controlled housing.

(3) A long-range plan should be developed to provide government-controlled housing to all USAREUR command-sponsored E3-E1 service members.

b. Implications. There are about 6,971 E3-E1 service members with dependents who are assigned to USAREUR; 2,938 (42 percent) are now accompanied.¹⁰ It would be logical to assume that if government-controlled housing were available to the E3-E1 group, the accompanied rate for this group would not increase noticeably under the current rules for command sponsorship.

c. Implementation. OSD and DA should ensure that E3-E1s have the same priority for government-controlled housing as do all other paygrades. DA should request from OSD an exception to policy to allow USAREUR to assign E3-E1s to existing government-controlled housing. USAREUR could then instruct MILCOM commanders to reassign a fair share of government-controlled housing to E3-E1s where feasible. These increased requirements should be incorporated in the USAREUR Family Housing Acquisition Plan.

16. Hold Annual Army Family Housing Policy Conferences. USAREUR should attempt to correct the communication problems within the Army family housing community. Many MILCOM housing managers believe the USAREUR housing policies are either not adequately explained (at best) or are conflicting (at worst). Compounding this problem is the fact that AR 210-50¹¹ is now being revised. Also, DA DCSPER has just completed a housing policy review and OSD has issued new guidance on how junior enlisted personnel should be housed. To improve the level of communication, ESC recommends that USAREUR conduct annual policy conferences and workshops for all MILCOM and UMC housing managers.

¹⁰Extracted from MILPERCEN Enlisted Master File dated January 1985.

¹¹Department of the Army, Headquarters, AR 210-50, Installations--Family Housing Management, Washington, D.C., 1 February 1982.

a. Implications. If OSD, DA, and OCE representatives would participate in this conference, any misconceptions in policy could be resolved and the MILCOMs could voice their concerns.

b. Implementation. The USAREUR DCSENGR should take the lead and schedule the conference at the earliest convenient date; the conference should be established as an annual event.

17. Reimburse Service Members for Real Estate Agent Fees. FRG realtors charge between 1 to 3 months rent as a fee for finding an apartment. Civilians are reimbursed for this service; military personnel are not. However, military personnel also need up-front financial support if they are going to seek the services of realtors. ESC therefore recommends that DA initiate actions to change the Joint Travel Regulations (JTR) to give the military the same reimbursement privileges as civilian employees.

a. Implications. If reimbursed, service members could go to German realty agents to find quality economy housing; this would reduce the HRO's workload, potentially increase economy assets, cut down on temporary lodging allowance (TLA) expenses, and increase concurrent travel. Since the HROs would still be providing many essential services to the soldier, staffing levels should not be reduced as a result of the change.

b. Implementation. The proposed change to the JTR would have to be a DA DCSPER initiative. It could be structured as a temporary change in policy and withdrawn as soon as the USAREUR housing deficit is significantly reduced. A recommended reimbursement schedule would be actual cost up to 1.5 times a soldier's Rent-Plus ceiling.

18. Inform Service Members About Living Conditions in USAREUR. Service members need to be better informed about living conditions upon their arrival

in Europe. To accomplish this, ESC recommends that improvements be made in both pre-move briefings and post-move orientations. Before leaving CONUS, service members and their spouses should receive a briefing that accurately portrays the living conditions in USAREUR. Each community should be represented separately on videotape or in photographs. After arriving in the FRG, the service members and their spouses should receive an appropriate local housing orientation.

a. Implications. Without the proper orientation, many service members are confused about housing procedures and left with a bad first impression of USAREUR family housing. With better public relations, economy living could become the first choice of many service members. A healthy economy program would shorten waiting lists for government housing.

b. Implementation. USAREUR has recently requested FORSCOM and TRADOC support to ensure the film "Making Your Home in Germany" is shown to family members prior to their departure from CONUS. The US Army Community and Family Support Center and the USAREUR DCSPER are collaborating on a film to be shown to USAREUR-bound soldiers. The US Army Community and Family Support Center is updating DA pamphlets which pertain to overseas orientation. It is also preparing pamphlets for all MACOMs and their subordinate commands which explain how to develop pre-move briefings and post-move orientations. The USAREUR DCSPER should take the lead to ensure that the content and frequency of the post-move orientation effectively helps the service member adjust to USAREUR. The UMCs should take the lead in ensuring that the local content of the briefing is tailored to the UMC and the MILCOM and that the soldier's spouse is exposed to the post-move briefing.

19. Provide Adequate Transient Facilities. Permanent family housing facilities are important. However, transient housing facilities are also

important. If a service member is granted concurrent travel, then the quarters he and his family are given until they obtain permanent housing should be designed for family use. For example, the families should not have to share bathroom and kitchen facilities with other in-bound or out-bound service members. If German hotels are used for transient lodging, adequate transportation to and from the MILCOM should be provided to the service member and his family, since this is the period his car is in transport and therefore unavailable. To ensure that adequate transient facilities are made available, ESC recommends that USAREUR incorporate transient housing requirements as an integral part of their family housing acquisition plan.

a. Implications. MILCOM housing managers generally feel that adequate transient facilities are an important element of the USAREUR housing mission and that lack of adequate transient housing is a problem. Poor transient housing creates morale problems that affect how well the service member works with the HRO and housing branch. Remote guesthouses or hotels used for transient quarters impose another burden on already overworked transportation resources. A service member anxious to move from inadequate transient facilities may choose his permanent housing hastily and unwisely; if he feels that he was pressured into making a decision he later regrets, he may consider himself unsuitably housed.

b. Implementation. Each UMC should develop programs to assess and improve the number and condition of transient facilities. The requirements for transient family housing facilities should be coordinated with USAREUR's Family Housing Acquisition Plan. Non-appropriated funds are authorized and should be used for temporary lodging facilities for families.

LAST PAGE OF MAIN PAPER

ANNEX A

FAMILY HOUSING SURVEY (FHS)

ANNEX A

FAMILY HOUSING SURVEY (FHS)

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MILITARY FAMILY HOUSING JUSTIFICATION

1. DATE	2. FISCAL YEAR	MILITARY FAMILY HOUSING JUSTIFICATION			3. DEPARTMENT	
4. INSTALLATION AND LOCATION						
ANALYSIS OF REQUIREMENTS AND ASSETS	CURRENT (As of)			PROJECTED (As of)		
	OFFICERS a	ELIGIBLE ENLISTED b	TOTAL c	OFFICERS d	ELIGIBLE ENLISTED e	TOTAL f
5. GROSS FAMILY HOUSING REQUIREMENTS						
6. LESS: VOLUNTARY SEPARATIONS						
7. EFFECTIVE HOUSING REQUIREMENTS						
8. LESS: ADEQUATE HOUSING						
A. UNDER MILITARY CONTROL						
(1) Existing						
(2) Under Construction						
(3) Approved						
(4) Leased						
(5) Other						
B. PRIVATE HOUSING						
(1) Owned Houses						
(2) Owned Trailers						
(3) Occupied Rental Housing						
(4) Vacant Rental Housing						
9. EFFECTIVE HOUSING DEFICIT						
A. INVOLUNTARILY SEPARATED FAMILIES						
B. SUBSTANDARD HOUSING						
C. EXCESS DISTANCE HOUSING						
D. EXCESS COST HOUSING						
10. PROPOSED PROJECT						
TOTAL HOUSING ASSETS, INCLUDING	MILITARY					
11. PROPOSED PROJECT, AS PERCENTAGE OF PROJECTED EFFECTIVE REQUIREMENTS	ALL HOUSING					
12. COMMENTS ON SPECIFIED ITEMS						

DD FORM 1523
1 DEC 76

PREVIOUS EDITIONS OF THIS FORM ARE OBSOLETE

Figure A-7

through the UMC to USAREUR ODCSENGR and USAREUR sends them to OCE. For each MILCOM, OCE extracts the assets, requirements, and deficits, both current and long range and records them on a DD Form 1523 (Figure A-7). DD Form 1523, which is required for the OSD budget process, attracts much attention from OSD and Congress, because it lists the deficit numbers used to justify programming new construction.

b. If a MILCOM projects a significant programming deficit in 5 years, then the MILCOM (or USAREUR) may recommend a program of construction or leasing. For example, in the FY 84 survey, Dexheim showed an FY 89 programming deficit of more than 200 units. USAREUR programmed 100 units of new construction in the FY 84 appropriations to partially offset this deficit.

DETERMINATION OF HOUSING REQUIREMENTS AND PROJECT COMPOSITION--Continued

DETERMINATION OF HOUSING REQUIREMENTS AND PROJECT COMPOSITION								
QUALITATIVE ANALYSIS OF REQUIREMENTS	REQUIREMENTS			SUITABLE HOUSING			PROGRAM DEFICIT (c Minus f)	FISCAL YEAR IS PROJECT
	EFFECTIVE a	PERCENT b	PROGRAM LIMIT c	MILITARY CONTROL d	OFF POST e	TOTAL (d + e) f		
55. 0 - 10 THROUGH 0 - 6		%						
56. 1 AND 2 BEDROOMS		%						
57. 3 BEDROOMS		%						
58. 4 OR MORE BEDROOMS		%						
59. 0 - 5 AND 0 - 4		%						
60. 1 AND 2 BEDROOMS		%						
61. 3 BEDROOMS		%						
62. 4 OR MORE BEDROOMS		%						
63. 0 - 3 - 0 - 1 AND W-4 - W-1		%						
64. 1 AND 2 BEDROOMS		%						
65. 3 BEDROOMS		%						
66. 4 OR MORE BEDROOMS		%						
67. OFFICERS - TOTAL		%						
68. 1 AND 2 BEDROOMS		%						
69. 3 BEDROOMS		%						
70. 4 OR MORE BEDROOMS		%						
71. E - 9 - E - 7		%						
72. 1 AND 2 BEDROOMS		%						
73. 3 BEDROOMS		%						
74. 4 OR MORE BEDROOMS		%						
75. E - 6 - E - 4 (Eligible)		%						
76. 1 AND 2 BEDROOMS		%						
77. 3 BEDROOMS		%						
78. 4 OR MORE BEDROOMS		%						
79. ALL ELIGIBLE ENLISTED		%						
80. 1 AND 2 BEDROOMS		%						
81. 3 BEDROOMS		%						
82. 4 OR MORE BEDROOMS		%						
83. ALL ELIGIBLE MILITARY		%						
84. 1 AND 2 BEDROOMS		%						
85. 3 BEDROOMS		%						
86. 4 OR MORE BEDROOMS		%						
87. KEY CIVS. - D EQUIVALENT		%						
88. 1 AND 2 BEDROOMS		%						
89. 3 BEDROOMS		%						
90. 4 OR MORE BEDROOMS		%						
91. KEY CIVS. - E EQUIVALENT		%						
92. 1 AND 2 BEDROOMS		%						
93. 3 BEDROOMS		%						
94. 4 OR MORE BEDROOMS		%						
95. ALL ELIGIBLE CATEGORIES		100%						
96. 1 AND 2 BEDROOMS		%						
97. 3 BEDROOMS		%						
98. 4 OR MORE BEDROOMS		%						
99. E - 4 (Ineligible) - E - 1		100%						
100. 1 AND 2 BEDROOMS		%						
101. 3 BEDROOMS		%						
102. 4 OR MORE BEDROOMS		%						
103. REMARKS (If more space is needed, continue on back)								
104. AUTHENTICATOR	NAME AND TITLE (Typed or Stamped)			SIGNATURE			DATE	
NAME AND LOCATION OF INSTALLATION								

Figure A-6

DETERMINATION OF HOUSING REQUIREMENTS AND PROJECT COMPOSITION

DETERMINATION OF HOUSING REQUIREMENTS AND PROJECT COMPOSITION							REPORT CONTROL SYMBOL	
DERIVATION OF LONG-RANGE HOUSING REQUIREMENTS	OFFICERS		ENLISTED MEN				CIVILIANS	TOTAL (a + b)
	OPERATIONAL a	STUDENTS b	OPERATIONAL		STUDENTS			
			ELIGIBLE c	OTHER d	ELIGIBLE e	OTHER f		
1 TOTAL PERSONNEL STRENGTH								
2 PERMANENT PARTY HOUSING STRENGTH								
3 HOUSING REQUIREMENTS FACTOR								
4 GROSS HOUSING REQUIREMENTS								
DERIVATION OF LONG-RANGE HOUSING DEFICIT								
	OFFICERS a	ELIGIBLE ENLISTED b	KEY CIVILIANS c	SUB-TOTAL (d + e)		OTHER ENLISTED f	TOTAL g	
				NUMBER d	PERCENT e			
5 GROSS ELIGIBLE HOUSING REQUIREMENTS					100.0			
6 VOLUNTARILY SEPARATED FAMILIES								
7 EFFECTIVE HOUSING REQUIREMENTS (3 Minus 6)								
8 (Programming Limit - %)								
9 AVAILABLE HOUSING ASSETS (Total: 10 + 11)								
10 MILITARY CONTROLLED ASSETS (Subtotal: 11 - 12)								
11 MILITARY OWNED - EXISTING								
12 MILITARY OWNED - UNDER CONTRACT								
13 MILITARY OWNED - APPROVED								
14 MILITARY LEASED - EXISTING AND APPROVED								
15 OTHER (Specify)								
16 NOT MILITARY CONTROLLED (Subtotal: 17 - 21)								
17 CURRENTLY OCCUPIED - OWNED								
18 CURRENTLY OCCUPIED - RENTED								
19 CURRENTLY VACANT - PRIVATE FOR RENT								
20 CURRENTLY VACANT - FHA AND VA FOR RENT								
21 UNDER CONSTRUCTION OR FIRMLY PLANNED								
22 NET HOUSING DEFICIT (7 Minus 9)								
23 (Programming Deficit (8 Minus 9))								
PROPOSED HOUSING INCREMENTS AND PROGRAMMING LEVELS								
FISCAL YEAR 19	24 NEW CONSTRUCTION							
	25 OTHER (Specify)							
	26 MILITARY PROGRAMMING LEVEL - NO (24 + 25)							
	27 MILITARY PROGRAMMING LEVEL - PERCENT (26 ÷ 5)							
	28 TOTAL PROGRAMMING LEVEL - NO (61 + 26 + 27)							
29 TOTAL PROGRAMMING LEVEL - PERCENT (28 ÷ 5)								
FISCAL YEAR 19	30 NEW CONSTRUCTION							
	31 OTHER (Specify)							
	32 MILITARY PROGRAMMING LEVEL - NO (30 + 31)							
	33 MILITARY PROGRAMMING LEVEL - PERCENT (32 ÷ 5)							
	34 TOTAL PROGRAMMING LEVEL - NO (35 + 32 + 33)							
35 TOTAL PROGRAMMING LEVEL - PERCENT (34 ÷ 5)								
FISCAL YEAR 19	36 NEW CONSTRUCTION							
	37 OTHER (Specify)							
	38 MILITARY PROGRAMMING LEVEL - NO (36 + 37)							
	39 MILITARY PROGRAMMING LEVEL - PERCENT (38 ÷ 5)							
	40 TOTAL PROGRAMMING LEVEL - NO (41 + 38 + 39)							
41 TOTAL PROGRAMMING LEVEL - PERCENT (40 ÷ 5)								
FISCAL YEAR 19	42 NEW CONSTRUCTION							
	43 OTHER (Specify)							
	44 MILITARY PROGRAMMING LEVEL - NO (42 + 43)							
	45 MILITARY PROGRAMMING LEVEL - PERCENT (44 ÷ 5)							
	46 TOTAL PROGRAMMING LEVEL - NO (47 + 44 + 45)							
47 TOTAL PROGRAMMING LEVEL - PERCENT (46 ÷ 5)								
FISCAL YEAR 19	48 NEW CONSTRUCTION							
	49 OTHER (Specify)							
	50 MILITARY PROGRAMMING LEVEL - NO (48 + 49)							
	51 MILITARY PROGRAMMING LEVEL - PERCENT (50 ÷ 5)							
	52 TOTAL PROGRAMMING LEVEL - NO (53 + 50 + 51)							
53 TOTAL PROGRAMMING LEVEL - PERCENT (52 ÷ 5)								
54 NAME AND LOCATION OF INSTALLATION								

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Figure A-6 (Continued on Next Page)

TABULATION OF FAMILY HOUSING SURVEY--Continued

TABULATION OF FAMILY HOUSING SURVEY						
	EFFECTIVE REQUIREMENTS		SUITABLE HOUSING			DEFICIT (a - c)
	NUMBER a	PERCENT b	MIL. CONTROL c	OFF POST d	TOTAL (e - f) e	
65 O - 15 THROUGH O - 6		%				
67 1 OR 2 BEDROOMS		%				
68 3 BEDROOMS		%				
69 4 OR MORE BEDROOMS		%				
70 O - 3 AND O - 4		%				
71 1 OR 2 BEDROOMS		%				
72 3 BEDROOMS		%				
73 4 OR MORE BEDROOMS		%				
74 O - 3 THROUGH O - 1 AND O - 4 THROUGH O - 1		%				
75 1 OR 2 BEDROOMS		%				
76 3 BEDROOMS		%				
77 4 OR MORE BEDROOMS		%				
78 ALL OFFICER GRADES (TOTAL 66 + 79 + 74)		%				
79 1 OR 2 BEDROOMS		%				
80 3 BEDROOMS		%				
81 4 OR MORE BEDROOMS		%				
82 E 5 THROUGH E - 7		%				
83 1 OR 2 BEDROOMS		%				
84 3 BEDROOMS		%				
85 4 OR MORE BEDROOMS		%				
86 E 6 THROUGH E - 4 (Ensign)		%				
87 1 OR 2 BEDROOMS		%				
88 3 BEDROOMS		%				
89 4 OR MORE BEDROOMS		%				
90 ALL ELIGIBLE ENLISTED (TOTAL 87 + 88)		%				
91 1 OR 2 BEDROOMS		%				
92 3 BEDROOMS		%				
93 4 OR MORE BEDROOMS		%				
94 ALL ELIGIBLE MILITARY (TOTAL 78 + 90)		%				
95 1 OR 2 BEDROOMS		%				
96 3 BEDROOMS		%				
97 4 OR MORE BEDROOMS		%				
98 KEY CIVILIANS - E EQUIVALENT		%				
99 1 OR 2 BEDROOMS		%				
100 3 BEDROOMS		%				
101 4 OR MORE BEDROOMS		%				
102 KEY CIVILIANS - E EQUIVALENT		%				
103 1 OR 2 BEDROOMS		%				
104 3 BEDROOMS		%				
105 4 OR MORE BEDROOMS		%				
106 ALL ELIGIBLE CATEGORIES (TOTAL 92 + 98 + 102)		100%				
107 1 OR 2 BEDROOMS		%				
108 3 BEDROOMS		%				
109 4 OR MORE BEDROOMS		%				
110 E 4 (Lieutenant) THROUGH E - 1		100%				
111 1 OR 2 BEDROOMS		%				
112 3 BEDROOMS		%				
113 4 OR MORE BEDROOMS		%				
114 REMARKS						
115 AUTHENTICATION	NAME AND TITLE (Typed or stamped)	SIGNATURE		DATE		
116 NAME AND LOCATION OF INSTALLATION						

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Figure A-5

TABULATION OF FAMILY HOUSING SURVEY

TABULATION OF FAMILY HOUSING SURVEY						REPORT CONTROL SYMBOL		
1 DATE OF SURVEY		OFFICERS	ELIGIBLE ENLISTED	CIVILIANS	SUBTOTAL (a + b + c)	OTHER ENLISTED	TOTAL (d + e)	
		a	b	c	d	e	f	
REQUIREMENTS	2 TOTAL PERSONNEL STRENGTH							
	3 PERMANENT PARTY HOUSING STRENGTH AND KEY CIVILIANS							
	4 NUMBER OF FAMILIES							
	5 HOUSING REQUIREMENTS FACTOR	%	%	%	%	%	%	
NOT LIVING WITH FAMILY IN AREA	6 NOT LIVING WITH FAMILY (TOTAL: 7 + 10)							
	7 INVOLUNTARILY SEPARATED FAMILIES							
	8 (PREFER MILITARY QUARTERS)							
	9 (PREFER PRIVATE HOUSING)							
10 VOLUNTARILY SEPARATED FAMILIES								
LIVING WITH FAMILY IN AREA	11 LIVING WITH FAMILY IN AREA (TOTAL: 12 + 19)							
	12 SUITABLY HOUSED (SUBTOTAL: 13 + 16)							
	13 IN MILITARY CONTROLLED HOUSING							
	14 (PREFER RENTING OFF POST)							
	15 (PREFER OWNING OFF POST)							
	16 IN PRIVATE HOUSING							
	17 (PREFER MILITARY QUARTERS)							
	18 (PREFER RENTING OFF POST)							
	19 UNSUITABLY HOUSED (SUBTOTAL: 20 + 23)							
	20 IN MILITARY CONTROLLED HOUSING							
	21 (PREFER RENTING OFF POST)							
	22 (PREFER OWNING OFF POST)							
	23 IN PRIVATE HOUSING (SUBTOTAL: 24 + 28)							
	24 (PREFER MILITARY QUARTERS)							
	25 (PREFER RENTING OFF POST)							
SUMMARY OF OCCUPIED HOUSING BY TYPE AND PREFERENCE	26 EXCESS DISTANCE							
	27 SUBSTANDARD							
	28 EXCESS COST ONLY (Over MANS)							
	29 LESS THAN \$6							
	30 \$6 TO \$10							
	31 \$10 TO \$20							
	32 \$20 TO \$30							
	33 \$30 AND MORE							
	34 IN OWNER OCCUPIED HOUSES (TOTAL 35 + 36)							
	35 SUITABLE IN ALL RESPECTS							
36 UNSUITABLE (SUBTOTAL 37 - 39)								
37 EXCESS DISTANCE								
38 SUBSTANDARD								
39 EXCESS COST ONLY								
40 IN OWNER OCCUPIED TRAILERS (TOTAL 41 + 42)								
41 SUITABLE IN ALL RESPECTS (ON POST)								
42 UNSUITABLE (SUBTOTAL 43 - 45) (ON POST)								
43 EXCESS DISTANCE								
44 SUBSTANDARD (ON POST)								
45 EXCESS COST ONLY (ON POST)								
46 IN RENTED HOUSING OFF POST (TOTAL 47 + 48)								
47 SUITABLE IN ALL RESPECTS								
48 UNSUITABLE (SUBTOTAL 49 - 51)								
49 EXCESS DISTANCE								
50 SUBSTANDARD								
51 EXCESS COST ONLY								
52 IN MILITARY CONTROLLED HOUSING (TOTAL 53 + 57)								
53 ADEQUATE AS PUBLIC QUARTERS (VACANT)								
54 MILITARY OWNED (VACANT)								
55 MILITARY LEASED (VACANT)								
56 MILITARY SPONSORED (VACANT)								
57 INADEQUATE AS PUBLIC QUARTERS (VACANT)								
58 VACANT HOUSING (TOTAL 59 - 61)								
59 PRIVATE RENTAL HOUSING								
60 FHA AND VA HELD RENTAL HOUSING								
61 MILITARY HOUSING ADEQUATE AS PUBLIC QUARTERS								
62 NUMBER OF UNSUITABLE UNITS INSPECTED								
63 NUMBER OF INSPECTED UNITS RECLASSIFIED								
64 ADJUSTMENT FACTORS								
65 NAME AND LOCATION OF INSTALLATION								

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Figure A-5 (Continued on Next Page)

b. In selected communities, service members are also surveyed using DD Form 1376, "Family Housing Questionnaire" (see Figure A-4). This questionnaire solicits personal housing-related information from the service member; that information is then used to make several MILCOM-wide estimates which play an important role in how current, net, and programming deficits are determined. In some years, only a few MILCOMs in each command were given DD Form 1376 questionnaires. For example, in the FY 84 FHS, less than 15 percent of USAREUR's MILCOMs were surveyed.

c. The Family Housing Questionnaire is administered by grouping service members by paygrade and distributing the questionnaire to a randomly selected sample of each group. The rare exceptions are the paygrade groups that have too few members to sample; in such cases, the entire group must be surveyed.

d. The completed questionnaire is examined for accuracy by the participating MILCOMs, then mailed directly to the Navy ADP facility. The Navy computer system aggregates the Army's data from the "B through Q documents" and the questionnaire, and outputs the results on standard forms used by all the services to report housing information. Current-year housing assets and requirements are output to DD Form 1377, "Tabulation of Family Housing Survey" (Figure A-5); long-range data are output to DD Form 1378, "Determination of Requirements and Project Composition" (Figure A-6).

8. Application.

a. About 5 months after the Family Housing Questionnaire and the "B through Q documents" have been mailed by the MILCOM, the DD Forms 1377 and 1378 are output by the Navy's computer system and returned to the MILCOMs for review. After correcting the forms, the MILCOM's housing officer sends them

II. FHS STRUCTURE

6. General. The FHS is designed to capture essential information about the Army's current and future housing requirements so that experienced housing managers can program enough new assets to supplement existing assets. The computer program which aggregates the FHS data calculates the difference between requirements and assets, and reflects a surplus or deficit in family housing in the current year or in 5 years from the current year. If a sizable 5-year deficit is expected, then a project is recommended for the Army FYDP.

7. Data Collection.

a. In October of each year, specified military installations and MILCOMs worldwide must submit information about their current-year and projected long-range housing requirements and assets. In USAREUR, the MILCOM housing officer sends this information through the UMC DEH (Housing) to USAREUR ODCSENGR, then to OCE; this package, called "B through Q documents," is composed of the 13 forms listed in Figure A-3.

FHS INPUT DOCUMENTS

Document Title	Name
B	Current Personnel Strength
D	Available Vacant Private Rental Housing
E	Available Vacant FHA/VA Rental
F	Military Housing Inventory
G	Military Housing Occupancy/Vacancy
J	Long-Range Personnel Strength
K	Projected Utilization of Existing Military Assets
L	MILCON Units Under Contract
M	MILCON Units Approved
N	Long-Range Leased
O	Current Leased
P	Projected Designation of Substandard Military Units
Q	Community Units Under Construction/Firmly Planned

Figure A-3

CALCULATION OF LONG-RANGE DEFICITS

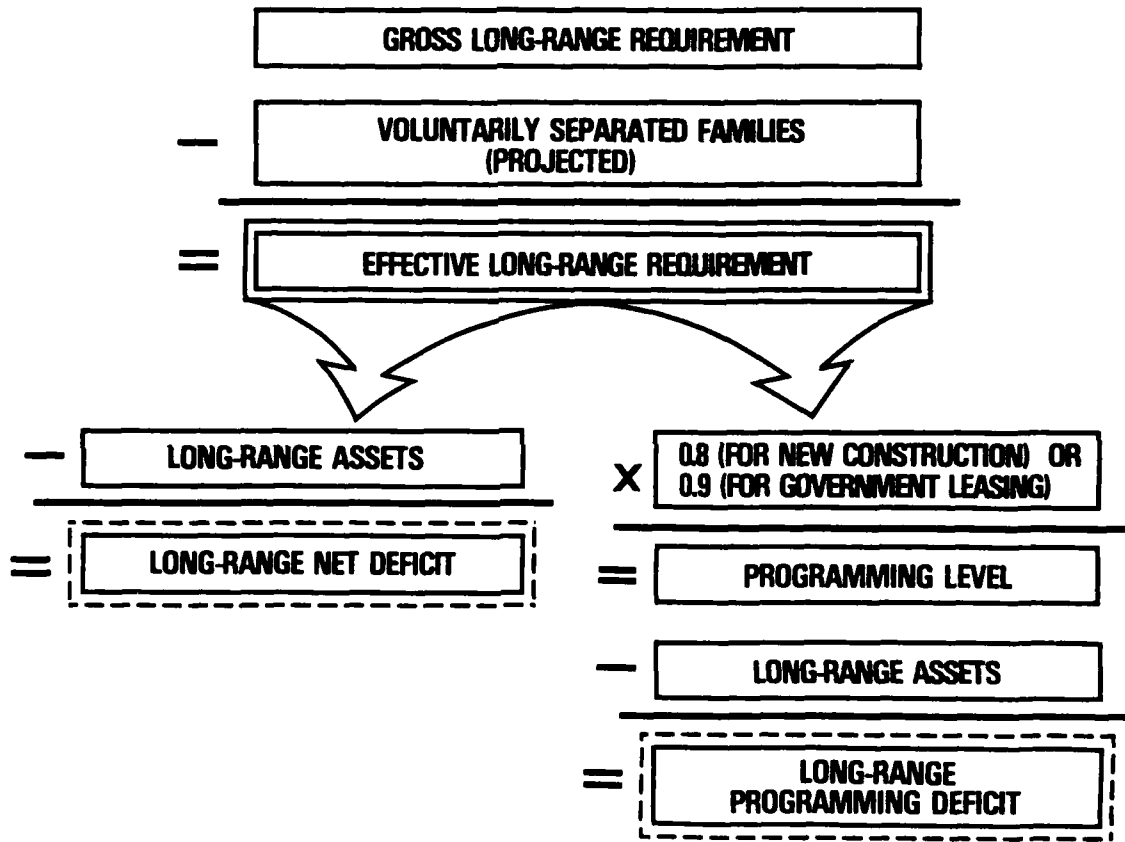


Figure A-2

CALCULATION OF CURRENT NET DEFICIT

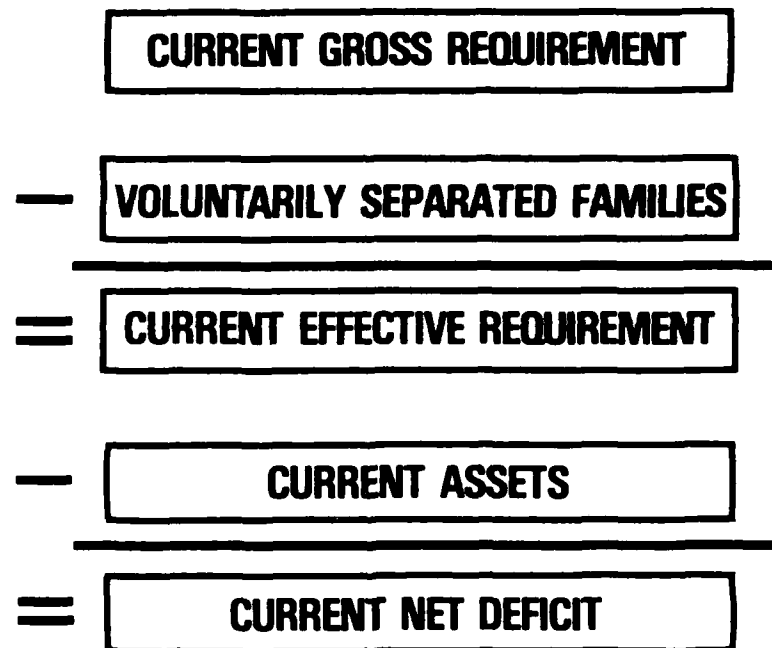


Figure A-1

e. Current gross requirement. The number of service members who are eligible to draw basic allowance for quarters (BAQ) at the "with-dependent" rate and US civil servants designated as key and essential.

f. Current effective requirement. The current gross requirement less the voluntarily separated service members (see Figure A-1).

g. Gross long-range requirement. A projection of the number of service members who will be eligible to draw BAQ at the with-dependent rate and US civil servants to be designated as key and essential in 5 years.

h. Effective long-range requirement. The gross long-range requirement less the projected number of voluntarily separated service members in 5 years (see Figure A-2).

i. Safety factor. A portion of the effective long-range requirement which is an expression of the uncertainty in long-range planning. In USAREUR, the safety factor is 20 percent of the effective long-range requirement for new family housing construction and 10 percent of the effective long-range requirement for government-controlled leased family housing.

j. Programming level. The result of subtracting the safety factor from the effective long-range requirement.

k. Current net deficit. The result of subtracting current assets from the current effective requirement.

l. Long-range net deficit. The result of subtracting long-range assets from the effective long-range requirement.

m. Long-range programming deficit. The result of subtracting long-range assets from the programming level.

b. A 1967 Navy contract study suggested that the Navy could collect programming information much less expensively by using a statistical sample of the total military population at each housing site instead of surveying each resident. The Navy designed an automated sampling system and tested it in 1971 and 1972 against the old system. The test results for two Navy stations indicated that a sampling approach was workable, cheaper, and statistically as reliable as the 100-percent survey method. Later, OSD directed all the services to adopt the Navy sampling method. The Army proponent for the FHS is the Housing Management Division, Office of the Assistant Chief of Engineers.

4. Method. The analysis described in this annex was based on a literature search of regulations, policy documents, studies, memoranda, and similar material pertaining to Army family housing in USAREUR. Interviews were also conducted with key OSD, DA, and USAREUR managers. ESC visited selected UMCs and MILCOMs in the FRG and surveyed all MILCOM housing managers; that survey is described in Annex E.

5. Definitions.

a. Voluntarily separated. Service members who have chosen to serve an unaccompanied tour.

b. Involuntarily separated. Service members who are serving an unaccompanied tour because adequate family housing is unavailable.

c. Current assets. In USAREUR, the sum of all suitable family housing units which are presently government-controlled, those which a service member or key and essential DOD civilian either privately owns or privately leases, and a portion of the vacant rental housing.

d. Long-range assets. A projection of the assets expected in 5 years.

<u>Figure</u>		<u>Page</u>
A-11	Suggested Change Form	A-28
A-12	Calculation of Families Living in Economy Housing	A-31
A-13	Inspection Criteria for Determining Suitability of Private Housing	A-32
A-14	Application for and Assignment to Military/Community Housing--Proposed	A-39
A-15	Community Housing Feedback--Proposed	A-40
A-16	Military Family Housing Justification--Proposed	A-42

I. INTRODUCTION

1. Purpose. This annex describes the strengths and weaknesses of the Family Housing Survey (FHS).

2. Scope. This annex examines the current FHS in detail; the inner workings and the problems are uncovered and proposed solutions are discussed. An upcoming revision of the FHS is evaluated, and an automation system for USAREUR housing offices is discussed because it will attempt to automate a revised version of the FHS. The current FHS is analyzed in detail in order to understand the problems that could be inherited by the revised FHS.

3. Background.

a. DOD established the FHS in 1965 to collect data which would support programming justifications for military family housing construction. Service members worldwide were required to fill out a questionnaire which identified their personal housing needs (from their grade and family composition) and asked what their opinion was of the state of their present housing. FHS results (and other housing-related information) were processed on a computer system the Army shared with the Navy. (The Navy was also using a survey-based method to inventory the requirements for and conditions of its housing assets.) The reports produced by that shared system quantified the family housing situation at every Army installation worldwide.

III. DETERMINING REQUIREMENTS

9. Status.

a. Current effective requirement. The calculation of the current effective requirement involves several steps (Figure A-8) which are performed once for each of three paygrade groups: officers (which includes warrants); enlisted paygrades E4 through E9; and enlisted paygrades E1 through E3.

(1) Step 1 (MILCOM actions): A rough estimate of the number of military families that could be assigned in a MILCOM is taken from a Joint Uniform Military Pay System (JUMPS) data printout showing the number of service members eligible to draw BAQ at the with-dependent rate.

(2) Step 2 (MILCOM actions): The housing manager calculates the current gross requirements by adjusting this JUMPS-derived value in three ways: by adding the number of service members known to have arrived at the MILCOM since the JUMPS was last updated; by subtracting those known to have departed within the same period; and by adding those eligible service members who live within the MILCOM but may not be covered by the JUMPS (such as those who belong to non-USAREUR units). This adjusted value, the current gross requirement, is a reasonably accurate count of the current number of families the MILCOM could be asked to house.

(3) Step 3 (MILCOM actions): The current gross requirement is entered on the FHS "B document." Since the official number of voluntarily separated service members in the MILCOM is calculated from the DD Form 1376 questionnaires, the MILCOM housing manager cannot make the next calculation.

(4) Step 4 (computer calculations): From the DD Form 1376 questionnaire responses, the voluntarily separated rate is calculated by dividing the number of voluntarily separated service members in the sample by the total

CALCULATION OF THE CURRENT EFFECTIVE REQUIREMENT

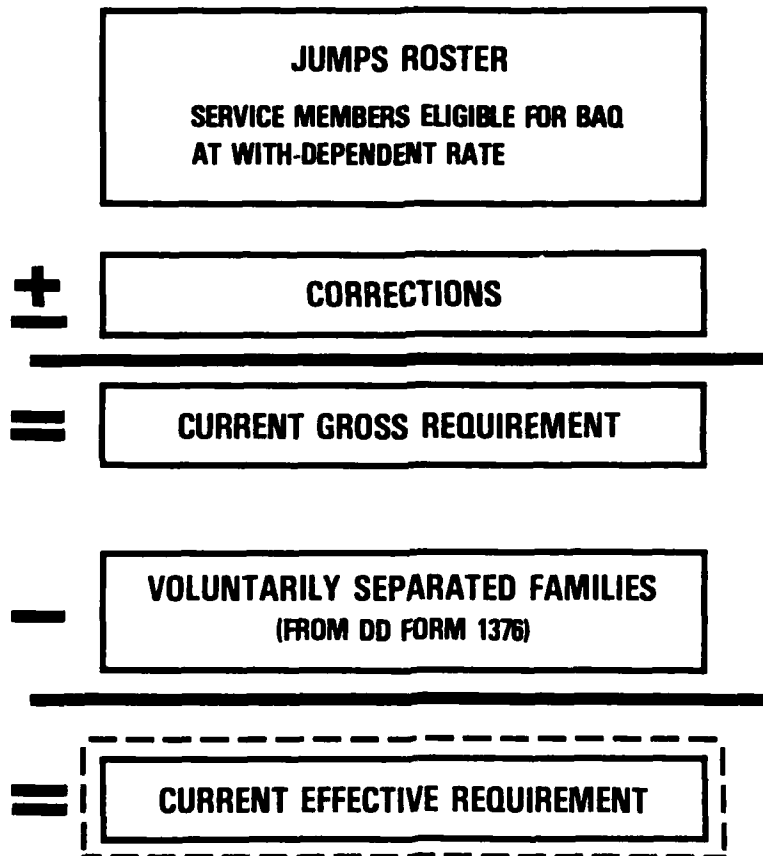


Figure A-8

service members who are either accompanied by their families or are separated (both voluntarily and involuntarily). This rate is then multiplied by the current gross requirement to estimate the total number of voluntarily separated service members in the MILCOM.

(5) Step 5 (computer calculations): The MILCOM's total number of voluntarily separated service members (calculated in Step 4) is subtracted from the current gross requirement to produce the current effective requirement.

b. Involuntarily separated. Many service members wish to bring their families to USAREUR, but cannot for one reason or another. If the reason they leave their families behind is related to the availability of adequate housing in USAREUR, then they are considered to be involuntarily separated. At present, the number of involuntarily separated service members is determined based on the responses to Question 8 of the Family Housing Questionnaire (Figure A-4): if a service member answers question 8 with either b or c, then he is considered to be involuntarily separated. The number of families actually living in the MILCOM is calculated by the FHS computer programs by subtracting the number of involuntarily separated families from the current effective requirement.

c. Current statistics. The most recently completed FHS, performed in October 1983, reported that of the 98,000 soldiers with families (i.e., the current gross requirement), about 15,000 (15 percent) elected to be voluntarily separated from their families. Of the remaining 83,000 (i.e., the current effective requirement), an additional 10,000 soldiers (10 percent) were involuntarily separated because of housing. Thus, the number of families living in USAREUR's MILCOMs was about 73,000 (75 percent).

d. Long-range requirement. Since 1982, USAREUR ODCSRM has been publishing a Community Demographic Profile (CDP) which tracks units in each MILCOM down to company level (and smaller detachments in some cases). The CDP is continuously coordinated with each MILCOM to ensure that USAREUR has the latest information on the expected number of personnel at each station, kaserne, training area, or remote site for a 7-year period. Expected personnel strengths are given separately for officers, warrant officers, and enlisted. The CDP was used for the first time in an FHS in October 1983. The following seven steps describe the derivation of the effective long-range requirement from the CDP strengths, using past- and current-year values as estimators (see Figure A-9).

(1) Step 1 (MILCOM actions): The CDP strength figures are reported for officers, warrant officers, enlisted, and civilians. The FHS, however, computes housing requirements for officers (which includes warrant officers), two enlisted groups (E4 through E9 and E1 through E3), and key and essential civilians. The housing staff reconciles the CDP values into the FHS by estimating that the percentage of each group present in the MILCOM in the current year is a fair estimator of the percentage of each group 5 years later. If E1 through E3 is 15 percent of the total current strength, then housing assumes that E1 through E3 will be 15 percent of the long-range military strength in 5 years.

(2) Step 2 (MILCOM actions): USAREUR's CDP long-range military strength figures computed in Step 1 do not include students, rotationals, hospital patients, temporary duty personnel, or transients. Thus, the military strength values computed in Step 1 are the long-range military permanent party housing strength. Key and essential civilians are added to

CALCULATION OF THE EFFECTIVE LONG-RANGE REQUIREMENT

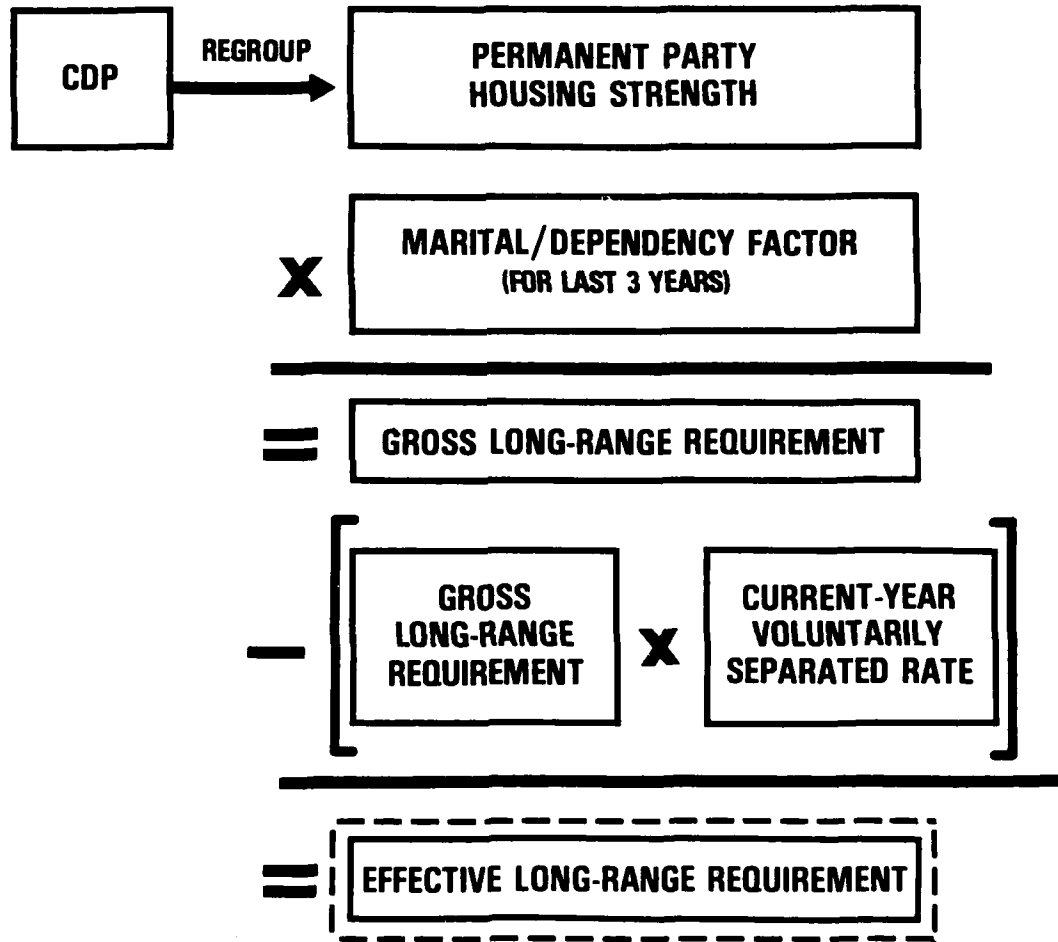


Figure A-9

yield the overall long-range permanent party housing strength for the MILCOM.

(3) Step 3 (MILCOM actions): For the officers, the MILCOM housing staff computes a marital/dependency factor by dividing the number of officer families present in the MILCOM for the last 3 years by the total number of officers present for the same 3 years. This same method is used to figure a marital/dependency factor for the two enlisted groups.

(4) Step 4 (MILCOM actions): For all three military groups, the long-range permanent party housing strength is multiplied by the marital/dependency factor calculated in Step 3 to get the gross long-range requirement. The gross long-range requirement for key civilians is equal to their permanent party strength.

(5) Step 5 (MILCOM actions): The long-range total strength, permanent party strength, and the gross long-range requirement are entered on the FHS "J document." Since the official voluntarily separated rate is calculated from the DD Form 1376 questionnaires, the MILCOM housing manager does not make the next calculation.

(6) Step 6 (computer calculations): For each military group, the current-year voluntarily separated rate is used to estimate the long-range voluntarily separated rate. The current-year voluntarily separated rate is multiplied by the gross long-range requirement to determine the estimated number of long-range voluntarily separated families.

(7) Step 7 (computer calculations): The effective long-range requirement, the number of families that could be present at the MILCOM in the fifth year, is calculated by subtracting the estimated number of long-range voluntarily separated families from the gross long-range requirement.

10. Problems.

a. JUMPS data. The JUMPS database does not list all service members who are eligible to draw BAQ at the with-dependent rate. It misses those who are not paid from one of the local PACs. If the MILCOM does not carefully "scrub" the JUMPS data, the resulting FHS is an unreliable programming tool.

b. Quantifiable sampling errors.

(1) Current-year voluntarily separated families. Since the FHS only collects questionnaires from a sample of all the service members in a MILCOM, the voluntarily separated families which are estimated from the sample will have a measurable sampling error. For example, in the FY 84 FHS, Neu Ulm had a current gross requirement of 2,169 service members. Of the estimated 1,455 service members in paygrades E4 through E6, the FY 84 FHS procedures required that 218 be surveyed so that data from at least 145 usable questionnaires could have been collected. Further suppose that 26 of the 145 surveyed replied that they were voluntarily separated (17.9 percent of the sample). To calculate the voluntarily separated families for all E4 through E6 service members in the MILCOM, this sample-derived percentage of 17.9 is applied to the entire E4 through E6 population. The resulting estimate is that 260 service members are involuntarily separated. But the rate derived from the sample had a range of error between 0.123 to 0.235.* In terms of service members, the sample error is + 87 service members. When the range of error is calculated for officers and E1s through E3s, the total error for the entire MILCOM increases to + 91 service members.**

*The responses to question 8 of the Family Housing Questionnaire are assumed to be binomially distributed and the level of confidence is 0.95.

**The responses for all three groups are considered to be independent and thus the variances add.

(2) Current-year involuntarily separated families. The current-year involuntarily separated service members are estimated from the same questionnaires as the voluntarily separated, and similar procedures indicate that the sampling error is about ± 84 service members for the entire MILCOM.

(3) Current effective requirement. The current effective requirement is calculated by subtracting the total number of voluntarily separated service members from the current gross requirement. Even if the current gross requirement was error-free, subtracting the voluntarily separated service members will cause the sampling error in the current effective requirement to be at least ± 91 service members.

c. Unquantifiable errors.

(1) Outdated data. For the FY 84 FHS, questionnaires were sent to only 6 of 56 USAREUR MILCOMs. The number of accompanied service members and the voluntarily and involuntarily separated rates for the other MILCOMs were calculated from historical data. When the FY 84 FHS was done, some MILCOMs had not been surveyed with questionnaires since the FY 82 FHS. The use of this outdated data will obviously compound the above cited quantifiable errors.

(2) Even though there are undoubtedly many service members legitimately separated from their families because they cannot find suitable housing, the estimates of involuntarily separated may contain considerable immeasurable error. In personal interviews with responsible USAREUR HQ staff members, ESC was told that some service members might knowingly state that they are involuntarily separated when they are voluntarily separated. One reason which was offered for this behavior was that it might be considered socially unacceptable in some circles to willingly leave your family in CONUS.

Another reason could be that service members think they are helping solve the Army's family housing problems; voluntarily separated are subtracted from the effective requirement but involuntarily separated are part of it. Although the actual demand for housing will not be increased or decreased, the deficits as they are now computed will increase each time a service member falsely states that he is involuntarily separated.

(3) A service member about to leave for USAREUR may be intimidated by the housing-related "war stories" told by veteran service members who have already served a tour in USAREUR. If the service member does not talk to anyone who can dispute such stories, he might decide to leave his family in CONUS. After he arrives overseas, he may remain disillusioned and never even try to find his family economy housing. This service member would count himself as involuntarily separated on the Family Housing Questionnaire. Because of the way the deficits are calculated, this action would increase the current net, long-range net, and long-range programming deficit.

d. CDP inaccuracies. Many responsible individuals in USAREUR question the accuracy of the CDP. However, there is no reliable way to verify their fears. It is possible that the CDP, which is the primary source of the gross long-range requirement, is not "scrubbed" rigorously enough. Family housing requirements determined from the CDP's potentially flawed strength figures could be significantly different from actual gross long-range requirements.

e. Stationing actions. Unit movements within USAREUR can play havoc with the estimate for the long-range requirement. Even though the CDP is much better than either the VFAS or the STATPRO for portraying stationing actions, the sensitivity of FHS projections to the CDP is a major concern. For

example, the FY 85 survey executed in October 1984 used 5-month-old data from the May 1984 CDP. By the time the results are finally validated by the MILCOMs in May or June of 1985, the CDP data will be at least 1 year old. Since many stationing changes will occur during this time, USAREUR's latest long-range requirement will be based on a partially outdated document.

f. Marital/dependency factor. When the permanent party housing strength (for the fifth year) is multiplied by the marital/dependency factor (for the last 3 years) to calculate the gross long-range housing requirements, there are two assumptions made about the marital and dependency factor: there is no increasing or decreasing trend; and the factor varies slightly or not at all from year to year. In the real world, however, trends do exist and the factor does vary.

(1) As seen in Figure A-10, the actual Army-wide trend is toward a higher marital and dependency rate. USAREUR reflects this trend, which is especially noticeable among junior enlisted service members.

PERCENTAGE OF SERVICE MEMBERS
MARRIED OR WITH DEPENDENTS*

FY	Enlisted	Officers
81	48	71
82	50	72
83	51	73
84	51	75

*From MILPERCEN's Personnel Master Files for officers and enlisted personnel.

Figure A-10

(2) Since the 3-year averaging method will always be several years behind any increasing or decreasing trend, serious errors may enter the calculations for the gross long-range housing requirement. In a hypothetical MILCOM where the marital rate among 1,000 enlisted service members is rising about 1 percent a year, the 3-year average marital/dependency factor will cause the estimate of the gross long-range housing requirement to be low by about 5 percent in the fifth year, or a total of 50 service members.

g. Long-range voluntarily separated families. The FHS now assumes that the expected percentage of total service members who are voluntarily separated in the fifth year is the same as the percentage of service members who are voluntarily separated in the current year. Real world experience contradicts this assumption. For example, between the FY 83 and FY 84 FHS, one MILCOM's voluntarily separated rate increased from 0.092 to 0.180 (up 96 percent) and another MILCOM's rate dropped from 0.176 to 0.016 (down 91 percent). Similar results were noted for many other MILCOMs. Since the long-range projection for voluntarily separated service members changes each time the current voluntarily separated rate changes, the projections of voluntarily separated families fluctuated wildly from FY 88 to FY 89.

h. Undocumented requirements changes. Officials in the chain of command and review sometimes change the current or projected requirements without documenting the reason or the authority for the change. This practice is very common in USAREUR and it seriously undermines the credibility of the FHS. Whether the change is a necessary correction to a computer-generated value or an update for a rescheduled stationing action, the reason for each change must be recorded on a change form which is attached to the changed

document so that anyone reviewing the documents can evaluate the rationale for the change.

11. Findings. The problems discussed in paragraph 10 are of such a severe nature, that the FHS has been discredited as an effective tool for programming new construction, leasing, or economy housing. Problems result from incomplete or outdated input data, large sampling errors, an inability to predict changes which might occur in 5 years (because of CDP inaccuracies and stationing changes), deficient forecasts of long-range marital/dependency factor and voluntarily separated rate, and undocumented changes to values by the reviewers of the FHS. All these problems affect the accuracy of the FHS and destroy its credibility. If the Army continues to use the FHS as the primary programming tool for USAREUR, then the following changes could correct some of the deficiencies:

a. Require all service members, including those unaccompanied and unmarried, to fill out a DD Form 1376 questionnaire when they first arrive at the MILCOM. This would allow MILCOMs to more accurately compute:

- (1) The current marital/dependency factor.
- (2) The voluntarily and involuntarily separated rates.

b. Make the projections of the long-range requirement more credible by improving the way the long-range marital/dependency factor and long-range voluntarily separated rate are computed and the way the impacts of stationing changes are projected.

c. Formally document all changes to either the "B through Q documents" or to the FHS results (on DD Form 1377 and DD form 1378) on a "change" form (Figure A-11) which would follow the FHS document through each stage of its compilation and review.

SUGGESTED CHANGE FORM

Line Item	Old Value	New Value	Reason/Authority for the Change	Date mm/dd/yy	Name, Title, Signature
1378 Line 1a	423	401	Unit stationing cancelled per message from CINCUSAREUR (AEAEN-IP), 301537Z Nov 84	12/03/84	MAJ Sam Irwin Chief, Plans Branch, ODCSENGR (AEAEN-MET)
.
.
.

Figure A-11

IV. IDENTIFYING ASSETS

12. Status.

a. Government-controlled on-post family housing. Current on-post family housing assets are closely managed. Inventories are well known and vary only slightly from year to year. Accessions are rare. Temporary reductions to inventories are made when units or blocks of units are being modernized or refurbished. MILCOMs report the on-post housing inventory to USAREUR, OCE, and OSD on DD Form 1410 (semiannually) and DD Form 1411 (annually). The information on the 1411 is transferred to the "F document" in the FHS.

b. Government-controlled leased family housing. Current government-controlled leased family housing assets are also closely managed. Since contracts typically run for 5 years, losses are infrequent and usually expected. Because a MILCOM might be negotiating several potential leases concurrently, the actual time when new leased units might be obtained is uncertain. Leased assets are also reported on DD Forms 1410 and 1411 and the "F and O documents" in the FHS.

c. Off-post private leases (economy units). The current inventory of economy units is also closely managed. Since accessions and losses occur when individual service members initiate or terminate contracts privately with German landlords, the inventory of economy units varies widely from month to month and year to year. The accuracy of the inventory of economy units is very dependent on the quality of the HRO's records. In general, accuracy is very high. The number of service members living in economy units is not directly reported in the FHS. Instead, it is calculated by subtracting the number of families living in government-controlled assets from the number of

assets. At present, DHMSO is only planning to require service members who apply for government-controlled or economy family housing to fill out a DD Form 1746. This will capture three groups of service members: the accompanied; those who are unaccompanied but who wish to be accompanied later and are making an application to be added to the family housing waiting lists; and those who ask for HRO assistance regardless of their marital or dependency status. All unaccompanied service members who live in government-controlled Unaccompanied Personnel Housing (UPH) will not complete a form. An involuntarily separated rate calculated from these data would be obviously biased, as will be the voluntarily separated rate and the marital/dependency factor.

b. DD Form 1670. Since DD Form 1670 will be used to obtain the service member's personal assessment of the suitability of his own economy house, a large percentage of those who live in economy quarters will need to return this form. If too few service members living in economy quarters respond, then the unsuitable housing unit calculations will be less credible. DHMSO is planning to count as suitably housed all service members who do not return DD Form 1670. This solution does not consider that in any voluntary survey, a certain proportion of those people who should respond do not.

c. Forecasting methods. DHMSO has not suggested improvements to the current method of projecting the long-range marital/dependency factor and the voluntarily separated rate.

d. Audit trail. Like the current FHS, the DHMSO-proposed system tracks neither changes nor the reasons or authority for making changes. (Even necessary updates appear suspect to persons not aware of why the change was necessary.) Changing the value of even one important item can disastrously affect the MILCOM's deficit calculation.

MILITARY FAMILY HOUSING JUSTIFICATION--PROPOSED

1. DATE	2. FISCAL YEAR	MILITARY FAMILY HOUSING JUSTIFICATION			3. DEPARTMENT			
4. INSTALLATION AND LOCATION								
ANALYSIS OF REQUIREMENTS AND ASSETS	5. DATA AS OF							
	CURRENT				PROJECTED			
	OFFICER (a)	E9-E4 (b)	E3-E1 (c)	TOTAL (d)	OFFICER (e)	E9-E4 (f)	E3-E1 (g)	TOTAL (h)
6. Total Personnel Strength								
7. Permanent Party Personnel								
8. Gross Family Housing Requirements								
9. Involuntarily Separated								
10. Unsuitably Housed - Military Assets								
11. Unsuitably Housed - Community Assets								
12. Unsuitably Housed								
13. Less: Voluntary Separations								
14. Effective Housing Requirements								
15. Less: Adequate Housing								
A. Under Military Control								
(1) Housed in Existing DOD Owned/Controlled								
(2) Under Contract/Approved								
(3) Vacant								
(4) Inactive								
B. Private Housing								
(1) Suitably Housed								
(2) Vacant Rental Housing								
16. Effective Housing Deficit								
17. Proposed Project								
18. Total Housing Assets, Including Proposed Project, as Percentage of Projected Effective Requirements	A. Military							
	B. All Housing							
19. Comments on Specified Items								

Figure A-16

the personal information about each service member needed by the new FHS system.

c. Current deficit. The total number of service members in the MILCOM will be available from the Standard Installation/Division Personnel System (SIDPERS); the number of service members eligible to draw BAQ at the with-dependent rate will be available from JUMPS. This information will be corrected by asking local commanders which service members have entered or left the MILCOM, but are not yet captured in the MILCOM's databases. The number of families currently living in the MILCOM, the number of voluntarily and involuntarily separated service members, and the current number of suitable economy units will all be calculated directly from DD Form 1746. The proposed output format is a revised DD Form 1523 (Figure A-16).

d. Projected deficit. The long-range strength projection will be made from the CDP for USAREUR. Current assets in the database will be projected forward and adjusted for both the firmly planned economy construction and proposed increases in the government-controlled housing inventory. The proposed output format is a revised DD Form 1523.

e. Test and implementation schedule. DHMSO presently estimates that the revised system may be tested in USAREUR starting in January 1986. USAREUR-wide use of the revised system will not be before September 1986.

16. Problems.

a. DD Form 1746. Just as the current FHS depends very heavily on DD Form 1376, the DHMSO-proposed system will depend on the revised DD Form 1746. All the service member data on each DD Form 1746 will be used to calculate the number of accompanied service members, involuntarily and voluntarily separated service members, as well as current suitable and unsuitable economy

COMMUNITY HOUSING FEEDBACK--PROPOSED

<p>COMMUNITY HOUSING FEEDBACK COMPLETE IN DETAIL AND RETURN TO THE HOUSING OFFICE. YOU WILL BE CONSIDERED TO BE SUITABLY HOUSED UNLESS HOUSING FEEDBACK IS RECEIVED WITHIN THIRTY DAYS. PRIVACY ACT STATEMENT: AUTHORITY: 5 USC 15911 & 15912. PURPOSE: To determine housing requirements, and resources. ROUTINE USES: To initiate housing office action in determination of discrimination, corrective action, and providing suitable housing. DISCLOSURE: Voluntary.</p>			
1 NAME (Last, First, Middle Initial) (Print)	2. SSN	3 PAY GRADE	4.SERVICE
5 ADDRESS (Street, City, State/Country and Zip)		6. HOME PHONE	7. DUTY PHONE
8 DO YOU HAVE DEPENDENT(S) (INCLUDING SPOUSE) <input type="checkbox"/> YES <input type="checkbox"/> NO		9. ACCOMPANIED BY DEPENDENTS? <input type="checkbox"/> YES <input type="checkbox"/> NO	
<p>10 A I FOUND: <input type="checkbox"/> SUITABLE <input type="checkbox"/> UNSUITABLE HOUSING WITH _____ BEDROOMS (Check the appropriate boxes in each section)</p> <p>House <input type="checkbox"/> Townhouse <input type="checkbox"/> Mobile Home <input type="checkbox"/> Furnished <input type="checkbox"/> Rent <input type="checkbox"/> Share <input type="checkbox"/> Apartment <input type="checkbox"/> Duplex <input type="checkbox"/> Mobile Home Park <input type="checkbox"/> Unfurnished <input type="checkbox"/> Purchase <input type="checkbox"/></p> <p>B I have NOT found permanent housing <input type="checkbox"/></p>			
<p>11 YOUR MONTHLY HOUSING COSTS</p> <p>A. RENT _____ B. UTILITIES _____ C. CONDOMINIUM FEE _____ D. TOTAL _____</p>		<p>12. IF THE ANSWER TO NUMBER 9 WAS "NO", IS IT BECAUSE SUITABLE HOUSING WAS NOT AVAILABLE <input type="checkbox"/> YES <input type="checkbox"/> NO</p>	
<p>13 REASON FOR UNSUITABILITY</p> <p>A NOT ENOUGH BEDROOMS <input type="checkbox"/> B TOO FAR FROM BASE <input type="checkbox"/> DISTANCE _____ (miles) COMMUTE TIME _____ (minutes) C TOO EXPENSIVE <input type="checkbox"/> D NOTHING AVAILABLE <input type="checkbox"/> E OTHER <input type="checkbox"/> (Specify) _____</p>			
<p>14 <input type="checkbox"/> DISCRIMINATION ENCOUNTERED AT _____ DUE TO:</p> <p>A RACE <input type="checkbox"/> B COLOR <input type="checkbox"/> C SEX <input type="checkbox"/> D. RELIGION <input type="checkbox"/> E. NATIONAL ORIGIN <input type="checkbox"/> F AGE <input type="checkbox"/> G. HANDICAP <input type="checkbox"/></p>			
SIGNATURE		DATE	

DD FORM 1670 (4-85)

PREVIOUS EDITION IS OBSOLETE

Figure A-15

APPLICATION FOR AND ASSIGNMENT TO MILITARY/COMMUNITY HOUSING--PROPOSED

APPLICATION FOR AND ASSIGNMENT TO MILITARY/COMMUNITY HOUSING

(NOTE: Upon arrival at your new duty assignment you MUST report to the Family Housing Office serving your duty assignment BEFORE making arrangements for any housing. You should have DD Form 1747 (Status of Housing Availability) to present for verification or advice of changes in housing conditions (Military Only). This form is affected by the Privacy Act of 1974. SEE REVERSE OF THIS FORM FOR INSTRUCTIONS.)

	IDENTIFICATION	MILITARY		SPOUSE		CIVILIAN		
		MEMBER		MEMBER				
SECTION A - IDENTIFICATION & FAMILY DATA	1. NAME (L, F, MI)							
	2. ADDRESS							
	3. TELEPHONE - DUTY (Austrian) HOME (Area Code)	{ }	{ }	{ }	{ }	{ }	{ }	
	4. SOCIAL SECURITY NO.							
	5. INSTALLATION / ORGANIZATION ASSIGNED TO							
	6. PAY GRADE							
	7. BRANCH OF SERVICE							
	8. A. 1-American Indian or Alaskan native 2-Asian or Pacific Islander 3-Black 4-White 5-Other (specify)	B. Ethnicity 1-Hispanic Origin 2-Not of Hispanic Origin	A	B	A	B	A	B
	MILITARY ONLY (Enter dates in order--YY, MM, DD)						(UPON COMPLETION, PROCEED TO #10)	
	9a. EFFECTIVE PAY GRADE DATE							
b. ACTIVE DUTY SERVICE COMP DATE								
c. TIME REMAINING ON ACTIVE DUTY			MOB			MOB		
d. ESTIMATED ROTATION DATE								
e. REPORT DATE / EST. ARRIVAL DATE								
f. DEPARTURE COMUS DATE (OVERSEAS)								
g. EFFECTIVE CHANGE IN DUTY STATION								
10a. I WISH TO PROVIDE HOUSING FOR <input type="checkbox"/> SELF ONLY <input type="checkbox"/> SELF AND OTHER DEPENDENTS LISTED BELOW:								
b. <input type="checkbox"/> am <input type="checkbox"/> am not married.								
c. I am <input type="checkbox"/> voluntarily <input type="checkbox"/> involuntarily separated from my dependents.								
d. NAME (L, F, MI)	e. DOB (YY MM DD)	f. AGE	g. SEX	h. RELATIONSHIP	i. DEPENDENCY AUTHORITY (DD FORM 137) (YY, MM, DD)			
	////////	////	////	SPOUSE				
j. REMARKS: (Handicap, Health Problems, Expected Actions to family, etc.)								
SECTION B - HOUSING DESIRED	11a. <input type="checkbox"/> MILITARY HOUSING DESIRED <input type="checkbox"/> HOUSING REFERRAL SERVICES DESIRED							
	b. REMARKS							
	c. DATE HOUSING NEEDED (YY MM, DD)			d. LOCATION PREFERENCE (Community)		e. PRICE RANGE (Community)		
	f. FACILITY DESIRED (Community) <input type="checkbox"/> HOUSE/PURCHASE <input type="checkbox"/> ROOM <input type="checkbox"/> HOUSE/RENT <input type="checkbox"/> ROOM & BOARD <input type="checkbox"/> APARTMENT <input type="checkbox"/> SHARE	<input type="checkbox"/> SUBLET <input type="checkbox"/> TRANSIENT <input type="checkbox"/> MOBILE HOME	<input type="checkbox"/> FURNISHED <input type="checkbox"/> UNFURNISHED <input type="checkbox"/> MOBILE HOME PARK	g. #BEDROOMS		h. #BATHS		
12. IN THE EVENT ASSIGNMENT TO HOUSING BECOMES MANDATORY THIS IS TO CERTIFY THAT I <input type="checkbox"/> DO <input type="checkbox"/> DO NOT DESIRE A WAIVER TO RESIDE IN OFF-INSTALLATION HOUSING (MILITARY ONLY)			13. SIGNATURE OF APPLICANT		14. Submitted (YY, MM, DD)			
SECTION C - DISPOSITION	SECTION C-DISPOSITION (To be completed by Family Housing Office)							
	15a. APPLICATION RECEIVED (YY, MM, DD, HR)	15b. FORM 1747 SENT OR GIVEN TO APPLICANT (YY, MM, DD, MILITARY ONLY)	17a. APPLICANT PLACED ON THE FOLLOWING HOUSING WAITING LIST: (If not applicable, complete item 20.)					
	d. APPLICATION EFFECTIVE (YY, MM, DD)	b. HOUSING AVAILABILITY (Indicate the applicable boxes) checked under item 4, DD Form 1747)	d. EFFECTIVE PLACEMENT (YY, MM, DD)					
	15a. HOUSING UNIT ASSIGNED (Address)		b. DATE (YY, MM, DD)					
	19. APPLICANT NOT PLACED ON A HOUSING WAITING LIST (reason) <input type="checkbox"/> APPLICANT INELIGIBLE FOR MILITARY HOUSING <input type="checkbox"/> NO RESPONSE AFTER INITIAL APPLICATION (NO ASSIST)	<input type="checkbox"/> APPLICANT SECURED HOUSING OTHER THAN HRO <input type="checkbox"/> APPLICANT REC'D HRO HOUSING	LOCATION					
Information used to aid us in our Equal Opportunity Off Base Housing Program	SUITABLE <input type="checkbox"/> UNSUITABLE <input type="checkbox"/> (Specify reason)	#BEDROOMS	#BATHS	COST	TRAVEL TIME MINS	DISTANCE MILES		

DD Form 1746 10/84

Figure A-14

V. PROPOSED FHS REVISIONS

15. Status.

a. Overview. The Defense Housing Management Systems Office (DHMSO), OSD, has been studying various ways to improve housing for service members worldwide. As a part of this effort, DHMSO has proposed abandoning the present method of conducting the FHS in favor of a system based on using actual data from each MILCOM. The proposed system will change data collection procedures and require new standard forms. DHMSO's intent is that these data eventually will be processed locally by each MILCOM using a service-wide standard data processing system.

b. Data input.

(1) DHMSO wants to revise the forms used to collect housing information. The DD Form 1376 questionnaire will be eliminated. The system will be changed to include having all service members apply for housing on a revised DD Form 1746 (Figure A-14). Service members will supply personal data related to their housing needs, such as paygrade, marital status, number of children, whether accompanied by or separated from family, and the reason for any separation. All service members who apply for government-controlled or economy family housing will be required to fill out DD Form 1746.

(2) Each service member living on the economy will be required to report on the condition of his economy unit on DD Form 1670 (Figure A-15), a mail-in "Notification of Housing Selection." The HRO then will promptly inspect each unit which an occupant reports is unsuitable. The claim will either be denied or verified by the inspector, and the result will be entered on the DD Form 1746 the service member filled out when he applied for housing. Thus, a single form, the DD Form 1746, will become the repository for all

b. Reduce the error in the way the percentage of unsuitable occupied economy units is calculated by improving the HRO inspection program, including considering replacing the sampling method with 100-percent inspection.

c. Replace the MFS with a better projection technique.

these units is that the estimate of current adequate assets is in error. Combined with the errors inherent in measuring requirements, this yields a "bad" estimate for the current deficit. As an illustration of the magnitude of the error, for the FY 84 FHS, Neu Ulm had a current effective requirement of 1,550 with an error of ± 91 service members, and the current assets were 1,241 with an error of about ± 111 units (all the error is assumed to be in the economy units). Since the current net deficit is the result of subtracting current assets from the current effective requirement, the current net deficit was 309 ± 143 .* This error does not include the many unquantifiable errors in the process.

d. Error in the long-range deficits. The quantifiable error in the long-range net deficit for Neu Ulm in the FY 84 FHS is also ± 143 since the current effective requirement and current assets are the basis for the long-range effective requirement and the long-range assets, respectively. However, the unquantifiable errors are probably considerably larger in the long-range estimates because of the many projections that were made.

14. Findings. The problems outlined in paragraph 13 indicate that USAREUR cannot rely on the FHS to accurately count or project its available housing assets. If the Army decides to continue to use the FHS for USAREUR planning, it must improve the way in which the FHS is developed. Improvements which might be considered:

a. Accurately track the number of suitable economy assets. Consider either developing an automated management information system which tracks assets or using the suitable assets listed with the HRO.

*Standard errors do not add directly. Both values were assumed to be independent.

government-controlled family housing. This means that 873 service members were either living on the economy or separated. As in the example given in paragraph 10b, assume that 145 usable questionnaires were obtained and there are 47 separated service members in the sample (32.4 percent). Projecting this estimate to the total E4 through E6 population, and considering the sampling error, the result is 472 separated service members (+ 107). The estimate of E4 through E6 service members living on the economy and, therefore, the number of available economy units is 401 (+ 107). Note that the error in the measurement is over 25 percent of the number of available economy units. When the range of error is added for officers and E1s through E3s, the total error for the MILCOM increases to + 111 economy units.

(2) The HRO was required by the FY 84 FHS instructions to inspect at least one of every four economy units identified on the questionnaires as being "unsuitable" by the occupants. Here a second sample is being taken from a special subset of the first sample (only "unsuitable" units are inspected). Because housing staffers probably select a convenient rather than a random sample of "unsuitable" units to inspect, this error is probably quite large, but unfortunately, unquantifiable.

b. MFS. The MFS method projects almost no additional current or long-range assets. However, continued growth of USAREUR's economy assets under the influence of Rent-Plus, a strong dollar, and aggressive HROs can have a dramatic impact on additional current and long-range assets. This suggests that the MFS method of computing additional assets is no longer reliable.

c. Error in the current deficit. The cumulative effect of the various errors in estimating the number of economy units and the suitability of

the "F document" and "G document" submitted by the MILCOM. The number of economy units now occupied by service members is estimated from the sampling data collected by the Family Housing Questionnaire; that is, the actual number of respondents who live on the economy is projected to the total population as if every service member had been surveyed. Unsuitable units are estimated from the questionnaire's data in the same way, except the computer program calculates the percentage of the inspected units found to be suitable, and projects that same percentage to all "unsuitable" units which were not inspected. The total number of adequate assets then is calculated by adding government-controlled family housing (from the "F document" and "G document"), the estimate of the suitable economy units now occupied by service members (estimated from the DD Form 1376 questionnaires), and any vacant economy units (from the "D document").

i. Computer calculations of future assets. The number of units to be considered as total future adequate assets is computed by adding on-post family housing (from the "K, L, and M documents"), government-controlled leased family housing (from the "N document"), existing suitable economy units now occupied by service members (estimated from DD 1376 questionnaires), vacant economy units (from the "D document"), and any economy units under construction or firmly planned (from the "Q document").

13. Problems.

a. Sampling error in estimating the number of available economy units. There is a serious flaw in the current FHS: even though the actual number of economy units is well known and well documented by the HRO, the current assets are estimated from the Family Housing Questionnaire.

(1) For example, the FY 84 FHS reported that Neu Ulm had an estimated 1,455 families in paygrades E4 through E6, of which 582 lived in

negotiation may take as long as 3 to 4 years. Even though a MILCOM may have plans to acquire 100 leased units by 1987, the housing manager does not know with certainty when those units can be available until negotiations close. To estimate the number of leased units expected to be available in 5 years, the number of new leased units are added to existing leased units, and the known or expected lease terminations are subtracted. This projected figure is entered on the "N document" of the FHS.

g. Projecting changes in the amount of privately leased housing. Current guidance directs that each MILCOM must prepare a market survey to determine the number of vacant economy units that may be available to service members. The market survey is performed in consideration of two factors:

(1) The number of existing vacant economy units available to the general public is determined from newspaper advertisements, local government sources, and realtors. Because not all vacant units could actually be rented to service members, the Military Fair Share (MFS) factor is applied. The MFS is defined as the ratio of military families in the MILCOM area to total families in the MILCOM area (including Germans and other nationalities). This calculation is made on a worksheet for one- and two-bedroom units and for three- and four-bedroom units. The results are entered on the "D document" of the FHS.

(2) The number of additional future economy assets under construction or firmly planned is determined from newspaper advertisements, local government sources, realtors, and local builders. The MFS is applied and the result entered on the "Q document" of the FHS.

h. Computer calculations of existing assets. The number of current government-controlled assets, both on post and leased, are taken directly from

INSPECTION CRITERIA FOR DETERMINING SUITABILITY OF PRIVATE HOUSING

1. Existing private rental housing (including mobile homes) in which military personnel are accepted as tenants, will be considered as adequate community support and WILL BE CHARGED AS ASSETS AGAINST REQUIREMENTS IN ALL CASES WHERE IT IS CLASSED AS SUITABLE BY THE OCCUPANT in Question 16 of the questionnaire.

 2. If classed as unsuitable by the occupant, the dwelling unit will be considered suitable if it meets the following criteria:
 - a. The distance from the administrative area of the installation can be traversed by privately owned vehicles in one hour or less during rush hours. Lesser time limits may be applied where clearly warranted by military necessity and approved by the proper authority.
 - b. The dwelling unit is complete with a private entrance, bath, and kitchen for the sole use of the occupants and so arranged that both kitchen and living room can be entered without passing through bedrooms.
 - c. The dwelling unit is well-constructed and in good state of repair with heating equipment provided and kitchen equipment provided or available on a rental basis.
 - d. The dwelling unit is located in a residential area which meets acceptable standards for health sanitation and is not subject to offensive fumes, industrial noises, and other objectionable conditions.
 - e. The dwelling contains not less than the following net floor area: 550 square feet for a one-bedroom unit; 750 for a two-bedroom unit; 960 for a three-bedroom unit; and 1,080 for a four-bedroom unit. Only in unusual circumstances will units be declared unsuitable solely because of insufficient floor area.
-

Figure A-13

CALCULATION OF FAMILIES LIVING IN ECONOMY HOUSING

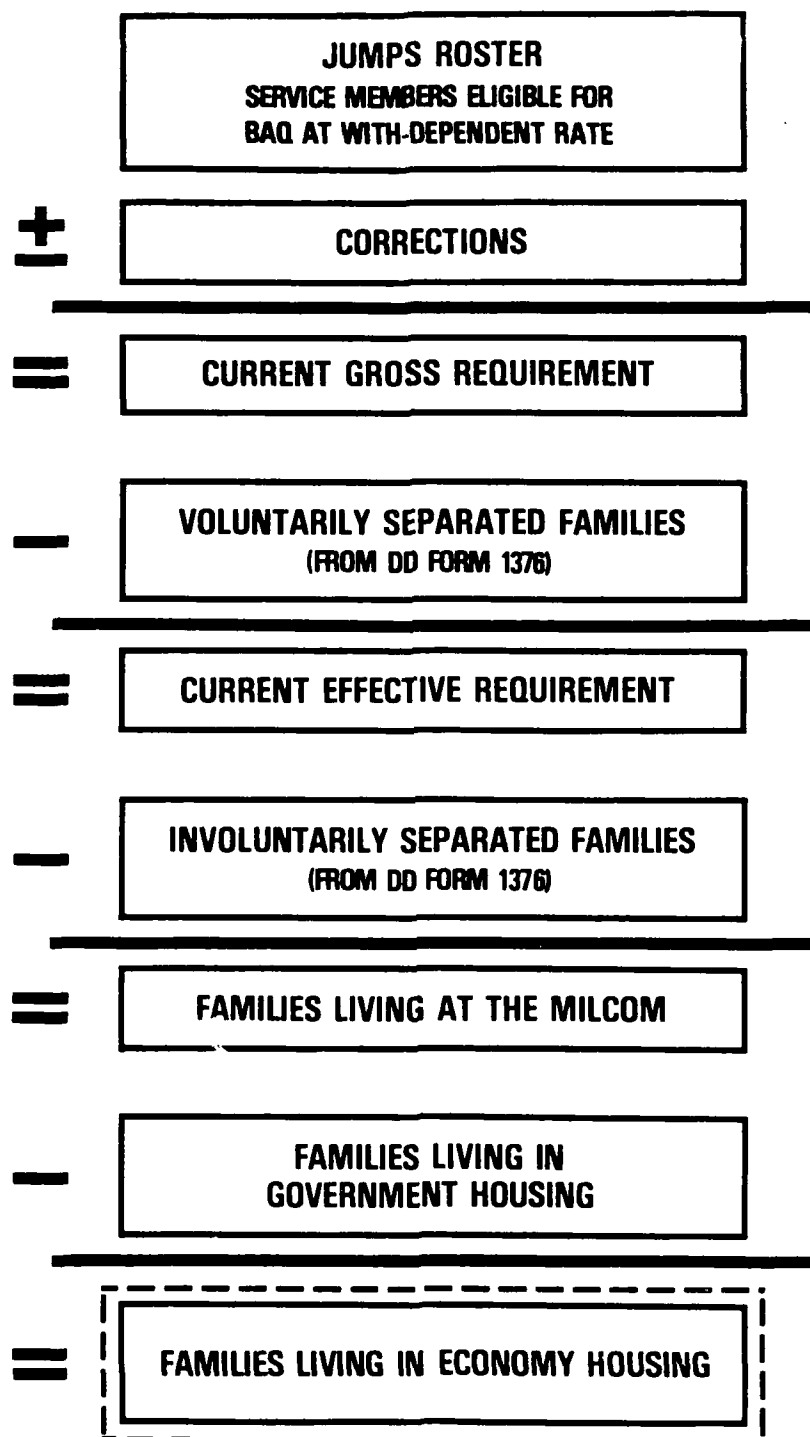


Figure A-12

families at the MILCOM (see Figure A-12). Economy units are not counted as assets if occupied by other US personnel such as DOD civilians (except those very few key and essential civilians), teachers, and AAFES employees.

d. Unsuitable housing. Economy units which do not meet USAREUR standards (see Figure A-13) are considered to be unsuitable for occupancy by service members. However, the number of service members living in unsuitable housing is initially determined from responses to question No. 16 on the Family Housing Questionnaire. Current guidance specifies that a housing unit is not to be considered unsuitable only because of cost or because it does not have the required number of bedrooms. If a service member living in economy housing reports he is unsuitably housed for any reason other than cost or number of bedrooms, the HRO is responsible for verifying this claim. FY 84 FHS instructions specify that the HRO must inspect about one-fourth of these "unsuitable" units to see if they are in fact unsuitable, or merely perceived as such by the occupant. After the inspector decides whether the unit meets the standard for suitability, he denies or confirms the claim on the service member's DD Form 1376.

e. Planned construction of on-post family housing. Until the construction of on-post family housing is approved and funds are appropriated, the construction is at best an elusive future asset. Once the units are under contract, they can be treated as an assured asset that is available for a known future year. The number of units to be constructed are entered on the "L document" if they are still under contract, and the "M document" if they are only approved.

f. Planned acquisition of government-controlled leased family housing. Leases are usually procured for a block of units at a time. The lease

17. Findings. The new FHS proposed by DHMSO fixes many, but not all, of the problems associated with the current FHS. The number of accompanied service members will no longer be estimated, but actually counted from DD Forms 1746. Because the service member will fill out the form at the housing or billeting office, the staff can explain the definition of the separation terms to each service member. Thus, there should be less chance that the service member will answer the separation question incorrectly. The new system should be logical, easy to use, and designed to be completed by the MILCOM housing office. If the Army intends to implement this system, the following changes should be considered:

a. All service members in each MILCOM must be required to fill out a DD Form 1746. This will mean that unaccompanied service members who will live in government-controlled UPH will have to complete a form when they apply for their quarters. Knowing the number of involuntarily and voluntarily separated service members and the marital/dependency factor is critical to good planning.

b. Because the mail-in DD Form 1670 is vital to accurately determining the suitability of economy quarters, the proposed system must guarantee a high return rate. Strong incentives could be instituted for service members to return the form.

c. Improved forecasting methods must be developed for calculating the long-range marital/dependency factor and the voluntarily separated rate.

d. Undocumented and unauthorized requirements changes must be eliminated. One solution is to attach a "change" form like the one shown in Figure A-11 to the DD Form 1523 before it leaves the MILCOM; this form would stay with the DD Form 1523 throughout the review process. Any documents which are

attached as justification should also remain attached as the DD Form 1523 passes through the layers of command to OCE. Only after the final accepted package is ready to go to OSD would OCE trim the package down to what is considered essential to support the DD Form 1523. In this way, an audit trail for changes to survey values would be established.

VI. AUTOMATING A REVISED FHS

18. Status.

a. Overview. The Housing Operations Management System (HOMES) will automate many of the functions of the housing office. It will satisfy the immediate information needs of housing personnel as well as the historical and long-range information needs of management. Now under design at the US Army Facilities Engineering Support Agency (FESA), HOMES is a Standard Army Multi-Command Management System (STAMMIS); the proponent is the Housing Management Division, Office of the Assistant Chief of Engineers. HOMES has five modules: Family Housing Assignments and Terminations (A/T); Housing Referral/Survey (HR/S); Furnishings Management; Billeting; and Financial Management. Most of the HOMES modules will be supported by microcomputers in an on-line, time-share mode. Housing personnel will enter and retrieve data on service members, housing units, budget, and furnishings. Occasional access will be made to the large regional computer system, the Vertical Installation Automation Baseline (VIABLE). At present, FESA is designing HOMES to implement a combination of the current FHS system and the system proposed by DHMSO.

b. Data input. With either the A/T or HR/S modules, housing personnel will enter the housing-related data recorded on DD Forms 1746 into the HOMES database. An occupant inventory for government-controlled quarters will be kept up-to-date by the A/T module; service members living in economy units will be tracked by the HR/S module.

c. HR/S module. The HR/S module has a dual function: it helps housing personnel match already listed economy housing to the individual service member's requirements and collects data for and produces the FHS. The module will support a revised FHS. FESA expects that this module will allow MILCOM

housing personnel to produce a revised FHS with less effort, better accuracy, and at less cost than they can the current FHS. In addition, each MILCOM will be able to complete an FHS solely from data available in the MILCOM's HOMES database, or from other MILCOM sources.

d. Current deficit. HOMES will interface through VIABLE with SIDPERS to provide the total number of MILCOM service members, and with JUMPS, to extract the number of service members eligible to draw BAQ at the with-dependent rate. The number of families currently living in the MILCOM, as well as voluntarily and involuntarily separated service members, will be drawn directly from the MILCOM database. Likewise, current assets will be automatically determined from the residence information stored by HOMES. Presently, FESA plans to use the DD Form 1377 format for output. To facilitate updates and corrections, housing personnel may change any data which are not the result of a calculation.

e. Projected deficit. The long-range strength projection will come from the CDP (for USAREUR) and be manually input into the HOMES database. Current assets in the database will be projected forward and adjusted by manually adding assets expected from both firmly planned economy construction and proposed gains in government-controlled housing (construction or leasing). The planned output format is DD Form 1378. Again, any noncalculated data field may be corrected.

f. Test and implementation schedule. The A/T module of HOMES has been implemented on a VIABLE network in two locations. When it evaluated the performance of HOMES on the VIABLE, FESA concluded that VIABLE is neither reliable nor responsive enough to allow HOMES to be the on-line, real-time database system it is intended to be. FESA proposed that HOMES be fielded

using microcomputers to support its daily data processing needs, and only interface with VIABLE as necessary. Approval was granted by the Assistant Secretary of the Army, Financial Management on 24 January 1985 and the necessary redesign is underway. OCE and FESA presently estimate that HOMES can be fielded in USAREUR test locations by January 1986.

19. Problems.

a. Procedures. Because FESA is now implementing a combination of the current FHS system and the FHS system proposed by DHMSO, HOMES will still have to contend with some of the flaws of the current FHS system. For example, the current HOMES design includes the MFS, which predicts almost no new assets. Furthermore, HOMES is being designed to produce the current FHS output forms, DD Forms 1377 and 1378, which OSD tentatively plans to discontinue and replace with a revised, concise DD Form 1523. If FESA designs the output programs before OSD decides on the final output format, a considerable amount of software design effort may be wasted.

b. Hardware. Even though most HOMES software will be written in the general computer language COBOL, the device-dependent aspects of the design cannot be finalized until a microcomputer supplier for HOMES is selected. Since HOMES will rely on VIABLE for data input from JUMPS and SIDPERS, a complete fielding test in USAREUR is contingent on completion of at least one VIABLE site there.

c. Timing. Although there are no serious problems with the HOMES development, the introduction of HOMES into USAREUR will have to be timed very carefully. An early fielding of an untested HOMES into USAREUR could cause considerable damage to the USAREUR family housing program, which will further erode the credibility of the FHS. A late fielding could force USAREUR into

implementing an OSD-directed new FHS system as a manual, instead of automated, system.

20. Findings.

a. DHMSO can help ensure a more workable HOMES by promptly deciding on the final form for the revised FHS output format--either the present DD Forms 1377 and 1378, or the revised DD Form 1523. OCE could then direct FESA to implement any changes into HOMES for an early fielding in USAREUR.

b. If the microcomputers for HOMES are selected and acquired quickly, the system's final design and programming can begin.

c. The USAREUR test of HOMES will be more representative of typical operating conditions if at least one VIABLE site is completed in USAREUR before HOMES is tested, and if recent data from DD Forms 1746 and 1670 are used. However, the HOMES microcomputers could be tested in the housing offices before the VIABLE site is ready.

ANNEX B

FAMILY HOUSING OPERATIONS

ANNEX B

FAMILY HOUSING OPERATIONS

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I. INTRODUCTION

1. Purpose. This annex reviews the policies and procedures which influence the way the MILCOM Housing Divisions operate.

2. Scope. This annex describes the missions and functions of the MILCOM Housing Division's offices and branches, and discusses problems and initiatives within these operations.

3. Background. During FY 1981, the USAREUR DCSENGR reviewed the structures, staffing guidance, job descriptions, standards of performance, and personnel and resource management considerations of every MILCOM's Directorate of Engineering and Housing (DEH). As a result of that review, the CINCUSAREUR told each MILCOM to reorganize its DEH as required by AR 420-10.¹ Each MILCOM in USAREUR now has a Housing Division, which typically is divided into seven offices and branches. Four of these are directly involved with housing the military family: the Family Housing Branch; the Housing Referral Office (HRO); the Leased Housing Office; and the Unaccompanied Personnel Housing/Transient Housing Branch. Figure B-1 shows the organizational strengths of each USAREUR housing organization. Figure B-2 shows a typical DEH organizational structure.

4. Method. The analysis described in this annex was based on a literature search of regulations, policy documents, studies, memoranda, and similar

¹Department of the Army, Headquarters, AR 420-10, Facilities Engineering--Facilities Engineering, General Provisions, Organization, Functions, and Personnel, Washington, D. C., December 1981.

material pertaining to family housing in USAREUR. Interviews also were conducted with key OSD, DA, and USAREUR managers. ESC visited selected UMCs and MILCOMs in the FRG and surveyed all MILCOM housing managers; that survey is described in Annex E.

PERSONNEL STRENGTHS OF USAREUR'S HOUSING ORGANIZATIONS*

Level	Required/Authorized
USAREUR	
DCSENGR Housing Management Branch**	17/17
UMC	
21st SUPCOM Housing Division	34/27
VII Corps Housing Division	40/40
V Corps Housing Division	22/21
7th ATC Housing Division	21/15
MILCOM (Housing Divisions)	<u>1,969/1,647</u>
Total	2,103/1,767

*1985 TDA data, FRG less Berlin.

**Includes three Installation Support Activity, Europe (ISAE) spaces.

Figure B-1

DIRECTORATE OF ENGINEERING AND HOUSING (TYPICAL)

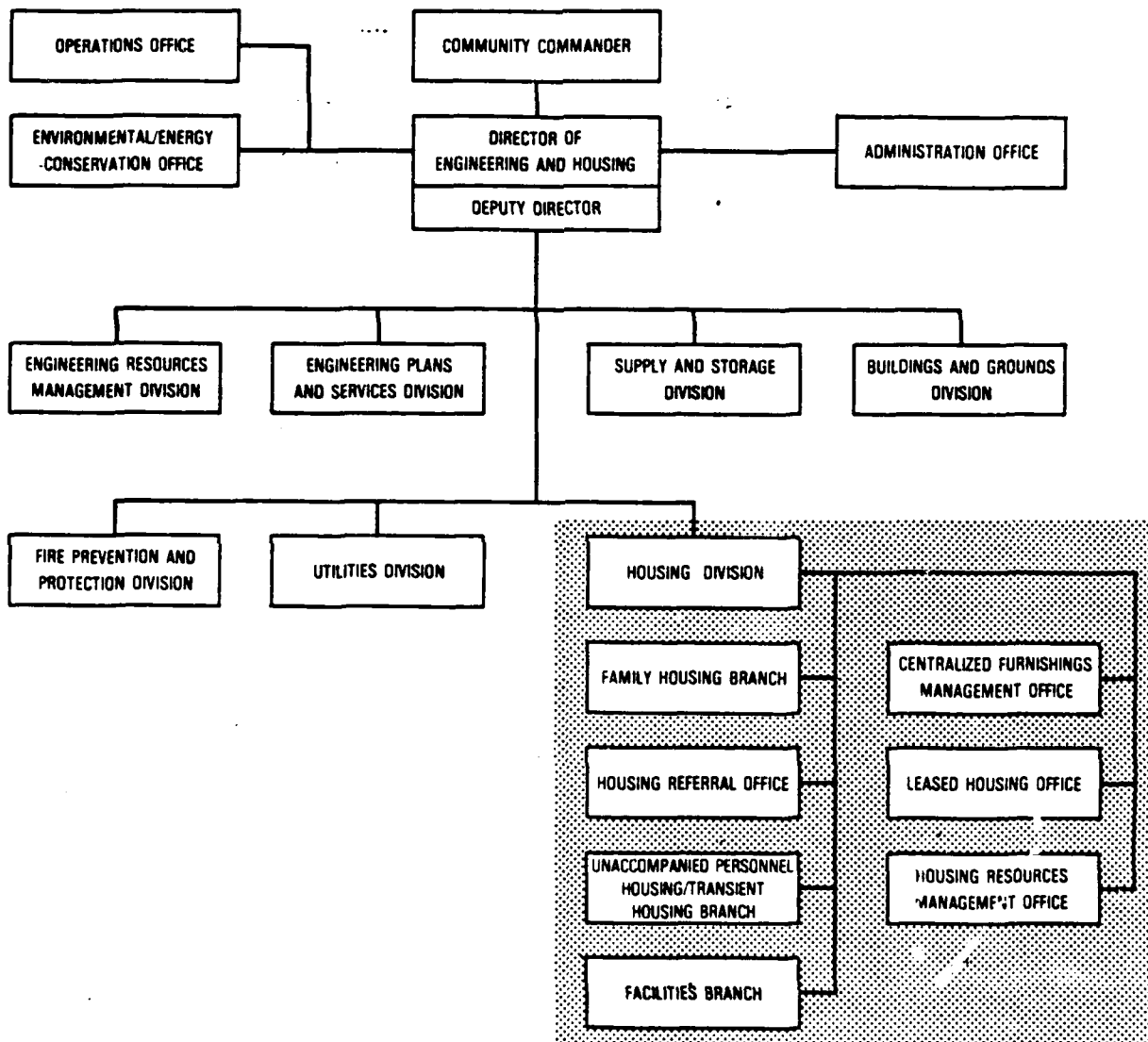


Figure B-2

II. FAMILY HOUSING BRANCH

5. Mission. The Family Housing Branch manages all government-controlled family housing units at the MILCOM.

6. Functions. The Family Housing Branch.

a. Plans and executes the MILCOM's Family Housing Management Account (FHMA).

b. Determines the current effective requirement and the effective long-range requirement, and develops programs for the construction of new housing units.

c. Maintains waiting lists for and records and files on service members applying for and occupying government-controlled housing.

d. Notifies service members when quarters are available and makes quarters assignments.

e. Prepares monthly, quarterly, semiannual, and annual reports about housing utilization.

f. Prepares impact statements on and distributes information about requests for exceptions to policy.

g. Processes assignment and termination documents.

h. Maintains an inventory of government-controlled family housing, leased housing, and other real property which exclusively service family housing.

i. Coordinates family housing requirements with other branches.

j. Assigns building and area coordinators.

k. Conducts pre-termination, termination, and assignment inspections; determines required repair, maintenance deficiencies in facilities, and condition of furnishings; and coordinates, if necessary, repair or replacement.

l. Prepares the forms necessary to physically inventory government furnishings; records maintenance and repair deficiencies to be performed by engineer elements; and makes statements of charges against occupants.

m. Advises on and helps service members prepare, process, and coordinate temporary lodging allowances (TLAs), and applications for dependent travel.

n. Coordinates and provides information about quarters assignments to finance and personnel offices.

7. Operating Procedures.

a. USAREUR's family housing policy requires that government-controlled assets be allocated equitably among all service members who qualify for government-controlled housing. To do this, a portion of all available government-controlled units is allocated to each "eligible" paygrade group. The number of units in each allocation is determined based on the percentage of the military population that group represents. MILCOMs subdivide their waiting lists by paygrade group and by bedroom requirements. For example, the waiting list for senior non-commissioned officer housing differentiates among those waiting for a one- or two-bedroom unit and those waiting for a three- or four-bedroom unit. Each USAREUR service member who is eligible for housing is placed on the waiting list for his paygrade group if no housing is immediately available. His position on the list is determined by the date he departed his last permanent duty station.

b. The top 10 percent of the waiting list for each paygrade group is the "freeze zone." Service members who have been designated to fill a "key and essential" position (such as company commander) or have transferred from another USAREUR MILCOM are routinely placed at the bottom of the freeze zone,

ahead of the remaining 90 percent of the service members on the waiting list. In essence, they "bump" every service member on the waiting list, except those in the freeze zone, down one position. This practice draws sharp criticism, especially from the junior personnel.

8. Current Programs and Initiatives.

a. Government-paid contract cleaning of government-controlled family housing in lieu of paying an outgoing TLA. This test program will evaluate the concept of allowing service members to stay in government-controlled family housing until the day before they depart the MILCOM. Although the government assumes the cost of cleaning quarters under this program, it no longer pays the departing service member a TLA, except when he leaves on a weekend or holiday, or in some other special circumstance. An economic analysis of the program's concept will be completed soon.

b. Allocation of family housing assets. Each year, the MILCOMs review the number of government-controlled housing assets allocated to each "eligible" paygrade group. Any group found to be waiting much longer for housing than any other group could have its housing allocation increased. In addition, USAREUR has modified the way in which the size of each paygrade group's allocation is determined. Instead of sizing allocations after housing units have been set aside for key and essential personnel, the MILCOM will determine the size of each allocation before those units are set aside. This should give all personnel a chance to compete more fairly for government-controlled assets.

c. Moving field grade officers to the economy. USAREUR is testing a program which would require all field grade officers and promotable captains who are not assigned to key or essential positions to live in economy housing. This initiative would affect the larger headquarters communities (Frankfurt,

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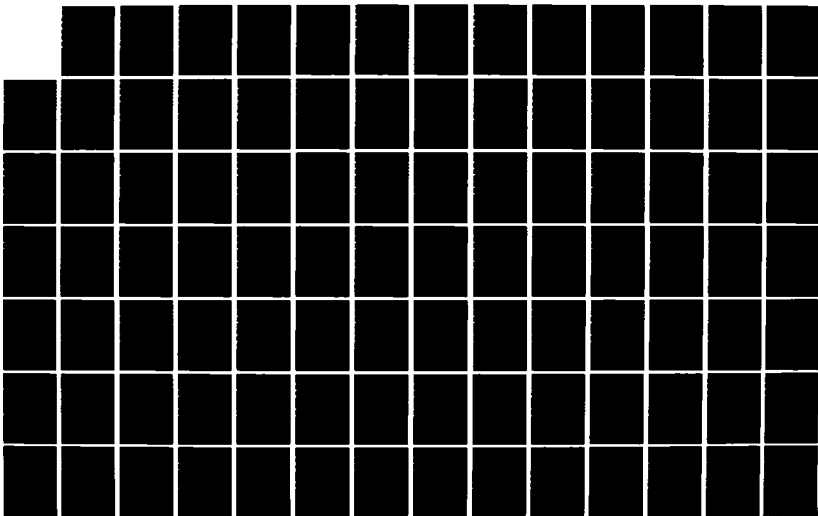
ANALYSIS OF USAREUR FAMILY HOUSING(U) ARMY ENGINEER
STUDIES CENTER FORT BELVOIR VA L W WRIGHT ET AL.
APR 85 USAESC-R-85-2

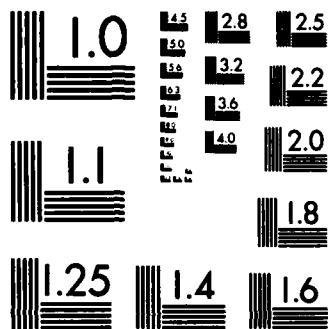
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MICROCOPY RESOLUTION TEST CHART
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Heidelberg, and Stuttgart), since field grade personnel are not present in any significant numbers at most other communities. The program is intended to increase the number of government-controlled quarters available to junior grades. It would also shift the burden of living on the economy to those with the experience, maturity, and financial capacity to better adjust. However, this program would not increase the number of available government-controlled assets by much, since field grade officers comprise only about 3 percent of USAREUR's housing requirement.

9. Effectiveness of the Family Housing Branch. The effectiveness of the Family Housing Branch can be measured by its ability to meet the DA goal of having 99 percent of its government-controlled units occupied. In the FRG, the Army averaged 98.04, 98.47, and 97.53 percent in the last three semiannual reporting periods. While 99 percent is the final goal, the minimum acceptable goal is 98 percent for Army-controlled, adequate family housing. According to DOD statistics, over the last 5 years USAREUR has outperformed FORSCOM, TRADOC, and AMC (formerly DARCOM). While USAREUR's performance dropped to 97.53 percent in the most recent reporting period, this was the first time in more than 5 years that the minimum occupancy goal was not met.

10. Findings.

a. The USAREUR Supplement to AR 210-50 is outdated.² It was last updated in July 1980; AR 210-50 was updated in February 1982 and will be updated again this year.

b. USAREUR's current and proposed housing allocation and assignment policies are designed to ensure that government-controlled assets are

²Department of the Army, US Army, Europe and Seventh Army, Headquarters, USAREUR Supplement to AR 210-50, Family Housing Management, Heidelberg, Federal Republic of Germany, July 1980.

distributed equitably among the service member population. But improving how allocations are determined and managed will not create new assets or lessen the demand for government-controlled units.

c. Requiring more field grade officers who do not fill key positions to live on the economy will not significantly increase the number of government-controlled assets that can be distributed among the other paygrade groups.

III. THE HRO AND THE LEASED HOUSING BRANCH

11. Mission. The HRO and the Leased Housing Branch are responsible for helping service members locate suitable economy housing units.

12. Functions.

a. Obtain a nondiscriminatory listing of housing units available for rent in the commuting area and inspect those units to ensure they are suitable for housing service members.

b. Brief and assist service members in locating and acquiring economy housing.

c. Keep informed about housing activities and services in the community and provide information about those activities and services to interested service members.

d. Maintain liaison with the real estate interests and the local community to advise of military housing needs, to obtain listings of available units, and to encourage open housing for personnel.

e. Maintain liaison with other government agencies regarding the availability of housing assets to satisfy housing needs.

f. Counsel military personnel about standards of conduct and advise them of the availability of assistance in resolving complaints between tenants and landlords. Counsel minority service members to report instances of what they consider to be racial discrimination, subtle or otherwise, and provide information concerning the various redress procedures available.

g. Counsel service members that they are not authorized to enter into a rental agreement for any apartment, house, trailer court facility, or other living quarters without prior written approval.

h. Maintain a list of housing units against which restrictions have been imposed. Recommend, as appropriate, imposing restrictions against owners or managers who practice discrimination.

i. Advise service members that they are not authorized to lease a house or apartment from a landlord who is listed on the restrictive sanctions list.

j. Maintain acknowledgments signed by applicants when they are notified of facilities against which restrictions have been imposed.

k. Assist, as required, in ensuring that only nondiscriminatory advertisements of rental or sale housing units appear on post bulletin boards or in publications under control of the command.

l. Prepare economy housing condition reports in order to protect service members and eligible US civilians residing on the economy.

m. Provide transportation for service members who need help locating economy housing.

n. Receive and investigate complaints made by US personnel about questionable business practices or racial discrimination.

o. Help resolve complaints between tenants and landlords.

p. Serve as the action office for the Rent-Plus housing allowance.

q. Clear individuals residing on the economy before their PCS move.

r. Prepare and forward monthly, semiannual, or special reports, as required.

s. Maintain records and files for service members who are residing in economy housing.

13. Operating Procedures.

a. Figure B-3 lists all the economy housing units USAREUR knows were occupied by US service members or civilians as of September 1984. More than

70 percent of these units are filled by military families. Fifteen percent are occupied by unaccompanied service members (mostly officers and senior non-commissioned officers who are entitled to live off post if they choose and still draw their full housing allowance).

US MILITARY AND CIVILIAN PERSONNEL
LIVING ON THE ECONOMY*

Type	Number
Families Eligible for Government-Controlled Quarters	26,300
Families Not Eligible for Government-Controlled Quarters	13,500
Unaccompanied Service Members	9,900
Civilians	<u>7,100</u>
Total	56,800

*Figures based on response obtained from ESC's survey of MILCOM housing managers, September 1984. (Also see Annex E.)

Figure B-3

b. The HROs in USAREUR place service members and their families into economy assets in one of three ways: the Open Referral system; the Waiting List system; or the Modified Waiting system. In USAREUR today, 9 MILCOMs use the Open Referral system, 10 use the Waiting List system, and 9 use the Modified Waiting system.

(1) Under the Open Referral system, the HRO serves as a clearing house for all vacant economy units which meet the US government's standard for

adequate housing. Like a civilian realtor, the HRO posts the type, size, and location (city) of each rental unit it knows is available for lease. Units are offered on a first-come, first-serve basis. Any service member can choose a unit from this open list, regardless of their grade or the size of their family. They only need their commander's permission to live off post.

(2) The Waiting List system for economy assets works in a manner similar to the system used to assign government-controlled housing. However, instead of a "freeze" zone, the first three names on an economy Waiting List are placed in a "referral zone." Those in the referral zone have the right of first-refusal on any new unit which comes available for lease. If the first person on the list rejects a unit, the unit is offered to the next person in the zone, and so forth. A common practice in USAREUR is that each person in the referral zone is given only one "free" refusal. If he rejects a second unit that in the opinion of the HRO meets the requirements for his grade and family size, his name is taken out of the referral zone and placed at the bottom of the Waiting List.

(3) The Modified Waiting system operates like the Waiting List system, except that the units offered to those waiting are not the same as those offered on either Open Referral or the Waiting List. In general, units referred through the Modified Waiting system rent for more than allowed under the cost ceiling set by the Rent-Plus program, are more than a 1-hour commute from the kaserne, or have been rejected for one reason or another by every service member who was offered them under one of the other systems. Like the Open Referral system, units offered through the Modified Waiting system can be leased by any service member who has permission to live on the economy, regardless of his rank or the size of his family.

c. USAREUR's Supplement to AR 210-51, Army Housing Referral Service Program (August 1979), is the MILCOM manager's main source of policy guidance on the operations of the HRO and the Leased Housing Branch.³

(1) More than 60 percent of those who responded to ESC's survey of MILCOM housing managers said inadequate guidance from USAREUR was a problem area in their organization; more than 50 percent also said the Army's guidance is inadequate. One of the reasons MILCOM housing managers are so critical of the guidance they must work with is that some of the Army's regulations, and many of USAREUR's supplements to those regulations, are outdated. For example, the USAREUR Supplement to AR 210-51 has not been republished since 1979, even though the Army regulation has been republished at least once since then.

(2) In their responses to ESC's survey, MILCOM housing managers named problems with HRO staffing levels as their fourth highest priority problem. Twelve managers specifically cited low staffing levels and six named excessive special reporting as significant factors which limited their ability to operate effectively. These problems indicate that the criteria by which workload and staffing are determined need to be studied and considered for possible revision.

(3) USAREUR's Supplement to AR 210-51 allows the MILCOM housing staffs to develop and distribute information handouts or brochures to service members attending their initial processing-in briefing. No standards for these information packages are set, and the quality of the packages now being used among the MILCOMs varies (some communities use a professionally published booklet). The regulation also does not define how often handouts or brochures should be updated.

³Department of the Army, Headquarters, AR 210-51, Installations--Army Housing Referral Service Program, Washington, D. C., June 1983.

14. Current Programs and Initiatives.

a. The 1 year on the economy program. This program was the result of a 1981 DAIG inspection report, which linked losses in economy assets to short-term occupancy. The program requires that each service member who accepts a rental unit on the economy agree to stay on the economy for at least 1 year from the date he signs his lease. It was tested at Neu Ulm, Heilbronn, Giessen, Grafenwoehr, Bayreuth, and Berlin for 15 months starting in October 1982. Every test location except Heilbronn, which dropped out of the program, reported positive results. In October 1984, the program was implemented throughout USAREUR. It should help stabilize the MILCOMs' inventory of economy assets in three ways. First, the MILCOMs should find it easier to attract and keep German properties in their economy inventory. Second, those families who participate in the program and who are eligible for government-controlled housing will be effectively deferring their eligibility for a year. This should mean that those families who remain on the list will not have to wait as long for a government-controlled unit. Third, it is hoped that service members who commit to 1 year in an economy unit will select that unit more carefully than if they were expecting to live there only a few weeks or months. This, in turn, is expected to lower the frequency with which those housed on the economy report themselves as unsuitably housed.

b. Rent-Plus. Under the old Station Housing Allowance program, each service member received a fixed housing allowance. If his rent was less than his allowance, he could keep the difference. Unfortunately, many service members tried to supplement their salaries by living in less expensive apartments. The Rent-Plus program was designed to bring quality housing within the economic reach of all service members. Rent-Plus pays an allowance

for the actual cost of lodging, subject to a ceiling based on the service member's paygrade. This lodging allowance includes an additional increment designed to cover the average cost of utilities, maintenance, and move-in/move-out expenses. The Rent-Plus program is largely credited with increasing the number of economy assets, with allowing service members to compete more successfully with local nationals for available units, and with increasing the number of families on concurrent travel to USAREUR.

c. Non-tactical vehicle support. The HRO and the Leased Housing Branch rely on the MILCOM's local motor pool to supply the vehicles its staff must use to preview and inspect units, meet with local landlords or members of the local business community, ferry clients to and from lease negotiations, and for any number of other important tasks. Some HROs do not get the support they need from the local motor pool because, among other reasons, the motor pool's vehicles often are diverted to other MILCOM tasks. The leased vehicle program was designed to take up the shortfall in the HROs' transportation resources. It gave selected MILCOMs the authority to lease private vehicles for 1 year, or until their motor pools could again support their HROs. Housing managers credit this leasing program with improving the HRO's level of service and its image with landlords and service members.

d. Setting goals for acquiring economy assets. USAREUR has established a goal that 30 percent of its housing requirement will be satisfied with economy assets. If this goal is met, the number of command-sponsored dependents authorized concurrent travel will increase.

e. Tri-service housing referral conference. This conference was hosted by USAREUR from 26 March through 29 March 1985. A similar conference was held in October 1981, and was credited with improving housing referral services in Europe.

f. Command emphasis. The DCSENGR has asked all MILCOM commanders to take an active interest in the operations of the HRO and Leased Housing Branch. He also has outlined the actions they can take when soldiers under their command fail to pay legal debts incurred while living on the economy.

15. Effectiveness of the HRO.

a. Many factors could be used to evaluate the effectiveness of the the HRO and the Leased Housing Branch. While there is no Army-wide standard similar to the minimum occupancy goal used to evaluate the performance of the Family Housing Branch, some MILCOMs use the percentage of those housed through the HRO as a measure of effectiveness. In March 1983, 82 percent of those who asked the HROs to help them find economy housing were placed in economy units; by September 1984, that figure had increased to 90 percent. Although this improved performance is based, in part, on a strong dollar and the Rent-Plus program, both of which make economy assets more affordable, much credit can also be given to the use of leased vehicles and aggressive program management.

b. Another measure of the effectiveness of an HRO is the reputation for service it has among soldiers in the MILCOM. If a service member must wait for more than a few minutes to make an appointment to see a counselor, then the HRO is not providing good service. Many soldiers complain that they can find an economy housing unit quicker on their own than if they wait for the HRO to help them. Image is also important: fewer soldiers are likely to seek the HRO's assistance if the office is cramped or in an out-of-the-way building, closed when the soldier is off duty, and staffed (or understaffed) by harried or unhelpful clerks. The HRO has a better chance of success if it is located in a clean, well-lit office, is open during off-duty hours at least twice a week, and is staffed by courteous HRO counselors who will go out of

their way to make sure that each service member finds a comfortable home for his family.

16. Findings.

a. The USAREUR Supplement to AR 210-51 is outdated. A new version of the Army regulation will be published soon, but the most recent USAREUR supplement was distributed in 1979. The Army family housing program in USAREUR is too big and too complicated to let so many years lapse without republishing the guidance by which the MILCOM housing managers are expected to administer the program.

b. The gains made in level of service and other HRO operations by having the HRO vehicle leasing program may be lost as the program is phased out.

c. AR 210-51 does not set a standard for information handouts or brochures. However, such handouts or brochures should be used to explain how the different USAREUR referral systems work, or any number of other topics which the service member must understand if he is to find a quality economy unit for himself and his family.

d. The workload criteria which determine staffing levels for USAREUR MILCOM HROs might address actions which do not accurately reflect the actual HRO workload.

IV. TRANSIENT FACILITIES

17. Mission. The Transient Housing Branch formulates policies, plans, and regulations necessary to implement the transient facilities program locally.

18. Functions.

a. Manages the community's transient and guesthousing program.

b. Operates transient housing facilities: guesthouses, visiting officers quarters (VOQs), visiting enlisted quarters (VEOs), and sometimes distinguished visitors quarters (DVQs).

c. Determines requirements and develops justifications, plans, and programs for off-post contract requirements with local economy hotels and guesthouses.

d. Maintains and analyzes inventory records and utilization data.

19. Operating Procedures. Four types of facilities are considered as transient quarters: VOQs, guesthouses, DVQs, and VEOs. VOQs and VEOs support temporary duty (TDY) military and civilian personnel, including distinguished visitors who normally would use DVQs. Guesthouses provide short-term accommodations for accompanied military personnel and eligible DOD civilians arriving or departing installations incident to a PCS move. There are, however, many communities and subcommunities that have few or no transient family housing facilities. To acquire or augment their inventory of transient quarters, many MILCOMs use local economy hotels, guesthouses, and government-controlled temporary quarters.

20. Current Programs and Initiatives. USAREUR has reminded MILCOM commanders that they can contract with local hotels and guesthouses for economy TDY accommodations when government quarters are not available. The

a. According to AR 210-50, each service member must report to an HRO before making arrangements for housing in the civilian community. In USAREUR, the HRO serves as the service member's realtor; if a service member decides to bypass the HRO and work directly with the local realty agents, he must pay the FRG broker's finder's fee out-of-pocket. Civilians, on the other hand, are reimbursed for the actual cost of broker fees up to a limit, whether they work with the HRO or decide to handle the housing search on their own through local realtors.

b. Like civilian brokers, the HRO is always trying to supplement its list of available housing units. Its staff combs newspaper ads for rental prospects, solicits units from individual owners, visits builders and entrepreneurs, and is active in local real estate associations. All its search activities are coordinated closely with the local municipal governments. But just locating prospective units is not enough. Each unit must also pass an HRO health and safety inspection to ensure it is suitable for habitation. If a unit fails inspection, it may not be rented to any HRO client, unless he petitions his commander for special permission to bypass adequacy standards.

5. Status. DOD guidance emphasizes acquiring and retaining economy assets. Specifically, DOD Instruction 4165.45, Determination of Family Housing Requirements (January 1972), states:

"The principal objective of the DOD Family Housing Program is to assure that married members of the Armed Forces of the United States have suitable housing in which to shelter their families... In efforts to achieve this objective DOD policy is to rely on the local housing market in communities near military installations as the primary source of family housing for military personnel."

a. As of February 1985, USAREUR reported 22,986 suitable economy assets being occupied to meet the current family housing requirement of 87,898 units--a 26-percent economy contribution. These numbers reflect paygrades E4

II. ECONOMY HOUSING

4. Background. German apartments are, on the average, smaller than American apartments. Closets are considered space-wasters and are seldom built in; attics are often converted into separate living quarters. Anyone who leases an unfurnished apartment in Germany is expected to provide their own stove, refrigerator, kitchen cabinets and counters, and light fixtures when they move in. The landlord supplies only plumbing and wiring connections. Most German apartments are not big enough and do not have sufficient plumbing to handle many American appliances (especially washers and dryers). The charges to locate and contract a German apartment are much higher than US realty fees; FRG real estate brokers charge anywhere from 1 to 3 months rent as a finder's fee. But the physical differences between American and German rental units are only the first of the many hurdles a service member must clear after he or she decides to live "on the economy." Besides having to struggle to learn local customs and to communicate in an unfamiliar and difficult language, service members can face local prejudices which sometimes make them unwelcome neighbors, and which place a further barrier between them and German community life. For these reasons, the Housing Referral Offices (HROs) play a critical role in USAREUR. Each MILCOM and subcommunity has an HRO which helps American service members find quality rental units, provides translation and negotiating services to ensure service members understand the provisions and restrictions written into the lease contracts they must sign, and to offer many other resource and educational services. The HRO is open to all USAREUR service members or civilian employees, regardless of grade or rank.

similar material pertaining to Army family housing in USAREUR. Interviews were also conducted with key OSD, DA, and USAREUR managers. ESC visited UMCs and MILCOMs in the FRG and surveyed MILCOM housing managers; that survey is described in Annex E.

2. Background.

a. The FRG is about half the size of California, yet has nearly three times the population. Land use is strictly controlled: two-thirds of the country is dedicated to carefully managed forest and farm lands. The remaining land area must support the factories necessary to the FRG's large and diverse industrial base, as well as schools, hospitals, prisons, public buildings, and residential housing for the entire population.

b. USAREUR's current housing program recognizes that the Army must compete for space in a congested, competitive housing market. Therefore, it relies not on a single method for acquiring the housing assets the Army needs, but on a mix of economy housing, government leasing, and new construction. This mix will vary among MILCOMs, since each has different problems and requirements. A summary of USAREUR's Family Housing Acquisition Plan is shown in Figure C-1. USAREUR also offers a number of post-acquisition programs designed to protect and improve existing assets.

USAREUR FAMILY HOUSING ACQUISITION PLAN
(25 February 1985)

Assets	Current	Increase	FY 91
On Post	41,376	3,939	45,315
Economy	22,986	6,278	29,264
Government Lease	<u>10,873</u>	<u>6,288</u>	<u>17,161</u>
Total	75,235	16,505	91,740

Figure C-1

3. Method. The analysis described in this annex was based on a literature search of regulations, policy documents, studies, memoranda, and

ANNEX C

ACQUIRING ADDITIONAL ASSETS

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I. INTRODUCTION

1. Purpose and Scope. This annex describes the status of and problems associated with using economy housing, new construction, and government leasing to offset the USAREUR family housing deficit.

ANNEX C

ACQUIRING ADDITIONAL ASSETS

positions. It is difficult for housing managers to develop and run an active training program if they cannot offer their employees some hope of benefiting from the time and effort invested. If the HRO and the on-post operations of the Housing Branch were combined, the housing clerks would be required to take on a number of new responsibilities. This would make it easier to justify upgrading those positions; the consolidation would also offer many opportunities for cross-training and career program development.

31. Transition Programs. A family's transition from a CONUS to an OCONUS assignment can be confusing and sometimes expensive. The longer a soldier is preoccupied with settling into the community and finding housing, the longer his commander must wait for him to give full attention to his military job. Sponsorship programs and pre-orientation briefings that are supposed to ease this transition are not conducted well, when they are conducted at all.

VI. SUMMARY

27. Government-Controlled Assets. The occupancy rate for USAREUR's government-controlled assets is now almost 98 percent. However, there has been a perception among some service members that the allocations from which those assets were distributed were not sized fairly among all "eligible" pay-grade groups. The waiting list system also has been criticized, mainly because too many exceptions are made for key and essential personnel and for intra-theater transfers. USAREUR has made some improvements in the way it manages its government-controlled assets, and is considering others. It has modified the way government-controlled assets are allocated, and the results of its annual allocation review will now be evaluated to ensure that service members with similar bedroom requirements wait about the same amount of time for government-controlled family housing.

28. Economy Assets. Although the HRO has relatively good official performance records, they have a poor reputation for service. They usually must operate with too few personnel and transportation resources to provide the level of service that is expected by service members looking for economy housing.

29. Transient Facilities. Most MILCOMs have too few (or no) adequate transient facilities. Those transient facilities that are available often are not suited to housing families for an extended period. More than 50 percent of USAREUR's MILCOM housing managers feel that since they cannot provide adequate transient housing to service members in their community, it is a major problem.

30. Staff Training and Consolidation of the HRO and Housing Branch Functions. Many of those employed by the HRO are stuck in dead-end clerical

26. Consolidation of the HRO and On-Post Housing Branch Functions.

Following a worldwide Air Force housing conference in March 1984, the Air Force housing managers consolidated their community and on-post housing functions in an effort to improve services at the local level. The consolidation has caused some minor problems; however, the benefits offered by the consolidation are many and significant:

a. The average service member is marginally familiar with housing operations at best, and can quickly become confused and frustrated trying to satisfy directives issued by two separate housing offices. The consolidation allows the service member to conduct most of his housing business at one location.

b. The consolidation eliminated overlaps in function and responsibility between the two housing offices. This not only makes the organization leaner and more efficient, but helps encourage a "team" approach to managing the housing program. Most important, the two organizations no longer will compete for the same scarce personnel and facility resources.

c. The consolidation allowed housing managers to give greater responsibilities to those who had been employed in the 301 clerk series. This, in turn, justified reclassifying those positions to 1101 series counselors or 1173 series housing management specialists.

d. Combining the two offices should open opportunities for cross-training, which will make it easier to put together career development and training packages for lower graded staff members.

e. Consolidation combines the transportation support requirements for the two offices. They no longer would have to compete against one another for transportation resources.

(3) Tell the service member that he will be met personally when he arrives.

(4) Offer to help the incoming service member locate temporary quarters, and provide details on local community facilities, etc.

d. The sponsorship program was rated poorly by those surveyed for a 1984 study of accompanied service members conducted by the Army Research Institute (ARI). In fact, that study said the two least helpful aids to an incoming service member were the sponsorship program and the pre-orientation briefings. ARI's survey results showed that 89 percent of the officers, 40 percent of the non-commissioned officers, and only 17 percent of the junior enlisted service members were assigned a sponsor to help them during their PCS move to USAREUR. Moreover, only one out of three of those surveyed said their sponsors actually helped them during their move. It is particularly significant that those most in need of assistance, the junior enlisted personnel, are the ones least likely to receive a sponsor. Figure B-4 displays selected ARI data.

NATURE AND EXTENT OF SPONSOR SUPPORT*

Task	Percentage		
	Enlisted (E4-E1)	NCO (E9-E5)	Officer (O6-O1)
Sponsor offered to help find quarters	37	16	44
Sponsor arranged for temporary quarters	16	26	61
Sponsor helped service member settle into quarters	26	15	27

*Taken from Table 35 of the ARI Profile.

Figure B-4

shipment of household goods, vehicle restrictions, and the availability of medical, dental, recreation, and shopping facilities. More importantly, sponsors are supposed to help the service member process into his new duty station and adjust to his new job, and help his family settle into the community environment. Successful programs require several interdependent steps by both the losing and the gaining command.

a. The losing command should encourage the service member to:

- (1) Attend the overseas orientation briefing, which consists of television tapes, films, and a briefing script prepared by MILPERCEN.
- (2) Write to his sponsor.
- (3) Visit the Army Community Service.
- (4) Enroll in Army-taught German language classes.
- (5) Contact the local Civilian Personnel Office concerning employment opportunities for his family members.

b. The gaining command should:

- (1) Send welcome letters to all incoming service members.
- (2) Appoint a sponsor for each incoming service member within 5 days of his assignment to the command.
- (3) Give anyone who is serving as a sponsor enough time off from duty assignments to help the service member they sponsor settle into the community.
- (4) Send the incoming service member appropriate maps of the local area.
- (5) Provide airport to station transportation.

c. Sponsors should:

- (1) Send a welcoming letter to the incoming service member.
- (2) Provide information requested by service members.

V. GENERAL TOPICS

23. Overview. Besides the problems specific to the operations of the four Housing Division Offices or Branches reviewed in this annex, this study found that the MILCOMs' housing operations also suffered from a general lack of attention to training and sponsorship programs.

24. Staff Training. In ESC's survey of MILCOM housing managers, a majority of the MILCOMs' housing managers said they could not offer sufficient personnel development or training opportunities to the members of their staffs. There is general agreement that the courses available at the 7th Army Training Center, at the "housing school" in Munich, and at various locations in CONUS are sufficient both in number and in the quality of their instruction. However, they are poorly attended. This poor attendance has several causes.

a. The primary cause is that housing managers are reluctant to reduce, even for short periods, housing staffs which already must struggle against personnel shortages.

b. A number of housing employees are assigned to dead-end clerical positions from which they see no opportunity for advancement. This is particularly true of the HRO staffs. There is little incentive for these employees to actively seek or participate in housing training programs. The concentration of such employees in the HROs is extremely unfortunate, since these are the employees with whom the service members must work with to get economy housing, and about whom service members complain the most.

25. Sponsorship and Orientation Programs. The USAREUR sponsorship and orientation programs are ineffective. The sponsor is supposed to give the service member accurate, up-to-date information about housing, schools,

22. Findings.

a. Service members arriving at or departing from a duty station in USAREUR may not be receiving the attention and services they are entitled to from some Transient Housing Branches. Those traveling on PCS, or housed for long periods in transient quarters, may suffer the most from being denied transportation. This could become a real hardship for some families who may wait weeks for their personal vehicle to arrive. Because the service member must get to work and the spouse must be able to get to the commissary and PX while waiting for their personal vehicle, contracted transient quarters should probably include clauses to provide such transportation.

b. Shortages (or a complete lack) of adequate transient quarters suitable for housing families may be a real hardship for the service member arriving at or departing from a USAREUR assignment.

feasibility of making similar arrangements specifically for transient family quarters is still under discussion. AR 210-11⁴ recommends a requirements-type contract for commercial quarters with the following selection criteria:

- a. Quarters are convenient to the duty location.
- b. They meet the common adequacy standards.
- c. Either a commercial dining facility serving three meals a day is within walking distance of the quarters, or government transportation is provided to such a dining facility.

21. Effectiveness of the Transient Facilities Branch.

a. Recently, the USAREUR Inspector General found that some MILCOMs tailor their services to TDY personnel, favoring them over military families on PCS moves. Some PCS families who were placed in economy hotels by Transient Housing Branches were not given government transportation. Some MILCOMs did not have enough guesthouses to house PCS families for extended periods.

b. Nearly 70 percent of those who responded to ESC's survey of MILCOM housing managers said the availability of adequate transient housing was a problem in their community; more than 50 percent said it was a major problem. Fifty-eight percent said that the number and condition of the transient facilities at their MILCOM would significantly affect whether they could provide service members with adequate family housing within 60 days of their arrival at the MILCOM.

c. Many of USAREUR's transient quarters are inadequate and not designed for family use. Service members often complain about having to share bathroom and kitchens, and about problems with linens, furnishings, cleaning, and transportation.

⁴Department of the Army, Headquarters, AR 210-11 Installations--Installations Billeting Operations, Washington, D. C., June 1983.

(with 2 years of service) and above with families. Considering the total USAREUR military and civilian workforce, over 60,000 people are living on the economy. These include the remaining E4s to E1s with families, DOD civilians, and military bachelors.

b. USAREUR's goal is to eliminate the family housing deficit by 1990. USAREUR has indicated that at least 30 percent of its total assets will come from the economy--a net increase of more than 6,000 units over the current inventory. But competition for rentals is fierce, and non-Americans are just as anxious to find quality apartments as Americans are. Once a German rents an apartment, he or she is more likely to stay a long time, effectively removing that unit from the market.

6. Problems. There are many problems which affect whether and how USAREUR can find and keep economy assets. Some are associated with the way the HRO or command operates, some are caused by the service members themselves.

a. HRO-based problems. Like US real estate agents, the HRO keeps a list of vacant economy units and refers incoming service members to the units in their area which should best meet their needs. The HRO's success at finding and keeping economy assets is directly proportional to the level of resources devoted to the search mission, and to the ingenuity and aggressiveness of the HRO staff. But when ESC surveyed housing managers at the MILCOM level, they said that recruiting and keeping quality people is their number one problem. Managers also complained that they did not have enough transportation resources to do their job and that their staff was too small. Those MILCOM housing managers that were strapped for personnel and transportation resources indicated they devoted most of their energies to meeting daily

customer demands; little time seemed left for developing and pursuing an aggressive program for acquiring and retaining additional assets.

b. Command-based problems. The OSD says economy assets are the preferred method of housing military families. But placing military families in economy units can create headaches for the soldier, the commander, and the HRO: disputes over rents and utilities must be mediated so that an irate landlord will not withdraw his unit from the HRO list; problems associated with cultural adjustments and German-American relations can consume much of the soldier's and the commander's time; and excessive commuting distances can make economy housing a readiness liability. As a result, many MILCOM commanders prefer to place service members and their families in government-controlled housing. Yet OSD policy is still that economy assets are the preferred method of housing the military family. This puts OSD's guidance in conflict with the commander's day-to-day operational priorities.

c. Service member-based problems.

(1) Between April 1982 and September 1984, USAREUR gained about 25,000 economy housing assets. This growth can be traced to a strong US dollar, an improved housing allowance program (Rent-Plus), and USAREUR policy changes which stabilized the length of the average service member's lease, which from the German landlord's perspective, made American service members more reliable and attractive tenants. Unfortunately, during this same time period, USAREUR lost nearly 12,000 units. Some of these losses were due to natural attrition, as landlords withdrew their property from the market or rented to someone other than a USAREUR service member or civilian employee. Many landlords, however, withdrew property from the HRO list (sometimes several units at a time) because their American tenants did not make the

rental payments agreed to in the rental contract, or because the tenants would not comply with house rules. Specifically, between 1 July 1980 and 31 March 1984, about 2,500 units were withdrawn from the HRO list because tenants had defaulted on their rents or utility payments or because the tenants had damaged the units.

(2) On the surface, one could argue that if USAREUR had not lost 12,000 economy assets over the past few years, there would be no housing deficit. Obviously, the situation is not that simple; but USAREUR would be in a better position if those losses, many of which were preventable, had not occurred. Even a service member who pays his rent and utilities on time and keeps his unit in good order can create such bad feeling by ignoring house rules (such as making no loud noises during the evening, refraining from doing laundry or from bathing and showering after 2200 hours, and not washing the car on Sundays) that the landlord will refuse to rent to an American again.

7. Initiatives. Several significant initiatives have helped make economy housing more available to service members, and have persuaded German landlords to look more favorably on the US military family. This paragraph highlights those initiatives ESC believes have the most potential for shaping the future of the economy housing program in USAREUR.

a. Rent-Plus Housing Allowance (RPHA). In a 5 March 1980 report to the Secretary of Defense, GAO recommended that DOD adopt the RPHA as a way of resolving inequities within the military housing allowance system. RPHA was implemented in Germany in April 1982. Under RPHA, each service member receives a variable housing allowance; the dollar value of that allowance is based on his actual cost of lodging (subject to a ceiling), his paygrade, and geographical location. It includes costs for average utility, maintenance, and move-in and move-out expenses.

(1) Like the Variable Housing Allowance (VHA) used in CONUS, RPHA is designed to supplement BAQ paid to persons living off base. But VHA is a fixed-rate payment determined by average housing costs in a geographic area, while RPHA pays a member's actual rental costs, up to a payment ceiling. From 80 to 90 percent of RPHA recipients are entirely reimbursed for their housing expenses, but less than half of those under the VHA receive enough in total housing allowances to pay their complete rental costs.

(2) Under the old Station Housing Allowance (SHA) system, much of the adequate economy housing was beyond the economic reach of the average service member. With RPHA, there have been visible improvements in the living standards of the US military family housed on the economy. USAREUR soldiers with families, especially the junior grades, are now able to compete for adequate accommodations, and to meet the high costs of utilities in the FRG. Many of those associated with the program told ESC that the RPHA is directly responsible for most of the new economy assets gained by the HROs since April 1982.

b. Mandatory 1-year occupancy of economy housing. Because German landlords are reluctant to lease for short periods, USAREUR experimented with requiring service members who chose to live in economy housing to remain in that housing for at least 1 year before being permitted to occupy government housing. A 15-month test began on 1 October 1982 in Giessen, Heilbronn, Neu Ulm, Grafenwoehr/Bindlach/Bayreuth, and Berlin. The test was a success, and the plan was implemented USAREUR-wide, effective 1 October 1984. Supporters of the initiative feel that once a service member is housed comfortably on the economy, he may opt to remain there for the remainder of his tour. ESC believes that the 1-year initiative should help make more economy housing

available by making the US military family a more attractive tenant; the initiative should also help stabilize those economy assets already on the HRO lists.

c. Mobile homes. In CONUS, a number of initiatives are underway or being studied that would increase the number of military families now housed in mobile homes. In USAREUR, an entrepreneur has expressed interest in developing mobile home parks in the FRG; he expects his primary tenants will be US military families. USAREUR is investigating whether mobile home parks are a workable way of increasing available housing assets in USAREUR.

d. Value Added Tax (VAT) relief. USAREUR is negotiating with the FRG to exempt DOD personnel living on the economy from the FRG's 14-percent VAT. This tax has been imposed since 1978 on the cost of merchandise and services, including utility services (electricity, gas, heat, sewage, and water). If the VAT were removed, there would be a potential savings of millions of dollars. Unpaid utility bills (outstanding and those defaulted on by US military personnel) are the main obstacle in the negotiation: the FRG wants the US government to be responsible for all bills incurred by US service members. Since US law prohibits the US government from being liable for private debts, legislation has been sent to Congress that would allow bad debts to be paid with appropriated funds. The government would then collect from the individual service members by garnisheeing their wages.

e. Non-tactical vehicle support. One of the major requirements in conducting HRO business is dependable, adequate vehicle support. Like US realty agents, the HRO staff must travel continually to appointments with tenants and landlords, and to preview and inspect available rental units. In the past, the HRO could draw only from a pool of irregularly available,

undependable, military administrative vehicles. Many of these were in poor repair or were overbooked; the HRO staff was never sure if transportation would be available when promised, which made it difficult to schedule and keep appointments with German landlords and realtors. Through a concentrated effort, USAREUR obtained authority to lease vehicles until enough dependable military vehicles can be provided by the MILCOM transportation officer. This initiative significantly enhanced the HRO's credibility with the local business community.

f. Support for housing referral program. USAREUR's ongoing initiatives to improve the housing program are:

(1) Informing commanders of USAREUR subordinate commands about what actions they can take when soldiers fail to pay their debts.

(2) Continuing efforts to make sure that HROs are staffed up to their authorized limits.

(3) Encouraging commanders to regularly visit the HRO to offer advice and support, and to ensure that those under their command cooperate with the HRO.

8. Observations.

a. The HRO has two main jobs: to help place incoming personnel (both military and civilian) in suitable housing, and to acquire and maintain an inventory of economy assets. However, because of the heavy demand for their services, such as placing people in housing and maintaining current listings, HROs spend fewer of their energies on searching for new assets.

(1) Generally, the HROs appear to be straining to meet day-to-day operational and reporting requirements. Not enough emphasis is, or can, be given to acquiring additional economy assets. This is a problem especially

because the typical HRO does not operate flexibly; for example, HROs do not work on Saturday, even though that is the day new rental listings appear in the local newspapers.

(2) The HROs' efforts to find additional economy assets could be perceived to conflict with the MILCOMs' desire to be provided additional government-controlled housing. If the HRO is too successful, new construction or leasing cannot be justified by the MILCOMs. To offset this apparent conflict, USAREUR's Family Housing Acquisition Plan establishes goals and objectives for economy housing.

b. The initiatives of the USAREUR Housing Management Office are helping to balance the demands on and resources available to the HRO.

(1) Non-tactical vehicle support and the mandatory 1-year occupancy initiatives have increased the HROs' abilities to gain and retain economy assets.

(2) The mobile home park concept must be tested before its potential contribution to the MILCOMs' housing assets can be evaluated.

(3) The initiatives to support the housing referral program can help offset the handicap that the debts and misconduct of junior-grade service members have placed on the HROs' efforts to acquire and maintain economy assets. It is imperative that the commanders become involved in the program. The program could also benefit by encouraging field-grade officers to live off post; this group is more financially responsible and mature, and would set a better example to the German community.

9. Conclusions. The USAREUR DCSENGR's goal is to eliminate the family housing deficit by 1990. To achieve that goal, USAREUR will have to acquire an additional 4,000 to 5,000 economy units (based on having at least 30

percent of the new assets coming from the economy). There are several factors that will adversely affect the achievement of that goal. They include the inability of the HRO to perform its mission (i.e., inadequate transportation and staff), the desire of commanders (and service members) to live in government-controlled housing, and the loss of economy housing due to the bad image created by some service members. However, there are also several factors that will contribute strongly toward the activity of that goal. They include the Rent-Plus program, the strong US dollar, the mandatory 1-year occupancy policy, increased emphasis and support for the housing referral program, and other possible initiatives such as mobile home parks and VAT relief. In total, the positive aspects seem to outweigh the negative aspects. On a theater-wide basis, the goal appears to be achievable, especially since USAREUR acquired about 13,000 new economy assets in only a 2-year period (April 1982 to September 1984).

III. NEW CONSTRUCTION

10. Background. In 1984, for the first time, Congress authorized the construction of new on-post family housing in USAREUR. The majority of the existing units had been built for the US forces by the German government in the early 1950s. With an inventory of 41,376 units, USAREUR's on-post family housing represents nearly 30 percent of the Army's worldwide inventory. Unfortunately, age, high occupant turnover, and inadequate maintenance funding have taken their toll on these housing units.

a. The typical USAREUR family housing unit is located in a three-story, concrete and masonry apartment building. Most buildings have 12 to 24 units each; six units share a common stairwell, hence the expression "stairwell living." Stairwell apartments account for 95 percent of the government's on-post housing units in USAREUR and are home to about 130,000 residents.

b. Studies by the US Army Research Institute field unit in USAREUR show that families widely regard on-post apartment family housing as unsatisfactory and that stairwell living is a source of much dissatisfaction during a USAREUR tour of duty. Compared to families housed in on-post duplex units, those who live in stairwells felt they were "...more dissatisfied and unhappy, lacking privacy and control over their lives, experiencing a higher level of subjective stress, making 60 percent more trips to the hospital/dispensary, finding friends in USAREUR less supportive than in the US, less satisfied with the time they spend with their spouses. They also reported seeing more alcohol and drug abuse, marital problems, child abuse, boredom, and isolation in their housing areas."¹

¹Department of the Army, US Army, Europe and Seventh Army, Headquarters, Commander in Chief, Family Housing Facilities in United States Army, Europe, Special Report, Washington D. C., Undated.

11. Status. On 21 September 1984, the US Army Engineer Division, Europe (EUD), awarded a contract under the FY 84 program to construct 153 Army family housing units at Wildflecken, FRG. This is the first in a series of new construction projects supported by Congressional appropriations. A total of 771 and 292 units for USAREUR were authorized in FY 84 and FY 85, respectively. The current USAREUR new construction program for Army family housing (Figure C-2) includes plans to construct an additional 1,832 units between FY 86 and FY 89. This construction will take place in 14 separate communities. Whether this additional housing actually gets built depends on Congressional authorization and appropriations.

a. The Wildflecken contract, valued at \$8,356,809, was awarded to the firm Phillip Holzmann of Frankfurt. This price included all facilities associated with a complete development, such as roads, sewers, playgrounds, and landscaping. The project is designed to provide family housing for junior non-commissioned officers.

(1) In authorizing the project, Congress required that 90 percent of all new military family housing built overseas be US-manufactured units. As a result, the buildings will be manufactured by a US firm in Texas. The combined value of this subcontract, plus the transportation costs of shipping the units by US-flag vessels, is about half of the total contract amount.

(2) In the Wildflecken project, the USAREUR Housing Management Branch has abandoned the traditional stairwell design. Instead, the buildings will be two-story structures with four two-bedroom apartments per building. Carports with storage rooms will be attached to the buildings. The primary material used in the building system will be Fiberglas reinforced gypsum. The material will be sprayed into molds, then bonded to galvanized steel frames to

FAMILY HOUSING NEW CONSTRUCTION PROGRAM IN HOUSING UNITS
(FY 84 Through FY 89)

Location	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
Babenhausen		106				
Bad Nauheim						140*
Butzbach						160*
Darmstadt					40	
Dexheim	100					
Frankfurt	200					
Giessen						200*
Mainz		186			20	
Wildflecken	<u>153</u>	<u> </u>			<u>24</u>	<u> </u>
V Corps Total	453	292			84	500
Bamberg			106			
Crailsheim				40		
Erlangen					140	
Kitzingen	103					
Schweinfurt	<u> </u>		<u> </u>	<u>90</u>	<u> </u>	
VII Corps Total	103		106	130	140	
Bayreuth	13					
Vilseck	<u>100</u>		<u>370</u>	<u>224</u>	<u>188</u>	
7th ATC Total	113		370	224	188	
Livorno	100			90		
Vicenza	<u>2</u>			<u> </u>		
SETAF Total	102			90		
USAREUR Total	771	292	476	444	412	500

*Requires acquisition of land from FRG for construction site.

Figure C-2

form prefabricated panels. The resulting unitized panel is stronger than conventional drywall on 2x4 studs. In addition to its strength, the panels have other advantages: they are waterproof; they can be washed and painted; they resist cracking and chipping; and are easy to repair. Fiberglas reinforced gypsum is non-toxic, fireproof, insect-proof, and resistant to most species of mold and fungus. The material is relatively dense and heavy, giving it excellent sound-deadening and insulation qualities.

b. The type of building, layout, and construction methods may change radically for the remaining projects in the FY 84/FY 85 program. However, the units will be selected from plans compatible with the FRG climate and building styles, and are expected to be composed of two- and three-bedroom quarters built in a duplex, quadplex, or a townhouse configuration.

12. Problems.

a. To qualify for Army Family Housing Construction (AFHC), an installation must have a programmable deficit at the 80-percent level and suitable land in sufficient quantity that is available for family housing. In addition, host-nation approval is required. Although the potential exists for problems in each of these qualifying areas, the major problem so far is acquiring suitable project sites:

(1) Kitzingen (103 units). Land on government property was available, but the local populace opposed the project and prevented USAREUR from building on the proposed government-controlled site. Resiting was necessary at a site provided to the FRG by the citizens of Kitzingen.

(2) Wildflecken (153 units). Land was available, but was on a slope which resulted in higher-than-anticipated site preparation costs.

(3) Frankfurt (200 units). This project has received local opposition, which is causing delays in obtaining land transfer and FRG approval.

(4) Babenhausen (106 units). Part of the housing site was at the end of an airfield runway. On 12 July 1984, EUD received a design directive from OCE to develop an alternate site design.

(5) Bayreuth (13 units). A waiver to build within the safety zone of an ammunition storage area could not be obtained. The project had to be resited about 200 meters away.

b. The FRG and other host nations do not automatically accept the use of US-manufactured housing. They have accepted the current program, but the message is clear that future programs must be negotiated. The success of the pilot project will surely influence future new construction efforts.

c. The justification requirements for new construction are complex. The basic document used to justify a community's needs is the annual FHS, but projects also must be justified when submitted to Congress, when final design starts, and again when the construction contract is awarded. Several different FHS years are involved; this can cause problems.

13. Initiatives.

a. The maintenance, repair, and improvements (MRI) and deferred maintenance and repair (DMAR) programs.

(1) The MRI program. In addition to their new construction program, USAREUR has initiated a program to renovate much of the current on-post inventory. The program's goal is to systematically extend the useful life of existing on-post housing units while minimizing disruptions to family life. The first priority is to ensure that buildings are sound; i.e., that

roof, stucco, plaster, and foundations are in good repair. The second priority is to upgrade inadequate and deteriorated utility systems to meet modern health and safety standards. Kitchens and bathrooms will be renovated. Over the next 10 years, the MRI program will provide whole-house renewal to most of the USAREUR family housing units that were built in the 1950s. There are 422 units under contract from the FY 83 pilot program and 1,577 units under contract from the FY 84 program. This program and other renovation programs will affect every community in USAREUR.

(2) The DMAR program. DMAR is work that should have been performed in the past, but was not done due to lack of funds. USAREUR's 1984 family housing DMAR is about \$384 million. The Army's goal is to reduce DMAR to one-half of the annual cost of ownership by the end of FY 88. USAREUR has developed a plan to reach this goal and, if the past 2 years are indicative, Congress will provide the necessary funds.

b. The Energy Conservation and Improvement Program (ECIP). ECIP is a program that makes facilities more energy efficient. Typical projects involve upgrading existing facilities by consolidating the heating plant, district heating connections, heating line insulation, energy control systems, and building insulation. USAREUR's family housing ECIP projects are submitted to HQDA for consideration in future-year MCA programs. There they compete Army-wide on the basis of a savings-to-investment ratio. Since FY 81, when the program was initiated, USAREUR has submitted more than \$98 million in family housing ECIP projects. Forty-two projects, costing more than \$66 million, have been submitted for programming in FY 85 and beyond.

c. Attic conversions. This is an initiative of the USAREUR Housing Management Branch known as "Development of Quarters for the Young Married."

ANNEX D

THE GENERATION OF NEW REQUIREMENTS

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1. Purpose. This annex describes the influences which affect, or could affect, the generation of new requirements for family housing in USAREUR.

2. Scope. The USAREUR family housing program was evaluated in light of ongoing and proposed improvement initiatives to identify those areas where problems are likely to persist (or appear) in the future.

3. Background.

a. The gross requirement for USAREUR family housing is defined as the number of USAREUR service members who are eligible to draw BAQ at the with-dependent rate and who also are eligible for government-controlled

ANNEX D

THE GENERATION OF NEW REQUIREMENTS

d. The leasing improvement initiatives have caused much turbulence throughout the leasing system. Allocations were withdrawn from the communities and a 6-month moratorium on lease allocations was set while the economic analysis process was being standardized. In addition, a high personnel turnover rate is expected as a result of the REA reorganization. Any further actions which create additional turbulence could probably not help the program much.

21. Conclusions. USAREUR currently leases 10,873 family housing units. Historically, USAREUR's leasing program has been the only method to acquire additional government-controlled assets. Concerned over the high costs of recent BTL programs, Congress has expressed its intention of not approving any lease that proves to be an economic disadvantage to new construction. This attitude was reflected by Congressional funding of new construction for Army family housing in FY 84. The role of leasing is therefore evolving. Long-term BTL agreements will be used primarily when new construction is not feasible and short-term leases of existing facilities will be used to supplement private leases. Between now and 1990, an additional 6,288 leased units are planned. The success of this program will depend on the planners' abilities to recognize the appropriateness of long-term versus short-term leases and the availability of these assets in the German market. Recent initiatives by the USAREUR DCSNGR have the leasing program on track. Additional fixes are not necessary at this time.

adopted the Army's economic analysis as a guide). The guidance to achieve the necessary standardization has been developed and implemented by OCE.

20. Observations. The leasing program has suffered with serious problems, but has received a great deal of attention in the past year. No single improvement initiative is a cure; however, when all the initiatives are taken collectively, they appear to be helping make the program more credible and should expedite execution of the leasing authority.

a. Government leasing of existing facilities is not necessarily faster than BTL arrangements because of the political considerations required in obtaining such leases, but it does offer several advantages over BTL programs. First, many of the execution problems that plague the BTL program are avoided (e.g., obtaining land options and financing). Second, short-term leases (1 to 5 years) can be used to give the housing manager nearly the same flexibility as private leases. The leasing market in which the government must compete may be congested. However, opportunities do exist. USAREUR should be both creative and aggressive in the pursuit of this alternative.

b. The BTL program requires intense negotiation followed by the appropriate construction period. Often taking 3 to 4 years to execute, it is not a short-term fix. Since the contractor amortizes the project cost plus interest over the term of the lease, short-term leases can be considerably less cost effective in selected sites than long-term leases under the BTL concept. Rather, 20-year leases should be considered.

c. Both the buy-out option and lease/purchase lead to eventual ownership of leased assets. Of the two, ESC feels the lease/purchase shows the most promise since rental payments are used to amortize the cost of the building. In some locations, this "installment-purchase" agreement may be more cost effective than traditional BTL agreements or military construction.

f. Standard buy-out options. To satisfy Congressional mandates, USAREUR, in conjunction with the Air Force, has developed a standard buy-out option to be included in BTL contracts.

(1) As proposed, this option would provide for the US to purchase the building and for the FRG to purchase the land, if the US forces determine this would be to their advantage. The purchase price approximates the predicted fair market value of the property at the time the option is exercised--rent payments are NOT applied to the purchase price. The standard option was sent to EUD for evaluation. USAREUR is now responding to EUD's comments. The test site for this proposal will be Geissen.

(2) USAREUR recently asked the FRG to comment on the inclusion of a buy-out option in BTL contracts. The FRG's initial response to this proposal is favorable in principle, but they have objected to the requirement that the FRG fund the land purchase at the discretion of the US forces. The FRG position is that the US should pay for the land if the option is exercised. Further discussion of this issue will be pursued by USAREUR.

g. Consistent methodology for overseas family housing leasing economic analyses. The House Appropriations Military Construction Subcommittee has asked for more consistency among the economic analyses the services prepare to support their family housing lease proposals. Although the general procedures used by each service are similar, each applies factors such as inflation, rent escalation, exchange rates, and economic life differently. Therefore, the results of the analyses appear to be based on dissimilar methodologies. Because the general procedures used by the services are similar, agreement on a standardized set of assumptions was achieved without altering, to any major extent, the procedures for producing an economic analysis (OSD

authorizing the use of rental appropriations to finance a construction project. As DOD would not support this initiative during the current session of Congress, it was necessary to drop the proposal for Vilseck and use alternate methods to satisfy a critical housing need. The initiative has been placed on hold until USAREUR can be assured of DOD support. At this time, another suitable location would have to be identified for the initial project.

d. Twenty-year lease. USAREUR is pursuing another innovative solution to the family housing problem in Europe by requesting the DA to request legislation to allow 20-year leases.

(1) Many rural locations have no housing market except US forces. It is extremely difficult to get entrepreneurs to construct BTL housing in those areas, since there is no market for the units should the US forces leave the area. Consequently, to reduce this risk, the entrepreneur wants to amortize his investment during the initial lease term, which is currently limited by statute to 10 years. This, of course, makes such leasing expensive to the government.

(2) The proposed amendment to Title 10, United States Code, Section 2828(d), would authorize the Secretary of Defense to lease for a period up to 20 years no more than 10 percent of the authorized leases in a foreign country. This would enable USAREUR, in selected cases, to offer reduced risks to entrepreneurs and obtain lower leasing rates than provided by the present 10-year restriction.

e. Outside capital. Concerned with the problems of attracting entrepreneurs, USAREUR continues to try to attract investors outside of the FRG. According to the ODCSENGR Chief of Real Estate, sources such as American Express are showing an interest.

(3) Have the ADCSENGR visit REA field offices.

(4) Follow up UMCs who are holding an action.

(5) Have USAREUR meet with the FRG Finance Ministry.

(6) Reduce administrative requirements for appraisals and legal reviews.

- (7) Pursue automation support to the REA.
- (8) Send monthly status reports to each UMC and MILCOM.
- (9) Standardize lease documents.
- (10) Develop lease-purchase arrangements.

b. BTL study. At the request of USAREUR, OCE studied ways to accelerate the BTL program in the FRG. The results of that study are given in a report which discusses problems associated with USAREUR's lease program and makes a sound case for intensive program management.² This study was instrumental in the creation of a Project Manager for Acquisition and the realignment of the REA. The study contained 22 specific recommendations, all of which are in various stages of implementation.

c. BTL/purchase. Under this concept, USAREUR would enter into a 10-year BTL agreement, whereby the project cost plus interest would be amortized over 10 years. At the end of the period, payments would stop and the FRG would own the property. A model BTL/purchase program was developed by Bau-Grundstueck, a company about 90 percent owned by the FRG. Discussions with the Ministry of Finance were based on using Vilseck as a pilot project for 100 units on FRG-owned land. A follow-on test project in an urban area with private land was also considered. This initiative would require legislation

²Department of the Army, US Army Corps of Engineers, Directorate of Real Estate, Report on the Build-To-Lease Family Housing Program in Germany, Prepared for USAREUR DCSSENGR, Washington, D. C., 29 June 1984.

b. In the past, USAREUR has suspended action or withdrawn from projects even though land and financing were available because the allocation was no longer available, or a new commander introduced a different policy which stressed alternative solutions to the deficit problem. This has damaged USAREUR's credibility in the FRG housing market. The GAO is currently drafting a report which evaluates DOD's BLT program.

19. Initiatives. The vagaries of USAREUR's leasing program have attracted a great deal of attention, especially from Congress. And with Congressional scrutiny comes auditors, watchdogs, and the illumination--or sometimes magnification--of problems. As a result, USAREUR has taken the following steps to correct the program's current deficiencies:

a. Steps to improve program execution. USAREUR has initiated several actions aimed at expediting and generally improving the execution of the leasing program. Factors beyond USAREUR's control, such as land availability, financial backing, and zoning, are regularly addressed at meetings with the FRG in Bonn. Factors which are under USAREUR control have been improved through policy changes and management initiatives. For example, because of the problems with lease allocation management, USAREUR recently withdrew all lease allocations from the UMCs. Allocations now are centrally managed by the USAREUR Housing Management Office. IPRs between USAREUR and UMCs have been instituted with great success. There is also a new policy which prohibits UMCs from turning down BTL proposals without USAREUR approval. Other initiatives cited in an April 1984 memo by the ODCSENGR are:

- (1) Expedite Title 10 clearances.
- (2) Conduct joint reviews between the ODCSENGR and the US Army Real Estate Agency, Europe (REA) periodically.

BUILD-TO-LEASE PROCEDURE

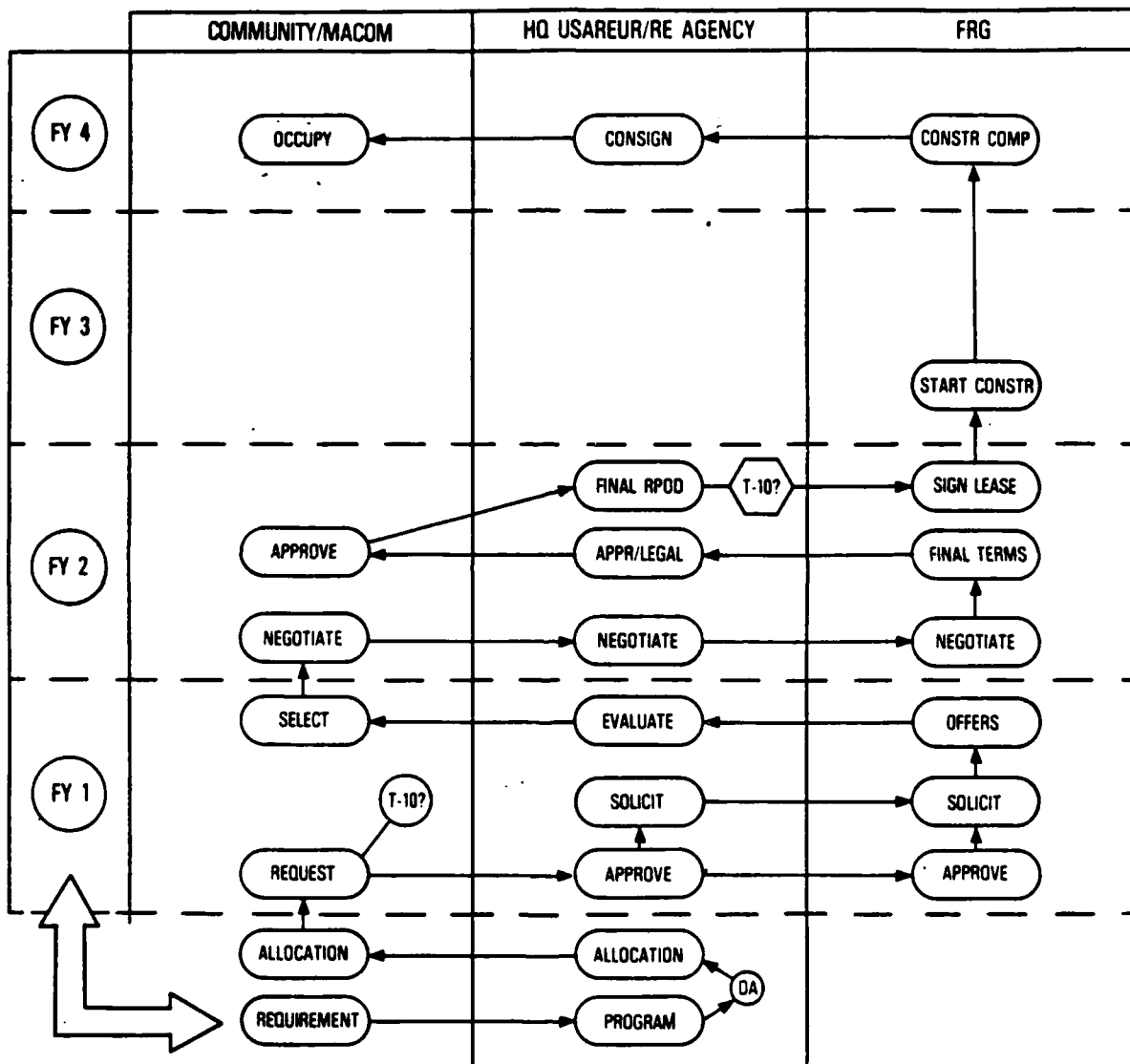


Figure C-3

18. Problems. Execution of the existing authority is the leasing program's biggest problem. Housing managers estimate that there is only a 50-percent chance of a BTL offer ever becoming reality. This is caused, in part, by lengthy and cumbersome procedures (see Figure C-3). Overall, USAREUR's leasing program has a shortfall of more than 6,000 units, a fact which has drawn sharp criticism from Congress, the AAA, and GAO, and is a cause of concern to managers at all levels of command in USAREUR.

a. Execution problems beyond USAREUR's control which plague the program are: land shortages, difficulties in getting financial backing, and restrictive zoning. All are inherent to the FRG. Entrepreneurs rely on the Bauherrmodell, an FRG tax incentive program, to attract capital for BTL projects. The law requires that 80 percent of the units be sold before construction begins. The investor usually realizes his complete tax advantage between 7 and 10 years after the project is completed. Under the Bauherrmodell, securing financial support for BTL projects is often difficult and time-consuming. In addition, the control and zoning of land is very political--property zoned for commercial use increases significantly in value. However, many land parcels have antiquated sewer and water systems which make them unsuitable for high-density residential complexes. A review of BTL projects lost in the negotiation process showed that the typical project is lost because of one or more of the following: the proponent could not close on a land option; the proponent cancelled due to financial reconsideration; the rezoning request was disapproved by the local government; the proponent could not obtain financing; the proponent could not sell the units; or the project was dropped when faced with opposition from local citizens.

Then, in 1983, the services were directed to conduct economic analyses of alternatives for all new lease proposals involving 10 units or more; the committee said it would not approve any new leases where the cost of leasing would exceed the cost of military construction.

c. Section 2828 of Title 10, United States Code, says that leases may not exceed 10 years and that the annual cost of rent, utilities, maintenance, and operations cannot exceed \$16,800 per unit. (The Secretary of the Army can waive this requirement for up to 200 units.) The law also requires the services to notify the appropriate Congressional committees in writing 21 days before entering into any lease agreements written in excess of an estimated annual cost of \$250,000.

17. Status. The ending FY 84 leased housing inventory was 10,873 units, or roughly 12 percent of USAREUR's current housing requirement. If all the new assets scheduled to be acquired in the next 2 years actually enter the inventory, USAREUR will be leasing a total 11,732 units at the end of FY 85, and 13,545 units at the end of FY 86.

a. USAREUR is actually authorized to lease 16,445 units. DA has also sanctioned over-solicitation by 1,000 units--a safety net which should offset any lease proposals or negotiations which are not completed or which fall through. And USAREUR has asked permission to augment its leasing authority even more; between FY 86 and FY 89, USAREUR would like an authorization increase of approximately 1,750 units.

b. USAREUR exceeded its FY 84 goal of 10,541 units by 332 units. Status reports at the end of FY 84 show 1,653 BTL units covered by contract and letters of intent on file for 1,486 more. There are also 1,402 units in negotiation, and 1,588 units in either solicitation or on hold. Thus, the total units acquired or in some stage of execution are 17,002.

IV. GOVERNMENT LEASING

16. Background. Congress has traditionally supported the use of government leasing as the primary method of addressing the overseas housing deficit. Although leasing was justified based on the argument that the government could obtain lower leasing rates than could individual service members renting on their own, the program was rooted in a US reluctance to commit to permanent construction, particularly in Europe. The program initially focused on leasing existing economy housing. However, since the existing economy assets alone could not satisfy the deficit, the program evolved into a build-to-lease (BTL) concept.

a. The House Appropriations Military Construction Subcommittee's FY 74 report gave particular support to the use of BTL, citing a GAO study which concluded that BTL was a cheaper method of obtaining housing in foreign areas. In the BTL concept, the FRG, acting on behalf of the US forces, signs a contractual agreement with a private entrepreneur to construct to US specifications family housing units which will, when they are complete, be available to the US forces on a firm term-rental basis. To limit the lessor's financial risk, the rent costs and the lease period are often structured to allow the lessor to recoup all or a substantial portion of the project's cost. A BTL project normally takes from 3 to 4 years from inception to completion, including construction.

b. In recent years, Congress has been skeptical of the high costs of leasing, noting that in some cases the costs to the government over a 10-year period were approaching those of new construction. In 1982, the House Committee on Appropriations directed the services to include buy-out options in all new lease agreements where the annual per-unit cost would exceed \$12,000.

b. USAREUR's MRI, ECIP, and Attic Conversion programs are essential to assure the military family's quality of life and to help reduce the deficit. Each will cause some turbulence--e.g., units being renovated must be emptied and the residents temporarily relocated. USAREUR should make every effort to minimize the impact these programs will have on the military family. Occupants should be informed well in advance of the planned renovations and housing managers must plan to provide them alternate housing.

15. Conclusion. USAREUR has 41,376 on-post family housing units and plans to increase this capacity to 45,315 with the construction of 3,939 new housing units. However, this program has potential stumbling blocks (i.e., host-nation approval of US-constructed units, the availability of land, and future Congressional funding). Of these 3,939 additional units, USAREUR has programmed attic conversions to provide 1,092 housing units for the young married. Since these units are included within already owned government housing, this program's prospect of success is much higher. The MRI and DMAR programs are long overdue initiatives. They will eventually improve the desirability of the antiquated on-post housing. However, the program will also create the loss of some of the existing units while renovation takes place. In summary, there will be an overall improvement in USAREUR's on-post family housing, but the prospects of rapid growth are low.

A pilot program has been developed to convert unused (or little used) attic space into desirable two-bedroom quarters, suitable for small families. USAREUR has been successful in getting the pilot program in the FY 86 budget submission. Attic conversions will be programmed and funded as part of the Army family housing new construction program.

(1) The program is cost-effective and the units meet all adequacy and safety requirements. To increase the attractiveness of these fourth-floor quarters, skylights, interior balconies, and washers and dryers are included in each apartment.

(2) The initial program for FY 86 consists of 138 units located at Butzbuch, Erlangen, Goepfingen, Mannheim, and Schwaebisch Gmuend. The program will also be used to upgrade existing attic temporary quarters into adequate permanent units. In all, 1,781 units are scheduled (FY 86 to FY 90) for conversion. A total of 689 units will be upgraded and 1,092 units will be added to USAREUR's housing inventory with this program.

14. Observations. USAREUR's current on-post family housing inventory cannot meet the expectations and needs of the arriving service member, either in quality or quantity. In the past several years, USAREUR has initiated efforts to correct these deficiencies. Congress is now supportive. Unfortunately, years of neglect cannot be erased overnight.

a. The construction program injects new life into the ailing family housing program. Congress seems willing to demonstrate its commitment to taking care of soldiers and their families. Continued Congressional support will depend on USAREUR's ability to demonstrate sound program planning. Communities must ensure that suitable construction sites are available before receiving the appropriation.

quarters. A small number of key and essential civilians is included in this figure. The effective requirement is computed by subtracting from the gross requirement the number of eligible service members who are voluntarily separated.

b. Although the definition of the family housing requirement implies a degree of specificity, it is actually derived from statistical estimates taken from FHS data. No single data base exists for accurately estimating the gross requirement. According to the 1984 FHS (which was done in October 1983), USAREUR's gross requirement is about 98,000 families. The 1984 FHS also estimates the number of voluntarily separated service members at about 15,000. Thus, USAREUR's effective requirement is about 83,000 service members.

4. Method. The analysis described in this annex was based on a literature search of regulations, policy documents, studies, memoranda, and similar material pertaining to family housing in USAREUR. Interviews were also conducted with key OSD, DA, and USAREUR managers. ESC visited selected UMCs and MILCOMs in the FRG and surveyed all MILCOM housing managers; that survey is described in Annex E.

5. Eligibility for Government-Controlled Family Housing.

a. Until recently, only service members of paygrade E4 and above with more than 2 years service and who were on a command-sponsored tour have been eligible to reside in government-controlled family housing. Service members of paygrades E1, E2, and E3, and E4s with fewer than 2 years service were classified "ineligibles" and assigned a lower priority for family housing.

b. In a December 1984 letter, the Deputy Assistant Secretary of Defense (Installations) changed the criteria for assigning and programming

for government-controlled family housing. The major points of the letter were:

(1) Discontinue the term "ineligible" and refer, instead, to "E3s and below."

(2) Give all E4s the same priority for assignments to family housing.

(3) Give all enlisted personnel equal priority to assignment to substandard housing and assign officers and civilians only after the enlisted waiting list has been exhausted.

(4) Include E3s and below in future requirements for military family housing construction and acquisition.

c. The implication of dropping the term "ineligible" is that any service member electing a 36-month accompanied tour and receiving command sponsorship for his dependents is eligible for government-controlled family housing. Whether he actually receives government-controlled housing will depend on his priority on the waiting list. Priority groups are established by AR 210-50. Currently, E3s and below are in family housing priority group five. Because the government-controlled family housing in USAREUR is usually full long before priority five is reached, extending eligibility to these paygrades without changing their priority will have little effect.

d. Impact of policy change. Figure D-1 shows the number of families living in USAREUR who fall into formerly "ineligible" groups.

(1) There are an estimated 9,600 command-sponsored families of E4s with fewer than 2 years service who can now compete for government-controlled housing with the same priority as higher paygrades.

(2) Since the E3s and below have a low priority for family housing, their change in status will have no immediate impact on the USAREUR

family housing program. But since USAREUR can now program for this group, the long-range deficit should be increased by about 2,300. This is the number of service members in that group that are currently command-sponsored.

FORMERLY "INELIGIBLE" FOR HOUSING

	Sponsored	
	Command	Non-command
E4s with fewer than 2 years service	9,600	4,200
E3s and below	<u>2,300</u>	<u>500</u>
Total	11,900	4,700

SOURCE: USAREUR Personnel Opinion Survey--1983 (UPOS-83).

Figure D-1

(3) The policy change will create a demand for government-controlled housing that is about the same as that generated by the 11,900 service members that are now command-sponsored. Since all E4s have always been included in USAREUR's statements of the deficit, the policy change should increase the USAREUR deficit by only the 2,300 E3s and below. It seems unlikely that the lure of eligibility for family housing will entice a significant number of additional requests for command sponsorship.

6. Demographics. USAREUR's overall troop strength is limited (by Congressional mandate, OSD ceiling, and Program Budget Guidance) to approximately 199,000. (The total of all Army forces in Europe, including non-USAREUR units, is capped at about 217,000.) It may appear that requirements for family housing cannot change substantially without a corresponding change in this ceiling. This perception is incorrect. Demographics alone can cause significant swings or trends in USAREUR's family housing requirement.

a. Today's Active Army has about 780,000 soldiers: 13 percent are officers and 87 percent are enlisted. These service members have over one million family members: roughly 60 percent are children, 35 percent are spouses, and 5 percent are dependent parents and others. Overall, over 50 percent of the Army's active duty force is married. Over three-fourths of all officers and career soldiers are married, while only about one-fourth of first-term enlistees are married. Significant, too, is the increase in non-traditional families such as soldiers married to other soldiers, single parents, and soldiers with elderly dependents. In sum, more soldiers today than in past years have families, particularly in the lower ranks and among the younger soldiers.

b. USAREUR's demographic trends generally follow those of the total Army. USAREUR strength is about 10 percent officer and 90 percent enlisted. According to the UPOS-83, 56.3 percent of the force is married. This 's a more than 7-percentage point increase in the marriage rate over the rate of 48.6 percent reported in the UPOS-80. There are roughly 170,000 family members in USAREUR.

c. Although the troop ceiling is continually monitored, USAREUR's overall assigned strength has fluctuated by as much as 5 percent. However, individual fluctuations in the assigned strength between individual paygrades of junior enlisted and non-commissioned officers has been greater than 5 percent. For example, the E3 through E1 population in USAREUR has dropped from about 60,000 in 1981 to about 47,000 in 1984, while the overall enlisted population decreased by only 6,000 during the same period. This suggests that a greater percentage of the service members now living in USAREUR are more senior in grade and therefore are more likely to be married.

d. Marital factors (the number of service members with families versus the troop strength) play an important role in calculating family housing requirements. Even though there has been a significant upward trend in this factor in the past few years, the FHS lessens the significance by averaging the marriage factors for the current year and the two preceding years. This could lead to serious errors in computing projected requirements.

e. The changes in the demographics of the USAREUR troop population, combined with an increase in the number of service members desiring to bring family members to USAREUR, can create changes in family housing requirements amounting to several thousand units.

7. Force Modernization.

a. Force modernization is the integration of the Army's concept of operation, the AirLand Battle, with its equipment and manpower. More than 400 new materiel systems are involved as are many new organizational structures.

b. In USAREUR, the force structure is in a state of transition. Many units have transitioned from the H-series TOE to the J-series TOE. The J-series TOE supports the Division 86/Army 90 and the AOE studies which integrate the new equipment with new force designs.

(1) This force restructuring causes significant population fluctuations. For example, the troop population of an armored division organized under the H-series (level 1) TOE was over 20,000. The troop strength of a USAREUR armored division organized under the J-series TOE is 19,450. Furthermore, the AOE study¹ has recommended additional division restructuring to reduce the overall strength to 16,500 by reducing robustness and redundancy,

¹Department of the Army, US Army Training and Doctrine Command, Combined Arms Combat Development Activity, FC 100-1, The Army of Excellence, Fort Leavenworth, Kansas, 1 September 1984.

consolidating unique weapon systems or functions to corps level or above, and reorganizing the support structure. Such fluctuations play havoc with family housing planning.

(2) In addition to causing fluctuations in the overall strength of units, force modernization has changed the demographics of the enlisted grade structures. The adoption of modern, more complex equipment by Army units is creating a need for personnel that are both more experienced and more technically knowledgeable. This, in turn, demands a more senior force, and older soldiers are more likely to be married or have dependents.

c. Two recent decisions indicate the Army's increasing sensitivity to the affect force modernization can have on the personal lives of soldiers and their families.

(1) The Chief of Staff of the Army recently directed that family housing be the pacing factor used in assigning personnel to the new light infantry division at Fort Drum, New York.

(2) The CINCUSAREUR ordered that the necessary stationing of five battalions at Vilseck be done incrementally because not enough housing and other quality of life facilities are in place to accommodate this planned influx.

8. Stationing.

a. Stationing in USAREUR involves unit activations, force structure increases, unit redesignations, and unit moves. Force modernization initiatives will cause many USAREUR units to be restationed so they can maintain readiness, allow for sustainment, fully utilize real property assets, and minimize the need for military construction. Because of the troop strength ceiling, unit restationing itself does not generate higher overall

requirements for family housing in USAREUR. However, restationing does affect local requirements. For example, the MILCOM of Vilseck will increase from its current military strength of about 700 to more than 3,500 by 1990.

b. Family housing requirements are affected not only by changes in the local population, but by changes in the type of units that are stationed in a community. For example, several combat aviation battalions and maintenance units will be stationed in the subcommunity of Illesheim by 1990. To make way for them, several combat battalions and other units will relocate. Although the subcommunity will lose about 680 personnel, the corresponding decrease in the demand for family housing will not be as great because aviation and maintenance units typically have more married soldiers than other units.

c. USAREUR stationing planning is done using two interrelated computer systems: the Vertical Force Accounting System (VFAS) and the Stationing Program (STATPRO). These two systems, in turn, generate changes in a third system, the Community Demographic Profile (CDP).

(1) The VFAS is a military manpower database which projects unit authorized strengths and stationing for 7 years (i.e., for the current year, the budget year, and the 5-year program). The VFAS is developed from HQDA's Force Accounting System (FAS), but is revised to reflect the USAREUR Command Plan and other HQDA guidance. As such, VFAS reflects force modernization initiatives and troop strength ceilings. The VFAS is officially given to the UMCs twice a year (February and August). Units are described by Unit Identification Codes (UICs) and located by city name (e.g., Frankfurt, Wuerzburg, Augsburg). VFAS data fields cannot be modified because they must be able to interface with and update the FAS.

(2) The CDP is a database which projects the authorized strength of a MILCOM. It includes a military module derived from VFAS, a civilian module (US-direct-hire), and a module for civilian service agencies. Strengths for non-USAREUR units are calculated separately. The CDP is produced semi-annually (in May and September) and is based on the data reported in the February and August VFAS. Organizations are described by UIC, authorized strength, and station name (e.g., Drake Barracks, Leighton Barracks, Flak Kaserne). The CDP covers the same 7 years as the VFAS, and all stationing actions that have received concept approval are included in the database. The CDP is a CONFIDENTIAL document.

(3) The STATPRO is a database of projected moves, activations, deactivations, and redesignations in a community. It is used to update the CDP and projects stationing actions out to 10 years. The database is derived from UMC input using the command plan, but it also may contain additional information on planned moves provided by USAREUR HO. Units are designated by UIC and are located by Army Location Code (ARLOC) (e.g., GE17K, GE50F, GE26L). The STATPRO is published twice a year as a SECRET document.

d. The CDP is the source of the population figures USAREUR uses to plan, program, and budget family housing. Housing managers, however, have indicated they think the CDP's population figures are unreliable. Also, the UMCs must supplement the CDP by further describing each unit's specific authorized strength and location; the locations (or station names) are not necessarily the same as the ones listed in the VFAS (city name) or the STATPRO (ARLOC). For example, there are over 700 ARLOC codes for installations in the FRG. The CDP uses about 340 station names and the VFAS uses considerably fewer city names.

e. The timeliness of the CDP population figures is also a major concern among housing managers. For example, the FY 84 FHS, executed in October 1983, used values from the May 1983 CDP. That CDP used the February 1983 VFAS as its baseline for the USAREUR force. By October 1983, a new STATPRO and VFAS were published that superseded the CDP data. Since station planning is dynamic, there is little doubt why housing managers question CDP population figures. The February 1985 USAREUR Family Housing Acquisition Plan is based on the 1984 FHS; therefore, this plan is generated from a USAREUR force baseline that is 2 years old. Moreover, housing managers complain that access to the classified CDP and STATPRO documents is too restricted.

f. USAREUR HQ is aware of the inconsistencies in the VFAS, STATPRO, and CDP. A review was conducted in October and November 1984 to evaluate USAREUR's ability to station the force. During this review, the command databases, including the CDP and STATPRO, were updated based on revised stationing plans. This revision delayed the publication of the September 1984 CDP to February 1985, however. USAREUR now plans to review the CDP and STATPRO semi-annually. Other improvements are being made: the FY 85 FHS was based on the June 1984 CDP, which integrated improvements in the unit location displays to increase their compatibility with VFAS. USAREUR also is attempting to correlate the unit location description in the STATPRO (ARLOC) with the station names in the CDP.

g. Many housing managers do not completely understand the stationing process. They are not aware of the differences between the VFAS, STATPRO, and CDP. For example, many are not aware that the STATPRO is now intentionally produced "off-cycle" in order to update the CDP.

9. New Manning System (NMS).

a. To reduce personnel turbulence, increase readiness, and allow soldiers to develop a sense of identity with their units, the Army initiated the NMS program in 1981. The NMS consists of two separate but mutually supporting subsystems: Cohesion, Operational Readiness, and Training (COHORT) and the US Army Regimental System. The Regimental System's goal is to create a unit environment which fosters a sense of belonging and identity, allowing soldiers to voluntarily affiliate with a distinguished regiment and receive recurring regimental assignments over the length of a soldier's career. The NMS is designed to have COHORT movement within the framework of the regimental system. The regimental system does not directly impact Army family housing requirements. COHORT does affect Army family housing requirements--but mainly from an operational standpoint.

b. There are two COHORT programs in USAREUR:

(1) Company COHORT (unit replacement system) consists of combat arms companies and batteries that are formed for a 3-year unit life cycle. Units bound for USAREUR spend 18 months in CONUS and deploy for the remaining 18 months. At the end of the unit's life cycle, the unit is disestablished and replaced with another deploying COHORT unit. Accompanied COHORT soldiers having a 36-month individual tour obligation are reassigned to another unit within USAREUR when their COHORT unit is disestablished. Company COHORT has been in effect in USAREUR since 1982. Eighteen companies have deployed to USAREUR under this program through the end of FY 84.

(2) Battalion COHORT units (hereafter referred to as Battalion Rotation) consist of combat arms battalions that are formed for a continuous 6-year life cycle--3 years in CONUS and 3 years in USAREUR. Battalion

Rotation is based on a two-way exchange of linked battalions. Eight battalions have been designated for Battalion Rotation, four in USAREUR in June-August 1986.

c. The impact of Company COHORT on family housing differs from that of Battalion Rotation. Because accompanied personnel in Company COHORT remain in theater after the unit is disestablished, the accompanied service members of the replacing unit could effectively represent an additional requirement for the housing manager. However, USAREUR has not experienced a significant increase in housing requirements because intensive personnel management has resulted in timely reassignment of these service members to positions under the individual replacement system. In Battalion Rotation, the entire battalion redeploys to CONUS to make way for the replacing battalion. Because Battalion Rotation is virtually a one-for-one swap, it does not generate any additional housing requirement. However, it will create local operational difficulties in housing, especially for smaller communities.

d. USAREUR's NMS housing goal is to adequately house every eligible service member within 60 days of arrival, while ensuring that this housing policy is not detrimental to others. USAREUR's housing policy is the same for either Company COHORT or Battalion Rotation. That policy is:

(1) Personnel eligible for family housing will be placed on waiting lists for government housing. Their eligibility date will be set at 45 days in advance of the unit's scheduled arrival date.

(2) Personnel not receiving concurrent travel to government quarters will have priority consideration for economy housing.

(3) Service members who do not qualify for government housing, but who elect an accompanied tour, will also be housed on the economy.

(4) Key and essential personnel will be housed in government housing on a priority basis.

(5) COHORT families can remain in on-post quarters in CONUS beyond the 140-day limit if family travel is not approved. (This exception authority is granted to local commanders on a case-by-case basis.)

e. The NMS has several implications for family housing.

(1) First, from an operational viewpoint, unit deployments will cause workload peaks for in- and out-processing in the Family Housing Office as well as for other base support activities. Transient housing, assignments and terminations, furnishings, and the HRO will be fully taxed, and augmentation to the housing workforce, possibly from outside sources, will be needed.

(2) Second, the shortage of housing assets in USAREUR could preclude most eligible service members from obtaining concurrent travel. Waiting times for government quarters for junior enlisted personnel often range from 2 months to over a year. Two-bedroom government quarters for paygrades E4 through E6 are the primary problem. Some communities forecast waiting times so long that eligible service members may not even be granted deferred travel. Moreover, this situation could precipitate an increase in eligible service members opting for an "unaccompanied" tour, which would increase personnel turnover. This unaccompanied tour is especially attractive because the tour length is 18 months for NMS, rather than the normal 24 months. This could present a surge requirement for already scarce unaccompanied personnel housing.

f. Alternatives to the NMS housing policy have been proposed. They include "pro rata share," "dedicated housing," and "buddy system." Pro rata share gives the NMS units that portion of family housing that is equal to the

unit's percentage of the community population. Dedicated housing reserves a segregated portion of family housing to the NMS unit. The buddy system proposes to link NMS service members with similar housing requirements in order to "take over" quarters. This alternative also could imply a government rental guarantee while economy units are vacant. None of these alternatives appear to provide significant advantages over the current policy, especially in view of USAREUR's inclination to avoid any policy change that is potentially detrimental to others.

g. The large number of families deploying to a community at a single time may overwhelm MILCOM housing management capabilities. Also, any incoming units that overlap with outgoing units will exacerbate the housing situation. Subsequent personal hardship, inconvenience, and expense for the soldier may negate the unit bonding and cohesion sought by the NMS program. The successes of Company COHORT in-processing have been largely attributed to a well-planned reception and sponsorship program. Economy housing should be aggressively pursued by augmentation teams trained by the HROs. NMS housing policies that are detrimental to others will cause friction among soldiers under the individual replacement system, and will degrade morale.

10. Tour Lengths.

a. USAREUR is considered as an overseas long-tour area. Generally, tour lengths in USAREUR are:

(1) With dependents (officers, career service members, and first-term enlistees who elect this tour): 36 months.

(2) Without dependents (single officers and single career enlisted): 36 months.

(3) Unaccompanied (initial 3-year enlistees): 18 months.

(4) All others (including initial 4- to 6-year enlistees): 24 months.

b. The NMS is developing exceptions to these tour lengths. The "all others" tour length for unaccompanied soldiers assigned to COHORT units (including initial term soldiers) is 18 months in order to align it with both the unit replacement and unit rotation life cycle models.

c. While there has been interest in increasing incentives for soldiers to extend their overseas tour to reduce PCS costs, there are no other major initiatives underway that propose altering tour lengths. In general, lengthening a 36-month tour could potentially induce more intratheater transfers and increase the already high demand for family housing. On the other hand, shortening tours would also produce equity problems with the rest of the Army while also affecting readiness. Thus, changes in tour lengths do not appear to be a solution for alleviating the demand for family housing.

11. Summary.

a. Demographic changes and a more liberal eligibility policy will have the most immediate and wide-ranging effects on the USAREUR family housing requirement. Both will bring increases, but demographic changes will result in the greatest long-term rise in the demand for family housing. In general, the trend is for the military population in USAREUR to be made up of a greater percentage of married service members. This trend will increase the pressure on the family housing program to deliver housing and housing-related services. Changing eligibility criteria will affect the program similarly, but to a much lesser extent.

b. Force modernization and stationing proposals will generate few new family housing requirements outside of those inherent to demographic and

ANNEX F

ATTITUDE OF CONGRESS

RESPONSE TO ESC HOUSING QUESTIONNAIRE--Continued

11. What changes would you like to make to the guidance for evaluating the adequacy of economy family housing?

Changes (Number of MILCOMs)	Other Comments (Number of MILCOMs)
Change (20)	Publish an update (20)
No Change (12)	Reduce 60 minute drive time (8)
N/A (1)	Make standards very detailed (3)
	Add standards For:
	Bedroom size (3)
	Apartment Size (2)
	Apartment layout (2)
	Heating units (2)
	Proximity to public transportation (2)
	Noise and safety (1)
	Rental cost (1)
	Utilities (1)
	Make standards similar to those for leased housing (2)
	Select 3 MILCOMs to work out new standards (1)

12. Please comment on the probable impact of battalion rotation on family housing at your MILCOM.

Problems (Number of MILCOMs)	Other Comments (Number of MILCOMs)
Problem (19)	Housing workload would peak (7)
No Problem (6)	Occupancy rate lowered (7)
No Comment (8)	Cost increases for overhires, transportation, and furniture delivery (5)
	Severe government housing shortage (4)
	Loss of economy housing (4)
	Waiting lists would become confused (3)

Figure E-2

RESPONSE TO ESC HOUSING QUESTIONNAIRE--Continued

- d. Briefly explain the operating procedures used by your HROs (i.e., open referral or waiting lists). If you have more than one HRO and different methods are used, explain why.

Method (Number of HROs using this method)

Open Referral (19)
 Waiting Lists (10)
 Modified Waiting Lists (6)
 Modified Open Referral (3)

- e. In your opinion, should all USAREUR HROs use the same procedures ?

YES ... 42 percent / 14 MILCOMs

NO ... 58 percent / 19 MILCOMs

9. Please comment on the availability and adequacy of the information you need to perform a Family Housing Stationing Impact Analysis.

Adequacy (Number of MILCOMs) Other Comments (Number of MILCOMs)

Inadequate (17)	Information untimely or changes frequently (5)
Adequate (6)	Never done one (5)
No Comment or N/A (10)	Housing should be briefed on stationing changes (2)
	Inaccurate or conflicting CDP and STATPRO (3)
	Training course needed (1)
	Analysis Always Supports Commanders Decision (1)

10. What problems do you have in establishing long-range requirements for the Family Housing Requirements Survey? Address specifically the availability and adequacy of the CDP and Stationing Program (STATPRO) for your MILCOM?

Problems (Number of MILCOMs) Other Comments (Number of MILCOMs)

Problem (24)	CDP inaccurate (7)
No Problem (9)	Untimely or changes frequently (6)
	Inaccurate or conflicting CDP and STATPRO (4)
	CDP unavailable (3)
	Inaccurate JUMPS (2)
	Higher headquarters changes numbers without consulting MILCOM (2)

Figure E-2 (Continued on Next Page)

RESPONSE TO ESC HOUSING QUESTIONNAIRE--Continued

8. The following questions address operational aspects of your housing office.

a. What procedures do you now use to gauge the effectiveness of your housing organization?

Procedure (Number of MILCOMs with this response)

Customer feedback, including checklists (14)
Attend Community Council, Town Hall and other occupant meetings (6)
Monitor government FH occupancy rates (6)
Review customer complaints (5)
Conduct personal interviews with occupants (5)
Review official reports (5)
Monitor waiting times for government FH (4)
Review IG inspection reports (3)
Monitor timeliness of service to customer (3)
Monitor administrative down time (3)
Review Staff Assistance Visit reports (2)

b. What are the more significant factors which limit your ability to operate as effectively as you would like?

Factors (MILCOMs citing these factors)

Staffing levels too low (12)
Transportation (8)
Low grades in staff (6)
Excessive special reporting (6)
Office building (5)
Office equipment, telephones (4)
ADP equipment (4)
Command support (4)
Staff turnover and quality (3)

c. What are the more significant factors which contribute favorably to your current level of effectiveness?

Factors (MILCOMs citing these factors)

Dedicated staff (14)
Command support (13)
Customer feedback (4)
Increased funding (3)
Landlord feedback (2)
Dedicated transportation (2)
Rent-Plus (2)

Figure E-2 (Continued on Next Page)

RESPONSE TO ESC HOUSING QUESTIONNAIRE--Continued

6. Are there any alternatives not listed in question 5 which may warrant further consideration by the study team? Please explain.

Alternatives (Number of MILCOMs with this response)

Government should lease 1,2, or 3 economy units from private citizens (3)
O-3, W-3 and above (except Co, Bn, Bde, and MILCOM commanders) should
move off-post (1)
Contract local real estate agents to find units, government pays fee (1)
Convert temporary Family Housing to permanent Family Housing (1)
Set rent-plus rates by housing location not duty station of occupant (1)
SM evicted from economy unit through no fault of his own should receive
a free move to another economy address (1)
Train SMs and company commanders how to handle problem economy
situations, such as default (1)
Reduce the number of E3s and below in economy housing (1)
Provide AFN-TV to more locations (1)
No Response / No Comment (24)

7. If the USAREUR goal is to provide adequate family housing to a service member within 60 days, how does the number and condition of transient housing units at your MILCOM impact your ability to reach this goal? Circle one answer.

- a. No impact. (26 percent / 8 MILCOMs) .
- b. Slight impact. (16 percent / 5 MILCOMs)
- c. Significant impact. (58 percent / 18 MILCOMs)

Please explain.

Explanation (Number of MILCOMs with this response)

Insufficient inventory of Transient Quarters (16)
Summer rush is the only severe problem time (2)
SMs don't want to stay in German hotels (1)
MILCOM is in a rural location (1)
SMs accept inadequate economy housing just to get out of transient family quarters (1)
Rents rise faster than entitlements (1)

Figure E-2 (Continued on Next Page)

RESPONSE TO ESC HOUSING QUESTIONNAIRE--Continued

3. Of all the problems listed in questions 1 and 2, please indicate which should be given priority attention.

- Top Priority Ability to Recruit and Train Quality People
- 2nd Priority Availability of Government Controlled Housing
- 3rd Priority Availability of Transportation
- [4th: HRO Staffing Levels 8th: Availability of Economy Housing]
- [5th: Inadequate Guidance 9th: Lack of Local Command Emphasis]
- [6th: Transient Housing 10th: Personnel Development and Training]
- [7th: Family Housing Survey]

4. Circle the ONE statement that most accurately characterizes the overall military family housing situation at your MILCOM.

- a. There are no significant problems. (6 percent/ 2 MILCOMs)
- b. Only slight problems exist. (31 percent/ 10 MILCOMs)
- c. Although there are significant problems, steps have been initiated to correct the situation. (35 percent/ 11 MILCOMs)
- d. There are significant problems that need to be solved. (28 percent/ 9 MILCOMs)

5. There are several alternatives for acquiring additional housing assets; however, all are not applicable or practical at each community. Considering only your own MILCOM, check the column (either A or B) which best describes your situation.

[A] Would Not Produce a Significant Number of Additional Assets [percent]	Alternatives	[B] Would Produce a Significant Number of Additional Assets And Should Be Considered [percent]
<u>39</u>	MCA	<u>61</u>
<u>47</u>	Attic Conversions	<u>53</u>
<u>45</u>	Lease - Purchase	<u>55</u>
<u>42</u>	Lease with Buy-Out Option	<u>58</u>
<u>10</u>	Gov't. Leased Quarters	<u>90</u>
<u>44</u>	Private Lease	<u>56</u>

Figure E-2 (Continued on Next Page)

RESPONSE TO ESC HOUSING QUESTIONNAIRE--Continued

(Question 1 Continued)

Potential Problem Areas	No	Slight	Major
	Problem	Problem	Problem
	[Percent of Responding MILCOMS]		
j. Availability of Adequate Transient Housing	<u>32</u>	<u>16</u>	<u>52</u>
k. Ability to Recruit and Maintain Quality People	<u>6</u>	<u>36</u>	<u>58</u>
l. Ability to Perform Adequate Inspections of Economy Housing	<u>15</u>	<u>41</u>	<u>44</u>
m. Interaction with German Landlords	<u>47</u>	<u>47</u>	<u>6</u>
n. Interaction with German Government	<u>79</u>	<u>18</u>	<u>3</u>
o. Lack of Local Command Emphasis	<u>49</u>	<u>33</u>	<u>18</u>
p. Unit Stationing Changes	<u>37</u>	<u>42</u>	<u>21</u>
q. Force Modernization	<u>52</u>	<u>32</u>	<u>16</u>
r. New Manning System (Battalion Rotation if implemented)	<u>39</u>	<u>25</u>	<u>36</u>
s. Providing Services to Ineligibles, Civilians, and Others	<u>43</u>	<u>42</u>	<u>15</u>
t. Availability of Information (such as the CDP)	<u>12</u>	<u>47</u>	<u>41</u>

2. The above list of concerns may not be inclusive. Please list any additional areas that are significant problems at your MILCOM.

Significant Problems (Number of MILCOMS with this response)

Staffing and grading (6)
 Poor equipment and telephones, no ADP equipment (3)
 Too many reports and statistics needed by higher HQ (3)
 Incoming SMs are ill-informed (2)
 Lack of qualified staff (2)
 Guidance vague on Rent-plus (1), COHORT (1), and furnishings (1)
 Poor English skills of local national workforce (1)
 Irresponsible SM conduct when living on the economy (1)
 Loose control of non-availability statements (1)
 Too many exceptions to policy for officers and senior NCOs (1)
 Non-command-sponsored families get equal priority in HRO (1)
 Sponsor program is no good (1)
 1st PERSCOM's concurrent travel procedures are inadequate (1)
 No Response / No Comment (15)

Figure E-2 (Continued on Next Page)

RESPONSE TO ESC HOUSING QUESTIONNAIRE

Name _____
 MILCOM _____
 Phone _____

1. The ESC study team recognizes that many factors may influence the ability to adequately house the military family in USAREUR. In order to focus the scope of our analysis, we must establish the relative importance of these factors at the community level. By checking the appropriate column, please indicate which of the following are current problems at your MILCOM.

<u>Potential Problem Areas</u>	<u>No Problem</u>	<u>Slight Problem</u>	<u>Major Problem</u>
	[Percent of Responding MILCOMs]		
a. Availability of Government Controlled Housing	<u>16</u>	<u>42</u>	<u>42</u>
b. Availability of Adequate Economy Housing	<u>28</u>	<u>56</u>	<u>16</u>
c. Standards to Define Adequate Economy Housing	<u>31</u>	<u>47</u>	<u>22</u>
d. Family Housing Survey:			
Generating the Original Survey	<u>9</u>	<u>36</u>	<u>55</u>
Validating the Survey	<u>27</u>	<u>49</u>	<u>24</u>
Applying the Survey Results	<u>50</u>	<u>19</u>	<u>31</u>
e. HRO Staffing Levels	<u>16</u>	<u>34</u>	<u>50</u>
f. Establishing Appropriate Job Series for Housing Personnel	<u>33</u>	<u>49</u>	<u>18</u>
g. Personnel Development and Training	<u>40</u>	<u>33</u>	<u>27</u>
h. Availability of Transportation Needed to Perform Mission	<u>3</u>	<u>39</u>	<u>58</u>
i. Inadequate Guidance from:			
DA	<u>48</u>	<u>42</u>	<u>10</u>
USAREUR	<u>38</u>	<u>50</u>	<u>12</u>
MACOM	<u>34</u>	<u>47</u>	<u>19</u>

Figure E-2 (Continued on Next Page)

b. In pairwise tests between UMCs,* the VII Corps MILCOMs had significantly fewer problems than the V Corps MILCOMs with the "Availability of Information" (question 1t), "Availability of Transportation" (question 1h), "FHS Validation" (question 1d), "Availability of Government-Controlled Housing" (question 1a), and "Unit Stationing Changes" (question 1p). In addition, the VII Corps MILCOMs judged the "Attic Conversions" alternative to be more productive than did the V Corps MILCOMs (question 5).

c. In pairwise tests with the VII Corps MILCOMs, the 21st SUPCOM MILCOMs had significantly fewer problems with "MACOM Guidance" (question 1i) but more problems with the "Availability of Information" (question 1t).

d. In pairwise tests between the 21st SUPCOM and the V Corps MILCOMs, the 21st SUPCOM MILCOMs had significantly fewer problems with "MACOM Guidance" (question 1i), "FHS Validation" (question 1d), and "Availability of Transportation" (question 1h).

*The Mann-Whitney U Test at 0.10 level of significance. The number of MILCOMs in ECS's sample was: VII Corps, 14; V Corps, 10; 21st SUPCOM, 6.

II. ANALYSIS

5. Basic Analysis. Figure E-2 is a facsimile of ESC's questionnaire onto which the survey responses and some basic statistics are added. Questions 1 and 5 show the percentage of MILCOMs which made each response. For questions 4, 7, and 8e, the percentage and number of MILCOMs is given for each possible response. ESC ranked the top six problem areas in question 3 using the accumulated weighted priorities of the housing managers. The responses to the remaining questions were essays; the topics of the most frequent responses are shown, together with the number of MILCOMs which made each response. Similar responses to the essay questions were grouped to simplify the presentation.

6. Differences Among UMCs. Because the results in Figure E-2 demonstrated noticeable differences among the various UMCs for some responses, ESC performed statistical tests of comparisons among them.

a. In a three-way comparison,* the VII Corps MILCOMs had considerably fewer problems with the "Availability of Information" (question 1t) than did the V Corps or 21st SUPCOM. However, the 21st SUPCOM had fewer problems with "MACOM Guidance" (question 1i) than did the other two UMCs. The V Corps MILCOMs stood out as having significantly more problems with the "FHS Validation" (question 1d) and "Availability of Transportation" (question 1h). In addition, unlike the other two UMCs, the V Corps MILCOMs judged the "Attic Conversions" alternative (quarters for the young married) to be unproductive (question 5).

*The Kruskal-Wallis One-way Analysis of Variance at 0.10 level of significance. The number of MILCOMs in ESC's sample was: VII Corps, 14; V Corps, 10; 21st SUPCOM, 6.

MILCOMs. Additional topics were suggested by conversation with the DCSENGR and his staff, as well as by the housing staffs at the three largest UMCs.

USAREUR MILCOMS SURVEYED BY ESC*

V Corps	VII Corps	21st SUPCOM	7th ATC	6th Support Group
Bad Kreuznach	Ansbach	Bremerhaven	Grafenwoehr	Heidelber
Baumholder	Aschaffenburg	Karlsruhe	Hohenfels	
Darmstadt	Augsburg	Mannheim		
Frankfurt	Bad Toelz	Pirmasens		
Fulda	Bamberg	Rheinberg		
Geissen	Garmisch	Worms**		
Hanau	Goeppingen	Zweibruecken		
Mainz	Heilbronn			
Wiesbaden	Munich			
Wildflecken	Neu Ulm			
	Nuernberg			
	Schweinfurt			
	Stuttgart			
	Wuerzburg			

*Includes FRG MILCOMs, except Berlin and Bad Aibling.

**A response was not received.

Figure E-1

4. Method. The analysis described in this annex was based on a statistical analysis of the questionnaire responses using the Statistical Package for the Social Sciences (SPSS) computer program.

ANNEX E

RESPONSE TO ESC HOUSING QUESTIONNAIRE

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I. INTRODUCTION

1. Purpose. This annex reports the responses of the USAREUR MILCOM housing managers to an ESC questionnaire about the FHS.

2. Scope. The responses to each question posed by ESC's questionnaire were aggregated and translated into USAREUR-wide MILCOM percentages.

3. Background.

a. After visiting six MILCOMs in July 1984, the ESC study team realized that although almost all housing managers had some common difficulties, each one also had a set of problems unique to their MILCOM, and their own ideas on how those problems should be solved. ESC decided the most efficient way to catalogue both types of problems was to prepare a questionnaire and survey all MILCOM housing managers (Figure E-1).

b. ESC designed its questionnaire based in part on its earlier interviews with DEHs, housing managers, and HRO chiefs at six USAREUR

ANNEX E

RESPONSE TO ESC HOUSING QUESTIONNAIRE

eligibility changes. They do, however, have the potential of dramatically altering the requirements placed on individual MILCOMs from year to year. So from a planning perspective, modernization and stationing proposals are factors which MILCOM housing managers must consider very closely when developing their asset acquisition programs.

c. Under current policies, NMS implementation will not generate additional family housing requirements. However, the NMS will exacerbate family housing operational and scheduling problems at the MILCOM level.

d. There are no serious proposals to change tour lengths in USAREUR. The impacts of possible minor tour length exceptions stemming from the NMS could cause a slight increase in the demand for economy housing.

ANNEX F

ATTITUDE OF CONGRESS

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Figure

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1. Purpose. This annex outlines the general attitudes Congress held toward military family housing from FY 66 through FY 85.

2. Scope. The analysis described in this annex is based on a review of the final reports of a key actor in family housing policy development, the Military Construction Subcommittee of the House Appropriations Committee. Discussions presented apply to housing worldwide, and specific references to Europe are identified.

3. Background. The roots of contemporary policy on military family housing can be traced back to the mid-1960s. Facilities built for World War II and the Korean conflict were obviously becoming obsolete; there was a growing concern that deteriorating facilities would reduce soldier morale.

a. Executive initiative. The new drive for improved facilities has been attributed to President Lyndon Baines Johnson,¹ who in his 21 August 1964 speech at the Industrial College of the Armed Forces stated that:

Our officers and our enlisted men have no true counterparts in military history. In time of our Nation's greatest affluence, they and their families willingly and courageously undertake the most Spartan sacrifices and hardships for us all.

I believe as I have often said that our country justly must and safely can accord to our American military men a place in our society long denied to soldiers throughout our history. I very much want our uniformed citizens to be first-class citizens in every respect. I want their wives and their children to know only first-class lives. I am in this regard directing the Secretary of Defense to speed up his present review of such matters as housing and medical care, pay, and allowances so that we can at the earliest possible moment take whatever steps both human equity and national defense may require to enhance the standing and morale of those who defend us.²

b. Congressional initiative. The sentiments expressed by the President were also felt by members of Congress, particularly the Military Construction Subcommittee of the House Appropriations Committee, led by Robert Sikes (D-Florida). The then prevailing interest in social welfare issues, along with the estimates of the existing family housing deficit, led to a new emphasis on providing adequate facilities for military activities and personnel. In its FY 66 appropriations, Congress placed major emphasis on the modernization of military facilities, particularly housing.³ In the case of

¹Congress of the United States, 93d Congress, 1st Session, House, Military Construction Appropriation Bill, 1974, House Report 93-638 to accompany H.R. 11459, Washington, D. C., 1973, page 19.

²Honorable Lyndon Baines Johnson, Convocation-21 August 1964, Washington, D. C.; Industrial College of the Armed Forces, 10 September 1964, page 4.

³Congress of the United States, 89th Congress, 1st Session, House, Military Construction Appropriation Bill, 1966, House Report 738 to accompany H.R. 10323, 1965, page 3.

the Army, Congress hoped to maintain a level of expenditures on facilities that would allow the complete modernization and replacement of the Army's physical plant over a 12-year period.⁴

4. Vietnam. The effort to seriously address the military's family housing requirements came to a halt, though, almost as soon as it started. The struggle to finance war in Vietnam was largely at the expense of the military's housing needs.

a. Defense action. There was little progress made during the Vietnam War on family housing problems. On 22 October 1965, the Secretary of Defense deferred the construction of 8,500 family housing units approved by Congress for FY 66, because of the need to divert funds to US activities in Southeast Asia. The FY 67 budget submitted to Congress made no provisions for new family housing construction at all.⁵ In fact, with all the various deferrals of construction, appropriated funds, which did not have a time limit on their use, were piling up unspent. At the end of FY 67, contracts had only been awarded for the construction of 1,170 housing units out of the 8,500 authorized, not to mention two unexecuted projects from the FY 65 program.⁶ There were additional suspensions on the construction of military facilities and family housing during the war. On 5 October 1967, the Secretary of Defense issued an order that suspended the issuance of invitations for bids, except for projects clearly associated with new weapons systems or in direct support of Southeast Asian requirements. In November 1969, a 75-percent

⁴Congress of the United States, 89th Congress, 2d Session, House, Military Construction Appropriation Bill, 1967, House Report 2020 to accompany H.R. 17637, 1966, page 4.

⁵Military Construction Appropriation Bill, 1967, page 4.

⁶Congress of the United States, 90th Congress, 1st Session, House, Military Construction Appropriation Bill, 1968, House Report 799 to accompany H.R. 13606, 1967, pages 5 and 38.

reduction in construction contracts was ordered, with the sole exception of pollution abatement projects. Family housing, originally included in the 1969 freeze, was later exempted.⁷

b. Congressional response. Faced with even tighter fiscal constraints on construction, the Subcommittee was forced to focus more on the effort to improve the management of the construction and limit the unit cost of housing. After noting that military personnel had to "live and work in what are increasingly becoming Government-sponsored slums,"⁸ its FY 70 report suggested a number of new approaches to encourage the construction of cheap family housing.

(1) Financing. The Subcommittee suggested that the military might be able to use other forms of Federal financing for its family housing. A percentage of the rent and mortgage subsidies administered by the Department of Housing and Urban Development could be set aside for low income military families. Public Law 480⁹ could provide a funding source, through the Commodity Credit Corporation, for minimizing the balance of payments drawbacks from new construction overseas.

(2) Contracting. The Subcommittee believed that new methods of construction contracting could reduce the costs and improve the quality of military family housing. For a number of years, it pressed the Services to do more "turnkey" contracting, where the contractor would be responsible for both the design and construction of a housing project. There was also the

⁷Congress of the United States, 91st Congress, 1st Session, House, Military Construction Appropriation Bill, 1970, House Report 91-635 to accompany H.R. 14751, 1969, page 3.

⁸Military Construction Appropriation Bill, 1970, page 7.

⁹Congress of the United States, 83d Congress, 2d Session, Agricultural Trade Development and Assistance Act, Public Law 480, 1954.

possibility of using a two-step process of advertising for projects: Contractors first submit proposals without an estimated cost. These are evaluated and the acceptable ones are invited to submit cost estimates in a second round of bidding.

(3) Leasing. The Subcommittee was critical of the existing military Rental Guarantee Program, considering it an inadequate method of providing housing to troops and their families. Still, the Subcommittee supported the general use of leasing to obtain family housing, since the government could obtain lower rates than individual servicemen. Its enthusiasm for leased housing was also evident in its proposal for using more "installment-purchase" contracting. As used in projects in Japan and the Philippines, a builder-sponsor would design, finance, and construct an entire family housing complex on government-furnished land. A long-term installment-purchase agreement, guarantee of a certain level of occupancy or a prescribed level of income, would be established to amortize the sponsor's debt within a reasonable period of time. The builder could hold real property interest in the houses until they became amortized, after which they would become Defense Department property.¹⁰

5. Post-War. The reduction and final end of the US commitment to Vietnam in the 1970s allowed a renewed effort to grapple with the problem of military family housing.

a. Factors. The end of the Vietnam era brought on a number of changes that affected the family housing situation.

(1) All-Volunteer Force (AVF). The end of the draft and creation of the AVF made military housing a more prominent issue. If the services

¹⁰Military Construction Appropriation Bill, 1970, pages 29-32.

were to adequately compete with civilian employees for quality personnel, benefits such as housing would have to be obviously attractive.

(2) Forces. US disengagement from the Vietnam War also led to drastic personnel cuts in the military. The Army's personnel strength fell from 1,600,000 in 1968 down to 804,000 in June 1974.¹¹ In terms of foreign commitments, only 435,000 servicemen were permanently stationed overseas by March 1975, a reduction of 210,000 from 1965 pre-Vietnam levels.¹² This reduction in personnel and associated facility requirements reduced some of the pressure to keep military families adequately housed.

b. The Military Construction Subcommittee made a significant effort to correct existing family housing problems. The FY 72 family housing program passed by the Appropriations Committee exceeded the Defense Department's budget request.¹³ In particular, FY 72 and FY 73 saw Committee-sponsored increases in the minor construction portions of the family housing accounts, since this was "the fastest way to produce the most visible improvement in family housing."¹⁴ It also suggested that the Variable Housing Allowance, then only used overseas, be available to families stationed in CONUS.

(1) The Subcommittee also made qualitative policy recommendations to the military family housing program. It wanted more emphasis placed on construction for lower ranking enlisted personnel, since they tended to

¹¹Military Construction Appropriation Bill, 1974, page 9.

¹²Congress of the United States, 94th Congress, 1st Session, House, Military Construction Appropriation Bill, 1976, House Report 94-530 to accompany H.R. 10029, 1975, page 21.

¹³Congress of the United States, 92d Congress, 1st Session, House, Military Construction Appropriation Bill, 1972, House Report 92-587 to accompany H.R. 11418, 1971, page 3.

¹⁴Congress of the United States, 92d Congress, 2d Session, House, Military Construction Appropriation Bill, 1973, House Report 92-1424 to accompany H.R. 16754, 1972, page 26.

have the most difficulty in obtaining adequate civilian housing. The Subcommittee also urged that all families of military personnel be eligible for coverage by Defense's family housing program.

(2) The Subcommittee came to rely on the use of leased housing to address the need for military family housing overseas. This was largely the result of a 1973 General Accounting Office cost analysis of housing acquisition in Europe.¹⁵ The study was extremely limited, examining only two projects (one in the UK, the other in the FRG) and did not consider the possibility of acquiring housing in the FRG through the use of US-appropriated funds. Its final conclusion, that the build-to-lease (BTL) method was the most economical means of acquiring family housing in Europe, was based on the fact that this method used European accommodation standards which are lower than those of the US military.¹⁶ Still, the Military Construction Subcommittee saw the report as identifying BTL as the generally cheapest method of acquiring family housing in foreign areas.¹⁷ As a result, from FY 74 on, there was a dramatic increase in the Congressionally authorized number of leased housing units overseas (Figure F-1).

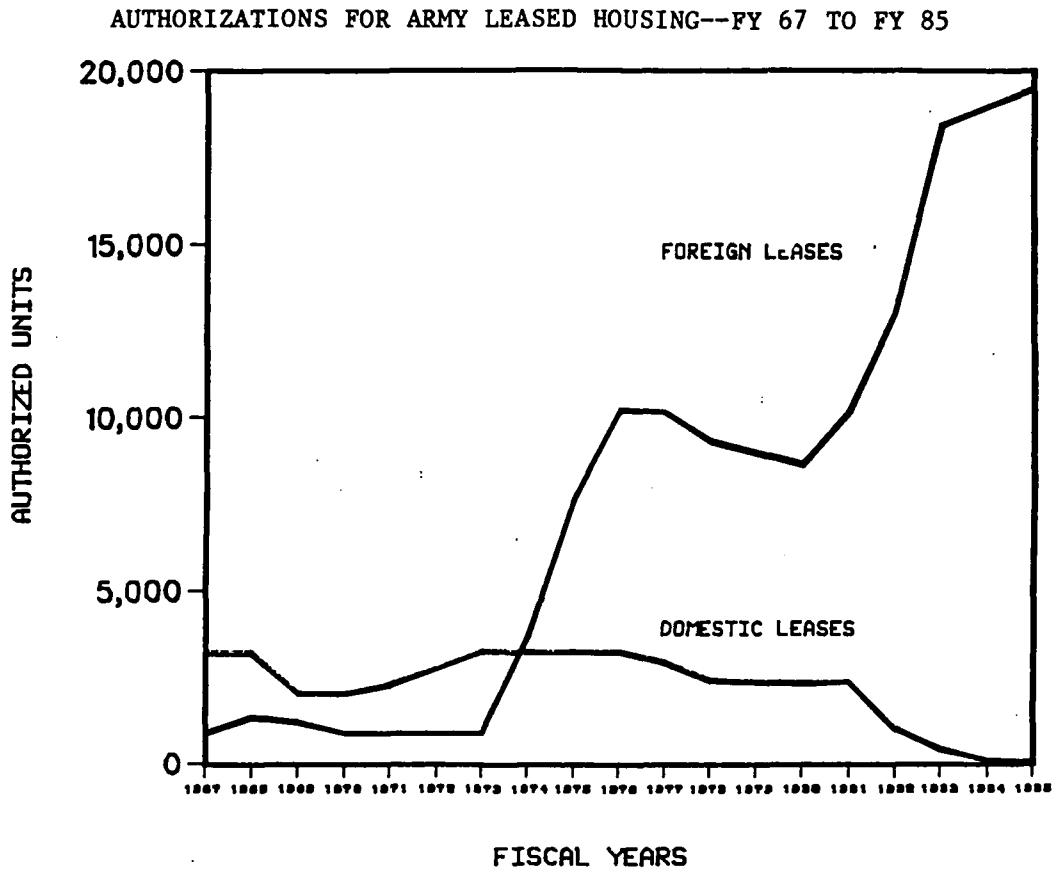
(3) By the mid-1970s, the various family housing initiatives appeared to be paying off. Starting with a housing shortage of 130,000 units at the beginning of the decade, the deficit was reduced to 5,000 by 1976.¹⁸

¹⁵General Accounting Office, Comparative Costs of Alternative Methods of Providing Military Housing in Europe, B-166651, Washington, D. C., July 1973 (hereafter referred to as GAO Comparative Costs).

¹⁶GAO Comparative Costs, pages 1 and 2.

¹⁷Military Construction Appropriation Bill, 1974, page 47.

¹⁸Congress of the United States, 94th Congress, 2d Session, House, Military Construction Appropriation Bill, 1977, House Report 74-1222 to accompany H.R. 14235, 1976, page 16.



SOURCES: Data for FY 67 through FY 77 are taken from Military Construction Appropriation Bill House Reports; data for FY 78 through FY 85 are taken from Military Construction Appropriations Hearings.

Figure F-1

As one Defense Department witness put it in committee hearings, the military had "turned the corner on housing," at least within the US.¹⁹

(4) Ironically, this success led to sharp reductions in the budget requests and appropriations for family housing in FY 75 and FY 76.²⁰ The FY 77 budget submission was also rather low, and appeared to the Subcommittee to be more a Defense effort to cut corners, at the expense of family housing, than evidence that the military's housing difficulties had been solved. The Subcommittee took particular note of the inadequate amounts of funds being budgeted for family housing maintenance.²¹ This was only the first indication that family housing was to enter another period of austerity.

6. McKay Committee. The late 1970s proved to be a difficult period for US military construction and family housing. The problem of fiscally limited budgets of the era was exacerbated by high inflation domestically and a declining dollar overseas. Beginning in FY 78, leadership of the Military Construction Subcommittee went to Gunn McKay (D-Utah), the first change in a decade. During Congressman McKay's tenure, the Subcommittee focused more on management issues and stressed the need for obtaining financial support from US allies for troops stationed abroad.

a. The management of the military construction and family housing programs was a particular concern to the Subcommittee. Justification documents for construction projects were insufficiently detailed. The planning and design process, inhibited by a surfeit of change orders and inadequate

¹⁹ Congress of the United States, 93d Congress, 2d Session, House, Military Construction Appropriation Bill, 1975, House Report 93-1477 to accompany H.R. 17468, 1974, page 37.

²⁰ Military Construction Appropriation Bill, 1975, pages 3-5, and Military Construction Appropriation Bill, 1976, pages 2-3.

²¹ Military Construction Appropriation Bill, 1977, page 2.

quality control, appeared too costly. Appropriations were not being spent, with a backlog of unexpended funds piling up. As a result, the McKay committee made a number of changes in appropriations rules in order to improve the management of military construction funds. A separate appropriation was created for planning and design funds in order to keep better track of this activity. More importantly, in FY 79 the Subcommittee placed a 5-year limit on the spending of military construction funds.²²

b. The Subcommittee's approach to the use of leased family housing, particularly overseas, became increasingly critical. The FY 78 appropriations bill allowed the services to guarantee leases for as long as 10 years in order to encourage foreign developers to build housing for US families overseas.²³ However, in later years, the Subcommittee criticized the high cost of leasing and the overestimates of anticipated cost for the program given in the Defense Department budget requests. In its FY 1981 report, the Subcommittee noted that the costs to the government of leasing over 10 years were now approaching that of new construction.²⁴

c. This was in accordance, though, with the Subcommittee's attitude towards the US military presence abroad. It believed that there were too many dependents overseas who required too much in Federal appropriations for their support. It also looked toward the potential of host-nation support from NATO and Pacific allies as a means of ameliorating US facility deficiencies in

²²Congress of the United States, 95th Congress, 2d Session, House, Military Construction Appropriation Bill, 1979, House Report 95-1246 to accompany H.R. 12927, 1978, pages 4-8.

²³Congress of the United States, 95th Congress, 2d Session, House, Military Construction Appropriation Bill, 1978, House Report 95-388 to accompany H.R. 7589, 1977, page 33.

²⁴Congress of the United States, 96th Congress, 2d Session, House, Military Construction Appropriation Bill, 1981, House Report 96-1097 to accompany H.R. 7592, 1980, page 47.

foreign areas. In FY 80, the Subcommittee deleted all funds for dependent schools in Europe and those devoted to pay property taxes on family housing in the FRG, as well as making reductions in foreign leasing appropriations.²⁵ In FY 81, the requests for new family housing in the FRG and Japan were also deleted.²⁶

7. Ginn Committee. Leadership of the Military Construction Subcommittee went to Bo Ginn (D-Georgia) in FY 82 and FY 83. While it continued the concerns of past committees in stressing the need for more allied host-nation support and better management of the military construction program, there were some differences that largely proved to be favorable to family housing.

a. There were some changes in the status of military construction and family housing. First, Public Law 97-214 was passed which revamped reprogramming procedures for military construction funds.²⁷ There was also the Defense Department's FY 83 request, and Congressional acceptance, for creating separate family housing appropriations for each service in order to decentralize the management of the housing program.²⁸

b. Beginning in FY 82, the Subcommittee held hearings specifically concerned with the quality of life of military personnel, and while stressing the need for more support from NATO allies, it was more willing to fund unilateral US initiatives in Europe.²⁹ The European facilities program took

²⁵Congress of the United States, 96th Congress, 1st Session, House, Military Construction Appropriation Bill, 1980, House Report 96-246 to accompany H.R. 4391, 1979, pages 15-16.

²⁶Military Construction Appropriation Bill, 1981, pages 2 and 44.

²⁷Congress of the United States, 97th Congress, 2d Session, Military Construction Codification Act, Public Law 97-214, H.R. 6451, 1982.

²⁸Congress of United States, 97th Congress 2d Session, House, Military Construction Appropriation Bill, 1983, House Report 97-726 to accompany H.R. 6968, 1982, page 50.

²⁹Congress of the United States, 97th Congress, 1st Session, House, Military Construction Appropriation Bill, 1982, House Report 97-193 to accompany H.R. 4241, 1981, pages 6-7 and 10-12.

up to \$1 billion of the FY 82 budget and \$2 billion in FY 83, with half of the latter appropriation going to family housing construction, improvements, operations, and maintenance.³⁰

c. There were still some criticisms of the military family housing program though. The Subcommittee questioned why there were major increases in the budget estimates for housing construction, improvements, maintenance, and management in a period when the housing inventory was relatively constant, and the state of the construction industry encouraged low bids from contractors. Specific dollar limits were set for construction improvements on foreign-owned housing (\$30,000 per unit) and for housing maintenance (\$20,000 per unit). The Subcommittee also stressed again a move to greater use of manufactured housing for military families.³¹

d. There were also enhanced criticisms of the leasing program for family housing. While the number of domestic leases had been steadily decreasing, the number of foreign units leased was increasing dramatically. It appeared to the Subcommittee that these foreign leases were frequently established without regards to cost, in spite of the Public Law 97-214 prohibition against signing non-cost-effective leases. In its FY 83 report, the Subcommittee directed that it be notified of any foreign lease agreements with unit costs above \$12,000 per year, and that a cost-benefit analysis be done on all new lease and BTL agreements covering more than 10 units. The

³⁰Military Construction Appropriation Bill, 1982, page 7 and Military Construction Appropriation Bill, 1983, page 11. The new construction funds passed by the House for FY 83 were deleted in conference. See Congress of the United States, 98th Congress, 1st Session, House, Making Appropriations for Military Construction for the Department of Defense for the Fiscal Year Ending September 30, 1984, and for Other Purposes, Conference Report 98-378 to accompany H.R. 3263, 1983, page 24.

³¹Military Construction Appropriation Bill, 1983, pages 48-52.

Subcommittee announced its intention of not approving any lease above the unit dollar threshold, or one that proved to be at an economic disadvantage compared to new construction.³²

8. Hefner Committee. After the first dramatic increases in Defense appropriations in the early 1980s, Congress started to give more scrutiny to military expenditures. The Military Construction Subcommittee in FY 84 and FY 85, now chaired by W. G. (Bill) Hefner (D-North Carolina), spent most of its effort in limiting military family housing costs and tightening the management of the program.

a. The primary initiative of the Subcommittee was in the use of cost factors. Spurred by a report of its investigative staff,³³ the Subcommittee evaluated service budget submissions according to a set of standard cost factors, cutting appropriations for those requests that seemed unjustifiably high.³⁴

b. Greater emphasis was placed by the Subcommittee and Congress on the use of manufactured housing, particularly overseas, to reduce the high unit cost of housing.³⁵ In fact, the FY 84 Military Construction Authorization Act contained a provision requiring that 90 percent of all new military family housing overseas be US-manufactured units.³⁶

³²Military Construction Appropriation Bill, 1983, pages 50 and 51.

³³The report of cost factors is in Congress of the United States, 98th Congress, 1st Session, House, Committee on Appropriations, Military Construction, 1984, Hearings Before a Subcommittee of the House Committee on Appropriations, 1983.

³⁴Congress of the United States, 98th Congress, 1st Session, House, Military Construction Appropriation Bill, 1984, House Report 98-238 to accompany H.R. 3263, pages 50 and 51.

³⁵Military Construction Appropriation Bill, 1984, pages 53 and 54.

³⁶Congress of the United States, 98th Congress, 1st Session, House, An Act to Authorize Certain Construction at Military Installations for Fiscal Year 1984, Public Law 98-115, Section 803, 1983.

c. The Subcommittee had also become less enamored with the use of turnkey contracting for family housing. Besides the quality control problems that arose from its use, the Subcommittee believed that since cost is not the primary consideration in making awards under turnkey contracting, the Services did not have an incentive to reduce housing costs.³⁷

d. Finally, the Subcommittee and Congress, faced with the high cost of leased housing overseas, began to move towards more direct construction of military family housing in foreign areas. Funds were appropriated in both FY 84 (\$20 million) and FY 85 (\$22 million) for Army family housing projects in Europe.³⁸

9. Conclusion. As this review has shown, the fortunes of military family housing in Congress have been rather precarious over the past 20 years. Assigned a relatively low priority compared to other Defense activities, family housing can only receive adequate support in an environment of both peace and generally high Defense expenditures. While the family housing situation seems to have improved in recent years, speculation about long-term trends would be unwarranted.

³⁷ Military Construction Appropriation Bill, 1984, page 54.

³⁸ Department of Defense, Office of the Assistant Secretary of Defense (Comptroller), Department of Defense: Congressional Action on FY 1984 Appropriation Request - Final, Washington, D. C., 8 December 1983, and Department of Defense, Office of the Assistant Secretary of Defense (Comptroller), Department of Defense: Congressional Action on FY 1985 Appropriation Request - Preliminary Final, Washington, D. C., 12 October 1984.

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ANALYSIS OF USAREUR FAMILY HOUSING(U) ARMY ENGINEER
STUDIES CENTER FORT BELVOIR VA L W WRIGHT ET AL.
APR 85 USADESC-R-85-2

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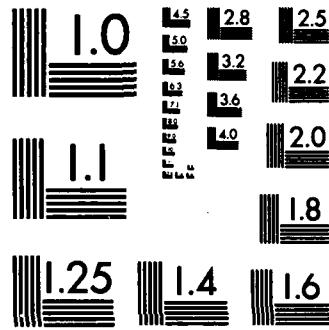
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ANNEX G

REQUIREMENTS PROJECTION METHODOLOGY (RPM)

ANNEX G

REQUIREMENTS PROJECTION METHODOLOGY (RPM)

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1. Purpose. This annex describes the methodology developed by ESC to forecast Army family housing requirements.

2. Scope. This annex describes ESC's proposal for improving the way the marital/dependency factor, accompanied rates, and long-range troop strengths are estimated, and explains how this improved methodology can be used to develop realistic programming limits.

3. Background. The major problem with the FHS is that it is an accounting model that assumes accurate and reliable input data and produces a single fixed value as output. Yet much of the information going into the FHS is derived from statistical sampling data, forecasting techniques, and time-dependent stationing data--all of which are laced with uncertainty. Planners and managers tend to forget that the FHS produces a deficit value that is no

more accurate than the data going into the FHS. Since predicting marital/dependency factors, Army demographics, soldier opinion, and stationing changes is not an exact science, planners should use an FHS methodology that takes the variability of these data into account and more "realistically" displays family housing requirements.

4. Method. The model described in this annex is based on ESC's experience with using risk analysis techniques. A detailed discussion of the FHS is given in Annex A.

5. Overview of RPM. The RPM is based on traditional risk analysis techniques that have been used by decision-makers for years. In fact, the US Army Materiel Command uses techniques similar to the one described in this annex for managing its Research and Development Program and constructing cost estimates.

a. The objective of the RPM is to capture the uncertainty associated with a program by developing a range of reasonable outcomes and the likelihood of occurrence for each outcome. If a continuous range of outcomes is possible, a probability distribution is created. Since it is impractical to estimate the probability of an infinite number of outcomes, it is reasonable to assume the shape of a standard distribution and then estimate the parameters that define this particular distribution. ESC chose a triangular distribution for the RPM because it is simple, sufficiently accurate, and can be completely defined by three points--an optimistic value, a pessimistic value, and a most likely value.

b. The RPM describes the Army family housing program's risks by establishing distributions for the three key factors that determine effective housing requirements: the marital/dependency factor, the accompanied tour

rates, and the projected troop strengths. Currently, the FHS uses point estimates for these values, thus avoiding the fact that a certain unknown amount of error exists. The use of distributions does not eliminate the point estimate, but allows the description of errors inherent to this point estimate and, therefore, better supports the planning process.

c. The Program Manager for Acquisition should determine the resolution that he wants to track with the RPM. The current survey tracks officers, eligible enlisted, and other enlisted. Since recent changes in policy have eliminated the "other enlisted" category, the RPM would be used most efficiently to separately manage the officers and enlisted categories.

d. The RPM is designed to improve the forecasts used by the FHS. It is not intended to replace the FHS; rather, it is structured to be completely compatible with either the current FHS or the modified FHS being proposed by OSD. It will still provide the point estimate necessary for long-range acquisition plans. ESC does feel that if the RPM was used with a management information system to capture assets, there would probably no longer be a need for any type of survey procedure.

6. How the RPM Works.

a. Marital/dependency factor. The DA DCSPER would develop a distribution of marital/dependency factors based on Army demographics. The time frame for the distribution would be 5 years from the current year. The following steps will produce a distribution similar to the one shown in Figure G-1.

(1) Step 1: Estimate the smallest value that is likely to occur. The likelihood of events that have a negative (decreasing) effect on the marital/dependency factor should be considered. This point will be known as the Lowest Reasonable Value (LRV).

TRIANGULAR DISTRIBUTION

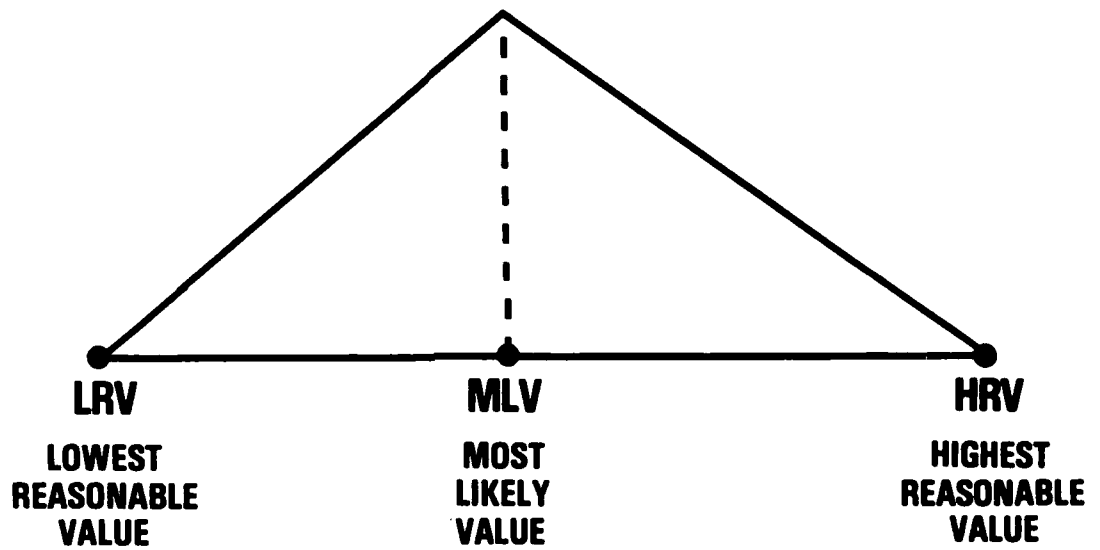


Figure G-1

(2) Step 2: Estimate the largest value that is likely to occur. The likelihood of events that have a positive (increasing) effect on the marital/dependency factor should be considered. This point will be known as the Highest Reasonable Value (HRV).

(3) Step 3: Evaluate the range of possible values. Is it valid to assume that there is at least a 95-percent chance that the marital/dependency rate will fall within this interval? If the answer is no, go back to Step 1 and re-evaluate your estimates. Remember to pick "reasonable" values. Trying to capture 100 percent of the possible values can result in excessively wide intervals. Events that would drastically change your operating environment or have a low probability of occurrence should not be considered.

(4) Step 4: Estimate the value that is expected to occur. This point is the Most Likely Value (MLV).

b. Accompanied tour rates. The USAREUR DCSPER would construct a distribution of accompanied tour rates using the same criteria as those used to determine the marital/dependency factor.

c. Projected troop strength. USAREUR stationers could develop a distribution of projected troop strengths at each MILCOM for each paygrade group. This distribution would be derived from CDP data by modifying the steps listed in paragraph 6a as follows:

(1) Step 1: The LRV could be estimated using the current-year strength figures and by assuming that none of the troop plus-up actions planned for the next years occur, but that all of the troop drawn-down actions do occur. Any other troop withdrawals that are being considered but are not reflected in the CDP can also be subtracted.

(2) Step 2: The MRV could be estimated using the current-year strength figures and by assuming that all of the troop plus-up actions planned for the next 5 years occur, but none of the troop withdrawals do. Actions which are not reflected in the CDP can then be added.

(3) Step 3: If all reasonable stationing actions have not been considered, go back to Step 1.

(4) Step 4: The MLV can be the 5-year projection from the CDP. This is the value currently being used by the FHS.

d. Family housing requirements. Using the three distributions constructed above, create a distribution for the overall family housing requirement. This is done by multiplying the three LRVs together to form a composite LRV and by repeating the multiplications for the HRVs and MLVs. Figure G-2 displays this process for a selected community using hypothetical values for the marital/dependency factor and accompanied rates, but actual strength values from the May 1984 CDP.

e. Programming limits. Now that a distribution for family housing requirements has been constructed, planners can assess the risks associated with over-programming or under-programming. OSD could establish programming limits based on this information, not on arbitrary percentage levels. Figure G-3 shows an example of how programming limits might be established for the distribution created in Figure G-2.

(1) If "risk" is defined as the probability of acquiring more units than are actually needed (over-programming), then programming limits should be based on the amount of risk the decision-makers are willing to accept. Based on Figure G-3, there is no risk until the number of housing units exceeds the LRV of 2,001 units. It indicates also that the Army would

**RPM EXAMPLE
(ENLISTED PERSONNEL)**

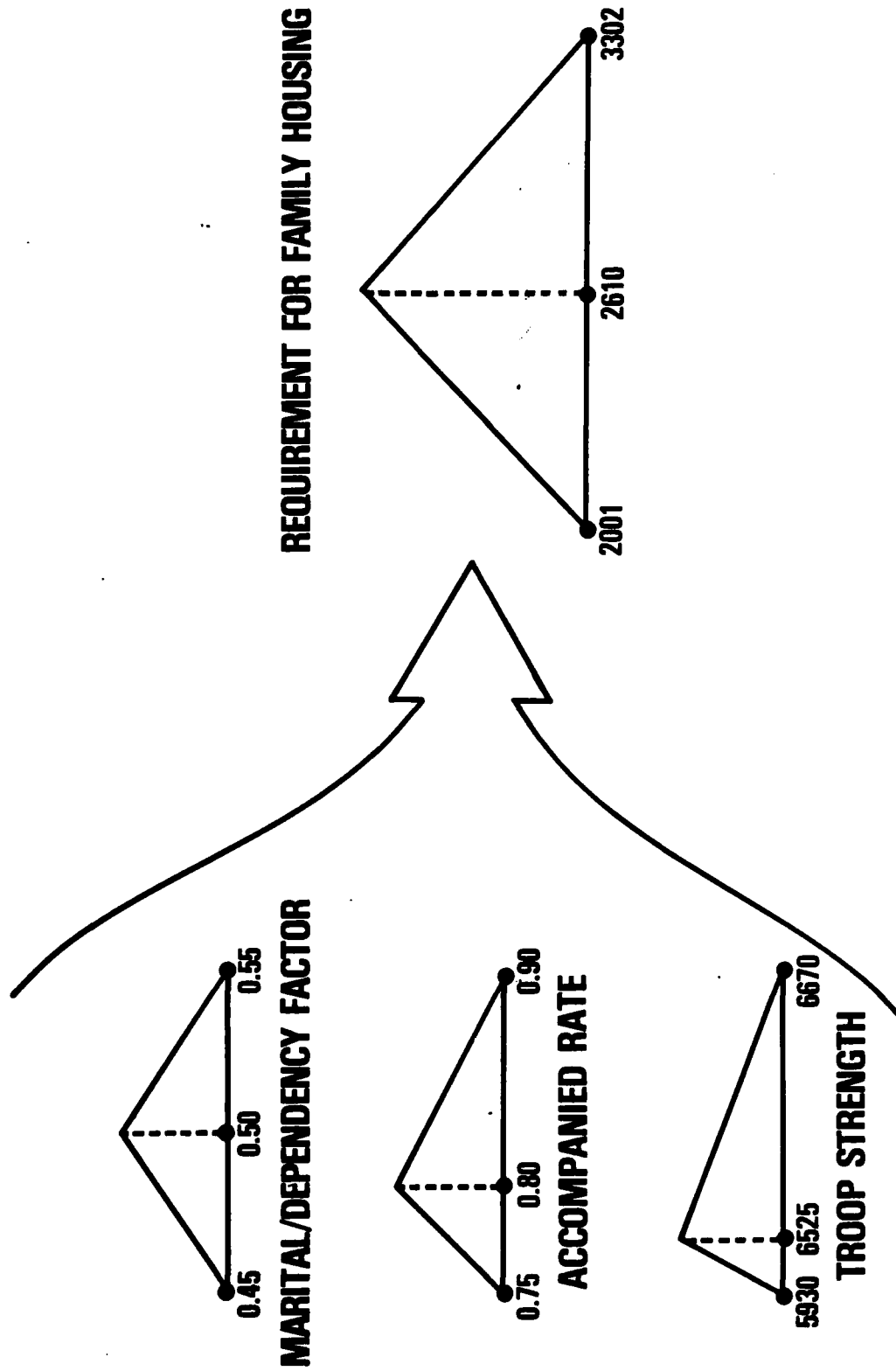
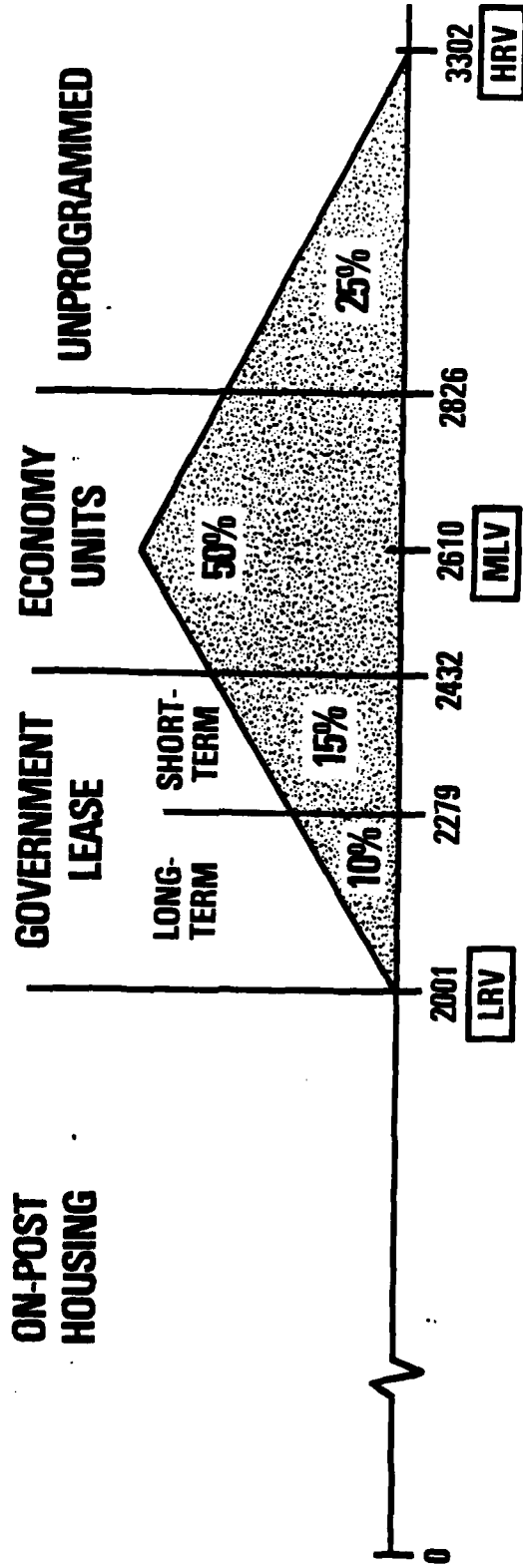


Figure G-2

PROGRAMMING LIMITS BASED ON RISK



NUMBER OF UNITS

Figure G-3

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

be safe in programming on post up to that level. As the number of housing units increase beyond 2,001, the associated risks increase. To minimize the impact of over-programming, fluid assets should be used at high levels of risk.

(2) Considering the total area under the triangle as a measure of the uncertainty associated with family housing requirements, the programming limits shown in Figure G-3 allocate this uncertainty to long-term leases (10 percent), short-term leases (15 percent), economy assets (50 percent), and unprogrammed assets (25 percent). In other words, the programming limit for on-post housing is 2,001 units with 0 percent risk; the programming limit for long-term leases is 2,279 units with a 10-percent risk; the programming limit for short-term leases is 2,432 units with a 25-percent risk; and the programming limit for economy housing is 2,826 units with a 75-percent risk.

(3) Comparing the programming values to the MLV, we see that on post is 77 percent, long-term leases is 87 percent, and short-term leases is 94 percent. These levels are determined by the uncertainty associated with a MILCOM's requirements and will vary among communities. They provide a more reasonable approach to programming than arbitrary 80- to 90-percent limits.

7. Summary. The RPM solves the accuracy problems associated with the current FHS. It provides a point estimate (MLV) similar to the current FHS, but adds a simple procedure for quantifying and describing risks. The RPM could be incorporated into USAREUR's future acquisition plans with little or no modification to current procedures. Using the RPM means that programming limits can be tailored to individual communities and that decisions can be made, based on a quantified understanding of the variability that exists.

ANNEX H

USAREUR FAMILY HOUSING PROBLEM

ANNEX H

USAREUR FAMILY HOUSING PROBLEM

I. INTRODUCTION

The USAREUR family housing problem cannot be adequately portrayed by any single set of "deficit" numbers or characterized by any one particular type of complaint. The problem's source is a mix of Congressional fiscal constraints, unmet personal expectations, an unresponsive survey reporting system, local German economic and cultural pressures, and other factors. Section II of this paper lists the Army family housing system's main troublespots, first from the perspective of the USAREUR Commander and the Military Community (MILCOM) Commanders, second from the perspective of staff personnel responsible for family housing planning, and third from the perspective of the typical service member and family. Section III outlines some of the factors which make each MILCOM's housing problem unique and which frustrate attempts to develop any single, all-encompassing solution. Section IV summarizes the results of the 1984 Family Housing Survey and presents several arguments which question the accuracy of those results. Section V summarizes the Engineer Studies Center's observations.

II. PERCEPTIONS OF USAREUR'S FAMILY HOUSING PROBLEM

A. The commanders' perspective. USAREUR's main concern is to provide adequate housing for eligible military families. Its goal is to have enough housing assets (both government-controlled and economy units) to allow an eligible service member to move his family into their new home within 60 days after he arrives in-country. USAREUR also recognizes that it must help house the DOD civilian workforce, military service bachelors authorized to live off post, and families of ineligible military personnel. These additional requirements, now met mainly by economy assets, must be considered part of the overall Army family housing problem. The solution to that problem must guarantee that readiness goals are achieved and that those occupying family housing are generally satisfied with their quality of life. The following issues, however, must be addressed before any successful solution can be developed.

1. Local commanders, as a rule, would prefer to have all their personnel housed on post. This would simplify the commander's coordination difficulties during readiness exercises and ease some of his daily administrative burdens. Alerting service members during off-duty hours is easier if all the members are living in centralized on-post housing communities. If the unit's personnel are dispersed in economy housing throughout a local community, more telephone contacts and transportation pick-up points must be coordinated. Housing military families on post also reduces the number of tenant and landlord complaints which are referred to the local commanders or their staffs. Finally, housing military families in on-post housing can minimize automobile accidents by cutting the number of miles unit service members must drive to and from their jobs.

SUGGESTED STUDY PROJECT FOR ESC
USAREUR Housing Deficit

1. Brief Statement of the Issue:

a. During the Commanders' Conference, General Otis briefed family housing problems in Europe and their implication on personnel. Briefing slides used are provided at enclosure 1.

b. As a result, the Vice Chief of Staff, Army, directed OCE to "use the Engineer Study Center to develop a comprehensive solution to AFH in Europe." Copy of tasker is provided at enclosure 2.

c. In response to General Otis' briefing, the Chief of Engineers provided a detailed memorandum to the CSA (enclosure 3), and a message to General Otis (EYES ONLY) addressing the USAREUR housing situation and significant accomplishments and initiatives underway.

2. Scope of Proposed Study: Specific study areas are to be determined by the USAREUR DCSENG, based on the complexities of the issue and the fact that other housing studies are ongoing in USAREUR. A draft flow chart of possible variables for consideration is attached at enclosure 4.

3. Background:

a. The housing deficit in USAREUR has existed for years. The first new housing (AFH) was approved by Congress in FY 1984. Leasing, either existing or build-to-lease, has been the only means of increasing government-controlled assets. The leasing process is lengthy (3-4 years) and is difficult to use in remote locations where entrepreneurs are scarce. Moreover, US Forces are in direct competition with local citizens for economy rental units.

b. There is a reported (i.e., unvalidated) deficit of between 7,500 and 9,400 housing units to meet the needs of "eligible" personnel (E4 with 2 years service and above). Housing is also needed for approximately 3,000 ineligible families.

4. Probable Impact of This Proposed Study: Study conclusions and recommendations may result in major changes to policy, manning decisions, procedures, administrative policies, and laws.

5. Anticipated Products of the Proposed Study:

- a. Study Plan.
- b. In-Process Reviews.
- c. Draft Study Report.
- d. Final Study Report.



DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF ENGINEERS
WASHINGTON, D.C. 20314

REPLY TO
ATTENTION OF:

DAEN-ZCH-M

22 JUN 1984

MEMORANDUM FOR DIRECTOR, ENGINEER STUDIES CENTER

SUBJECT: USAREUR Family Housing Deficit

1. The VCSA directed that ESC develop a comprehensive solution to family housing problems in USAREUR; i.e., identify the problem and develop solutions to eliminate the deficit.
2. Suggested study proposal is provided for action.

RICHARD M. WELLS
Major General, U.S. Army
Deputy Chief of Engineers

Enclosure

ANNEX I

STUDY DIRECTIVE

USAREUR 1984 FAMILY HOUSING SURVEY RESULTS

MILCOM HRO	1984			1989		
	NET DEFICIT	INVOLUNTARILY SEPARATED	UNSUITABLY HOUSED	NET DEFICIT	PROGRAMMING 90 %	DEFICIT 80 %
ANSBACH	272	167	117	107	-77	-260
CRAILSHEIM	72	74	6	329	253	176
ILLESHEIM	72	73	6	-203	-244	-285
ASCHAFFENBURG	263	253	48	418	239	60
AUGSBURG	175	120	68	1356	989	622
BAMBERG	443	309	160	669	424	179
GOEPPINGEN	44	6	38	98	10	-79
SCHWAEBISCH GMUND	121	101	21	228	156	84
HEILBRONN	123	24	107	247	95	-57
SCHWAEBISCH HALL	16	18	2	127	84	41
NEU ULM	306	245	67	169	19	-132
NUERNBERG	1078	604	566	191	-255	-700
ERLANGEN	336	191	151	520	387	253
SCHWEINFURT	545	451	109	685	435	185
BAD KISSINGEN	177	99	81	-5	-59	-113
STUTTGART	1091	723	422	150	-346	-842
WUERZBURG	602	374	240	103	-122	-347
WERTHEIM (W)	54	57	1	91	32	-28
KITZINGEN (W)	445	366	81	859	649	439
VII CORPS	6235	4255	2291	6347	3772	2039

NOTES:

- 1) EXCLUDES MILCOMS GARMISCH, MUNICH, & BAD TOELZ
- 2) A SURPLUS IN FAMILY HOUSING IN ONE MILCOM IS NOT USED TO OFFSET A SHORTAGE OF FAMILY HOUSING IN ANOTHER MILCOM

LAST PAGE OF ANNEX H

USAREUR 1984 FAMILY HOUSING SURVEY RESULTS

MILCOM HRO	1984			1989		
	NET DEFICIT	INVOLUNTARILY SEPARATED	UNSUITABLY HOUSED	NET DEFICIT	PROGRAMMING 90 %	DEFICIT 80 %
BAD KREUZNACH	38	44	21	260	106	-49
DEXHEIM	23	16	9	286	236	186
BAUMHOLDER	524	483	203	256	-74	-403
DARMSTADT	106	134	53	533	356	178
BABENHAUSEN	96	89	14	277	209	141
FRANKFURT	878	267	18	1396	868	340
FULDA	157	108	87	195	72	-52
BAD HERSFELD	42	34	21	24	-13	-49
GEISSEN	252	214	43	1082	836	589
BUTZBACH	316	297	20	737	510	282
BAD NEUHEIM	156	127	30	488	369	249
HANAU	410	434	82	1028	653	278
BUEDINGEN	99	74	28	-105	-130	-155
GELNHAUSEN	71	98	15	438	334	230
MAINZ	407	360	90	711	458	205
WEISBADEN	377	254	152	451	95	-261
WILDFLECKEN	186	95	98	527	412	296
V CORPS	4138	3128	984	8689	5514	2974

NOTES:

- 1) A SURPLUS IN FAMILY HOUSING IN ONE MILCOM IS NOT USED TO OFFSET A SHORTAGE OF FAMILY HOUSING IN ANOTHER MILCOM

USAREUR 1984 FAMILY HOUSING SURVEY RESULTS

MILCOM HRO	1984			1989		
	NET DEFICIT	INVOLUNTARILY SEPARATED	UNSUITABLY HOUSED	NET DEFICIT	PROGRAMMING 90 %	DEFICIT 80 %
BREMERHAVEN	59	129	0	94	-145	-384
KARLSRUHE	381	305	91	249	12	-225
MANNHEIM	880	957	1	455	71	-314
PIRMASENS	168	46	154	215	49	-117
RHEINBERG	32	5	25	141	102	62
WORMS	-7	16	6	123	24	-76
ZWEIBRUCKEN	349	347	27	145	67	-12
21st SUPCOM	1869	1805	304	1422	325	62
AMBERG	44	36	13	-56	-85	-113
BAYREUTH	56	47	9	105	61	17
GRAFENWOEHR	206	148	61	128	46	-36
HOHENFELS	66	57	9	18	-8	-34
VILSECK	134	117	20	2190	1923	1656
REGENSBERG	7	5	4	-76	-76	-76
7th ATC	513	410	116	2441	2030	1673
HEIDELBERG (26TH)	704	86	203	630	274	-82

NOTES:

- 1) EXCLUDES MILCOMS OUTSIDE THE FRG & BERLIN
- 2) A SURPLUS IN FAMILY HOUSING IN ONE MILCOM IS NOT USED TO OFFSET A SHORTAGE OF FAMILY HOUSING IN ANOTHER MILCOM

SUMMARY

USAREUR 1984 FAMILY HOUSING SURVEY RESULTS

MILCOM HRO	1984			1989		
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21st SUPCOM	1869	1805	304	1422	325	62
7th ATC	513	410	116	2441	2030	1673
26th SUPCOM	704	86	203	630	274	-82
V CORPS	4138	3128	984	8689	5514	2974
VII CORPS	6235	4255	2291	6347	3772	2039
USAREUR TOTAL	13459	9684	3898	19529	11915	6666

NOTES:

- 1) EXCLUDES MILCOMS OUTSIDE THE FRG, GARMISCH, MUNICH, BAD TOELZ & BERLIN
- 2) A SURPLUS IN FAMILY HOUSING IN ONE MILCOM IS NOT USED TO OFFSET A SHORTAGE OF FAMILY HOUSING IN ANOTHER MILCOM

the survey indicates a growth in the net deficit of 6,070 units over the next 5 years. Whether this growth represents a problem cannot be ascertained by simply citing FHS results.

D. Regardless of what the current or future deficits really are, they are not likely to disappear. Since OSD limits AFHC programming to 80 percent of requirements and leasing to 90 percent of requirements, USAREUR housing planners must rely on additional economy units to satisfy the difference. Given that the availability of those units cannot be predicted, and given that many commanders and troops consider such units unsuitable for family housing under any circumstances, the programming procedures are, in effect, guaranteeing that a housing deficit will perpetuate itself.

are based on a potentially outdated document. For these and other reasons, it is understandable why MILCOM housing managers lose confidence in USAREUR's long-range projections.

3. The accuracy of long-range effective requirement projections is sensitive to the choice of specific marriage factors, which are used to determine the effective housing requirement from total troop strength projections. A 10-percent error in estimating the marriage factor results in a 10-percent error in the effective requirement. MILCOMs now use a computed 3-year average or a USAREUR average. In either case, a 10-percent error in the projected requirements is not unreasonable. This could translate into an error as large as 10,000 families, which is approximately 50 percent of the projected net deficit.

4. Current guidance directs that each community do an annual market survey to determine the number of vacant economy units that may be available to US military personnel. The Military Fair Share (MFS), defined as the ratio of military families to total families, can be programmed towards the deficit. This becomes a trivial exercise since the MFS is rarely significant. A typical value may be 0.005, which means that 200 units must be identified before one asset can be counted. The competitiveness of the US dollar and the aggressiveness of USAREUR housing officers suggest that the MFS is understated.

V. SUMMARY

The family housing program in USAREUR is influenced by many factors which limit the MILCOM's ability to adequately house their service members and families. Some of these factors affect the total USAREUR housing program, while some are only significant in certain communities.

A. USAREUR does not have sufficient assets to house those service members who desire on-post housing. This is evident by long waiting lists. On the other hand, economy assets are difficult to characterize because the quantity and quality vary throughout USAREUR. Because of language and cultural differences, a service member may require a level of support that the HROs are not staffed to provide. The service member's displeasures become housing problems.

B. The Army FHS is held in low regards by USAREUR and does not accurately portray the deficit. The system has two major flaws. First, few housing managers really understand the entire process. Because of this, they tend to mistrust the results. Second, through the FHS questionnaire replies, the service members determine the number of involuntary separated and unsuitable economy assets, which are essentially the deficit. Respondents tend to inflate these values.

C. Many feel that the situation in USAREUR has improved over the last several years. This seems reasonable in light of a strong US dollar, programs and initiatives such as rent-plus, and increased staffing at the HROs. Yet,

decision to approve dependent travel is based on the housing manager's ability to determine what housing will be available 60 to 140 days after the service member's arrival in Europe. The combination of an overly conservative housing manager and a MILCOM commander who is unwilling to take a risk can inflate the involuntarily separated rate, and, therefore, inflate the deficit. The 1st PERSCOM now bases its dependent travel decisions on the 215 Report, "Family Housing Availability." The absence of adequate forecasting models for the 215 Report results in a projection of housing availability that is generally unreliable and based on speculation.

2. Problems also exist with the determination of the number of service members unsuitably housed. When asked to judge the suitability of his unit (as to structure, utilities, neighborhood, size, and cost), a service member might think himself unsuitably housed even though his economy unit meets established DA/DOD criteria. In addition, a service member might think his economy unit is too small even though it might be adequate for another service member with fewer family members. To investigate these discrepancies, the local HRO should inspect a percentage of the units declared to be unsuitable by their occupants. Based on these inspections, the HRO reduces the "unsuitable" total by the number of units which are found to be actually suitable according to accepted criteria. The results are later projected by a computer to all units judged as "unsuitable" by the service members. Because many HROs cannot properly inspect a sufficient number of "unsuitable" units, a large part of the suitable economy units which are wrongfully being called unsuitable by their occupants might be missed.

D. There are other factors which tend to distort the housing deficit and cause confusion concerning the credibility of the FHS. The following are the most often expressed concerns.

1. The sampling process is not clearly understood. The principal basic document for evaluating housing occupied by military families is DD Form 1376, "Questionnaire on Family Housing." This questionnaire is administered using a sample method survey (SAM). In other words, current housing conditions are surveyed based on a random sampling within personnel categories. Not all service members complete questionnaires in any given year and not every MILCOM is surveyed (in FY 84 six USAREUR communities participated). The Navy administers the computer software that processes the sample data and statistically projects the results for all USAREUR MILCOMs. Housing managers at the MILCOM often do not understand this process, and are confused about why the projections do not match their records. This engenders a distrust of the Navy's computer models, when in fact the accuracy of the information depends on how well the FHS is planned, managed, and conducted.

2. Unit movements within USAREUR can cause unforeseen turbulence in family housing requirements; they also tend to invalidate long-range projections. Even though the CDP provides a much improved approach by portraying restationing or other moves, the sensitivity of FHS projections to the timeliness of the CDP is a major concern. The FY 84 survey used data from the April 1983 CDP, but by the time the results were adopted by the MILCOMs in July 1984, the CDP was 15 months old. Since many stationing changes could occur during this span of time, USAREUR's effective long-range requirements

IV. FAMILY HOUSING SURVEY

A. The requirements for family housing at each installation or installation complex of military departments and Defense agencies are determined on the basis of the FHS. The Army FHS uses projected strength figures from the Community Demographic Profiles (CDP); responses to a questionnaire survey of selected married personnel conducted at selected MILCOMs; and community and military assets data provided by Army housing managers. Current information and questionnaire data are on DD Form 1377, "Tabulation of Family Housing Survey," and projected information is on DD Form 1378, "Determination of Requirements and Project Composition." By applying both current and projected assets to the projected family housing requirements shown on DD Form 1378, a family housing deficit is computed. This is the basis for recommending projects for inclusion in the Army Five-Year Defense Plan (FYDP), and subsequently for justifying projects to OSD and to the Congress. Summary statistics from USAREUR's FY 84 FHS (as of 30 September 1983) are given in Enclosure 1.

B. When USAREUR's housing deficit is discussed in quantitative terms, it is important to make a distinction between "net" and "programming" deficits.

1. The net deficit is the result of subtracting assets from effective requirements. Included in the effective requirements are service members who draw a basic allowance for quarters at the "with dependents" rate and who are considered eligible for public quarters under current criteria (E4 and above over 2 years), plus key and essential civilians (a small number). Not included is the number of personnel voluntarily separated from their families. The USAREUR FY 84 FHS indicates a current net deficit of 13,459 units and a projected net deficit of 19,529 units for FY 89.

-2. The programming deficit is derived by subtracting the appropriate safety factor from the effective requirements (DOD requires that overseas commands use 20 percent for AFHC and 10 percent for leasing). The safety factor is designed to avoid the harmful economic impacts on surrounding communities which could result from overbuilding. This factor allows for an uncertainty in long-range planning. In this case, the USAREUR FY 84 FHS projects a programming deficit of 6,666 units at the 20-percent level and 11,915 units at the 10-percent level.

C. Instead of expressing the current net deficit as "x" number of units, it is more enlightening to observe the impacts. The current family housing conditions, based on the FY 84 FHS questionnaire, indicate that 3,898 eligible service members believe they are unsuitably housed; another 9,684 eligible service members report they were involuntarily separated from their families because of insufficient housing. The sum of these two indicators (13,582) tracks closely to the net current deficit of 13,459. The difference between the two can be explained by the vacant units and service members in temporary housing.

1. The fact that nearly 75 percent of the reported deficit is driven by involuntarily separated service members warrants a word of caution. The

noise--causes some on-post families to question the quality of their home life and to complain about family housing.

III. UNIQUE ASPECTS OF COMMUNITIES

Because each MILCOM has unique environmental, economic, and social factors which affect its family housing problems, general observations of the total USAREUR family housing problem are often inaccurate when applied to a specific MILCOM. This section examines several such factors.

A. MILCOMs situated in urban areas versus those in rural areas. Urban communities tend to have better developed infrastructures (e.g., transportation, water, and waste disposal systems). US service members feel more comfortable in those more modern settings. The economy housing tends to be more concentrated in the urban communities, increasing the likelihood that those housed on the economy will live near other US personnel. This lessens the service member's feeling of isolation. Finally, the community housing office which serves an urban community deals with fewer local government officials and with landlords who are apt to be more tolerant of the cultural differences between themselves and their potential US tenants.

B. The amount of housing construction occurring in the local community. A recently constructed unit probably will conform, architecturally, to the service member's vision of a comfortable house. As more service members find their housing needs satisfied with economy housing units, the pressures on the MILCOMs to program more MCA-funded or build-to-lease units decrease. In such an atmosphere the number of housing complaints declines. However, a large number of local housing starts does not, necessarily, indicate that the MILCOM's housing problems are going to be solved quickly. Many German, US (both military and civilian), and other foreign nationals are competing for the same economy housing. Thus, the percentage of new units that actually will be rented by service members will remain fairly low.

C. The relationship between US personnel and the local German community. In those communities where landlords have had a history of satisfactory US renters, the rental market will be more favorable toward US service members. In those communities where relationships have been marred, landlords are less willing to rent to service members. Between April 1982 and September 1984, USAREUR has gained nearly 25,000 economy units, but lost 12,000. Many of the losses result directly from the service members' personal conduct. The most common landlord complaints are nonpayment of debts and offensive behavior. Since the ability to obtain and retain economy assets impacts on the severity of current deficits, and since USAREUR relies heavily on economy assets to satisfy its housing goals, the MILCOMs must maintain good relationships with the local community generally and the local landlords specifically.

great inconvenience, to temporarily house his family while he searches for a new home in Germany. Having experienced the trauma of family separation, the service member is frustrated to find that the local housing situation did not justify the denial of concurrent travel.

2. On the other hand, if the service member is given concurrent travel, then he and his family may be required to stay in transient quarters until they obtain housing. Many of these facilities are inadequate and not designed for family use. Service members often complain about having to share bathroom and kitchen facilities with in-bound and out-bound service members. Service members also may experience problems with linens, furnishings, cleaning, and transportation. All of these factors tend to create a bad first impression of USAREUR family housing.

3. When on-post housing is not available to him, the service member often must accept housing on the local economy as an alternative. He discovers that, in many cases, German houses do not meet his expectations and that German leasing procedures are confusing and, in his view, unfair. Besides high security deposits and the limited choices offered by a saturated housing market, the service member is dismayed to find that economy dwellings do not include closets, that kitchen appliances and cabinets are not normally provided, and that the installation of light fixtures is the occupant's responsibility. Although the Army will give the service member many furnishings to offset these shortages, he often feels shortchanged--a feeling which may surface later as a complaint against Army family housing.

4. The service member expects that, in addition to an adequate house, his family will enjoy the convenience of US schools, commissaries, post exchanges, and other facilities. However, if circumstances require, he will, perforce, accept a house on the economy that is some distance from the post and from those services. And because he usually must use the family's one car to commute to work, he strands his spouse and children during the day, effectively isolating them from the on-post MILCOM.

5. Many community activities and conveniences that families take for granted in CONUS are absent or are not readily available in the service member's neighborhood. Such things as Boy or Girl Scouts, church-affiliated groups, sports activities, convenience retail stores, or all-night stores or pharmacies are available only on post, if they are available at all. In addition, the low-powered Armed Forces Network (AFN) television transmissions cannot be received by many families living off post. These factors contribute to the service member's dissatisfaction with housing on the economy.

6. Sometimes, a service member who is "lucky" enough to obtain on-post housing also complains about his housing situation. About 15 percent of the service members living in government-controlled quarters (including leased quarters) indicated on the FY 84 Family Housing Survey (FHS) that they would prefer living off post. While he is near US support facilities and can share the US community atmosphere, the service member living on post often is dissatisfied with "stairwell living." The close proximity of other military families is a burden to some, rather than an advantage. A perceived lack of privacy--the stairwells serve as echo chambers which amplify the slightest

2. When significant numbers of his personnel are housed on the economy and away from the main post facilities, the local commander often is pestered with service member's requests for time off to handle household chores which, but for the lack of transportation, could be handled by other family members. Besides increasing the command's administrative burden and keeping service members from their duty stations, these requests reflect a general frustration with the housing situation. That frustration can surface later as a complaint about the quality of Army family housing.

B. The perspective of staff personnel responsible for family housing planning. Like the commanders, housing management staffs at USAREUR and the MILCOMs want to provide adequate housing and other services to all military families in Germany. These staffs emphasize customer satisfaction while the commanders' concerns center on morale and readiness.

1. Department of the Army and Department of Defense policy allows USAREUR to program MCA for housing construction only to the point that 80 percent of the effective long-term housing requirements at each MILCOM will be satisfied. Economy housing units occupied by military families count as available assets and are added to the number of government-owned or -controlled housing units when determining whether the 80-percent level has been met. In a similar manner, government leasing is restricted to 90 percent of the long-term requirement. If available economy assets are fully used and MCA is the only practical way to reduce the deficit, 20 percent of the eligible families will remain unoused. If leasing, or a combination of MCA and leasing, can be used to fill the gap, then 10 percent of the eligible service member families are still without a place to live. A housing manager who adds economy assets to the MILCOM's inventory does so at the expense of his planned construction and leasing program. This dichotomy frustrates housing managers, because it appears to penalize those who actively pursue economy housing during the program cycle.

2. Because of the language and cultural differences between CONUS and Germany, the housing referral offices (HROs) are expected to provide a broad range of counseling service to service members and their families. Unfortunately, the offices can offer only a limited number of services in face of the large volume of requests they receive. As a result, the service member sometimes feels he and his family are not receiving the attention or help they need and deserve. This perception, again, can surface later as a complaint against the Army family housing system.

C. The family perspective. The service member expects that when he is assigned to USAREUR, he will be able to bring his family with him and establish a home life that is happy, supportive, and reasonably similar to the home life he enjoyed in CONUS. However, the following factors, while not directly related to the housing problem, often prevent him from fulfilling that expectation, and translate into complaints about housing.

1. The service member is often denied concurrent travel because of stated housing shortages in his assigned MILCOM; yet, when he arrives, he frequently finds a suitable house within 60 days. The service member who is denied concurrent travel often has to make special arrangements, sometimes at

6. Coordination:

a. Sponsor:

Assistant Chief of Engineers - Major General N. G. Delbridge, Jr.

b. Command Point of Contact:

HQ USAREUR, AEAEN-EH - Colonel Daniel G. Barney.
HQDA, DAEN-ZCH-M - Mr. Jack L. Wagoner.
HQDA, DAEN-REA-L - Mr. James Uelman.
HQDA, DAPE-HRP-H - Mr. Jimmy Jones.

7. Schedule:

a. Proposed Start Date: June 1984 (ASAP).

b. Proposed Completion Date - Study Plan and/or In-Process Review
Report to ACE: 1 August 1984 for submission to VCSA on 10 August 1984.

END

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