WGAW 110453

BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

Lower Graded Military Personnel With Families Are Not Suitably Housed But Should Be

The Department of Defense's Family Housing Program seeks to assure that military personnel with dependents have suitable housing and to construct military family housing only when the community cannot provide suitable, affordable housing Onbase housing, however, is provided to higher graded military personnel--persons who, according to DOD criteria can usually afford suitable housing in the community and is generally denied to lower graded personnel who can least afford to live in the community

GAO recommends that the Secretary of Defense grant eligibility for onbase housing to all military personnel with dependents and assign such housing on the basis of need

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COMPTROLLER GENERAL OF THE UNITED STATES
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To the President of the Senate and the
Speaker of the House of Representatives

This report discusses the problem that lower graded military personnel with dependents have in obtaining suitable community housing. Lowest graded personnel are not eligible for onbase housing even though they can least afford to live in the community, and the objective of the Department of Defense's Family Housing Program is to assure that military personnel with dependents are suitably housed. The report recommends that ineligible personnel with dependents be made eligible for onbase housing and that after assigning housing on the basis of military necessity, housing be assigned based on need.

We made our review because of recent congressional concern over the plight of lower graded military families in obtaining suitable housing in communities near military installations.

We are sending this report today to the Director, Office of Management and Budget; the Secretary of Defense; and the Secretaries of the Army, Navy, and Air Force.

Comptroller General
of the United States

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COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

LOWER GRADED MILITARY PERSONNEL WITH FAMILIES ARE NOT SUITABLY HOUSED BUT SHOULD BE

D I G E S T

The Secretary of Defense has authority to include the housing requirements of all military personnel with dependents in determining the need for Department of Defense (DOD)-owned housing and to assign such housing on the basis of need.

However, DOD excludes the housing needs of the lowest graded enlisted personnel with families when computing the need for new onbase housing. GAO concluded that the Department's objective of suitable housing for members of the Armed Forces with dependents can be better realized by providing onbase housing to personnel who can least afford to live in the community.

In a February 1978 report, GAO recommended that the Navy give priority to lower graded eligible personnel in assigning onbase housing at the Trident Submarine Base at Bangor, Washington. Although disagreeing with this recommendation, DOD agreed that the assignment policy could stand some review to determine if it could be modified to better match the housing needs of military families irrespective of rank, and that a quad-service task group, formed to investigate ways to improve the procedures of DOD's housing survey system, was making such a review.

However, GAO has learned, that as of July 1979, the quad-service task force has not made the review DOD said it would. (See p. 31.)

The Secretary of Defense should

--grant all military personnel with dependents, regardless of grade, eligibility for military family housing;

--after assigning such housing on the basis of military necessity, assign military housing on the basis of need by providing priority to personnel who can least afford to live in the community; and

Policy evaluation
Low income housing
Military housing
military personnel
~~military dependents~~

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Eligibility criteria
Housing construction

--propose construction of additional housing only when the military housing inventory is insufficient, after being assigned on the basis of need, to house personnel who can least afford to live in the community. (See p. 34.)

The implementation of these recommendations should provide a sufficient number of onbase units to house key and essential personnel, most needy families, and a substantial number of the currently eligible higher graded personnel, with little additional construction of onbase housing being needed. (See pp. 27 to 30.)

POLICY INCONSISTENT WITH PROGRAM OBJECTIVE

Current DOD family housing policy as applied to lower graded enlisted personnel and the services' assignments of onbase housing are not consistent with DOD's stated housing objective to assure that members of the Armed Forces with dependents have suitable housing for their families. DOD's policy is to rely on local communities near military installations to supply housing DOD considers suitable for military personnel. When the community cannot provide suitable housing, that is, housing which according to DOD criteria is not too costly or not substandard, DOD's policy is to construct needed housing at the installation. The Congress has supported this policy, instructing DOD that onbase housing is to be built only as a last resort. (See pp. 3 and 4.)

DOD uses an annual housing survey to determine whether new onbase housing should be built. Although all officer grades (W-1 through O-10) and all enlisted grades (E-1 through E-9) are statistically surveyed, DOD does not consider the housing needs of the lowest graded enlisted personnel with families--persons in grades E-1 through E-3--when computing the need for new onbase housing.

In addition, DOD excludes E-4s with 2 years or less service in assigning onbase housing. Therefore, these grades are not normally assigned onbase housing. (DOD calls them "ineligibles" and the other enlisted and officer grades "eligibles.") Furthermore, because of the methods the services used to assign onbase housing to eligible personnel, imbalances were created in the amount of onbase housing units allocated to the various grade categories.

In particular, eligible lower graded enlisted personnel--persons in grade E-4 with more than 2 years service, and grades E-5 and E-6--were not given the same opportunity to obtain onbase housing as officers and higher graded enlisted persons (E-7 through E-9). (See pp. 4 to 9.)

LOWER GRADES INADEQUATELY HOUSED

Although the communities near military installations can usually provide housing DOD considers suitable for higher graded personnel who, by DOD criteria, can afford prevailing rents, the military constructs and assigns a greater proportion of onbase housing to such persons than it does to lower graded persons.

Conversely, ineligible and eligible lower graded personnel who, by DOD criteria, can least afford to live in the community, are generally forced to obtain housing in the community if they want to live with their dependents. GAO's review showed that a substantially greater percentage of lower graded persons than higher graded persons:

--Suffer financial hardship in obtaining community housing.

--Live in housing DOD considers substandard.

--Live without their dependents because they are unable to obtain onbase family housing or suitable community housing. (See pp. 7 to 14.)

Military officials at the bases visited were concerned about the plight of the lower graded families, stating that

--community housing available for ineligibles at Fort Hood, is generally deplorable,

--lower graded personnel, including E-5s with large families, at San Diego Naval Complex have an extremely difficult time finding suitable community housing, and

--many of the low-cost mobile homes near Mountain Home Air Force Base occupied by the military are substandard because of poor sewage, insufficient heating, and inadequate play areas. (See pp. 14 to 19.)

ADVERSE AFFECT ON COMMUNITIES

Discussions with housing managers and local government officials in the communities visited, along with a review of their records, revealed that

--military families occupied a substantial percentage of certain federally subsidized low-income housing which reduced the amount available for low-income civilian families;

--low-graded military families compete for low-cost housing, which tends to increase rental rates, and

--communities can usually provide suitable housing, according to DOD criteria, for higher graded personnel. (See pp. 19 to 24.)

DOD'S REASONS FOR EXCLUDING LOWER GRADES

According to DOD officials, their policy to exclude lower grades was established some years ago--probably in the late 1940s or early 1950s--and no documentation exists citing the rationale for the exclusion. The officials maintained, however, that the exclusion should continue, primarily because other housing benefits, in particular the payment of costs incurred to transport household goods, are not granted to the lower graded personnel; therefore, housing should not be granted either. (See p. 24.)

This issue is not new. DOD and military service officials have discussed in testimony the possibility of extending housing benefits to all grade levels. Beginning with testimony during the fiscal year 1972 hearings on DOD's family housing construction program, a DOD official said that they were considering a program to extend the benefits of onbase housing to the lower graded enlisted personnel. The DOD official added, however, that this had not been thought out too carefully or given extensive study. In the fiscal year 1974 hearings, Army, Navy, and Air Force officials said, respectively, that

--the Army hopes to expand eligibility for its family housing program,

--the Navy expects all military grades to be eligible for onbase family housing within the next 5 years, and

--the Air Force aims to provide housing for its ineligibles.

Subsequently, DOD included 3,000 housing units for enlisted personnel not previously considered eligible in its fiscal year 1975 budget request. Although the Senate authorizing committee approved 1,458 of these units, no units were authorized in conference as the conferees agreed that it was not necessary to construct housing for personnel who may not have seriously considered a military service career. The House Appropriations Committee disagreed with the deletion, stating that it was in the long range interest of the military to provide housing for all married personnel. The Appropriations Committee expressed its intention to support future requests for housing for lower graded personnel.

The issue surfaced again when, in the fiscal year 1978 hearings, the Deputy Assistant Secretary of Defense (Installations and Housing) said that lower graded married enlisted personnel were a DOD housing requirement (although administratively excluded) because they were married, had dependents, and had to pay for the shipment of household goods. Although he said that excluding these personnel was wrong and that all married personnel should receive housing assistance, he could not anticipate when DOD would request or when the Congress would authorize paying the costs of travel for dependents and movement of household goods for these personnel. (See pp. 25 to 27.)

The related benefit of transporting household goods and dependents should be dealt with separately. The assignment of onbase housing primarily involves the use of inplace assets, while providing transportation benefits would result in a cash outlay To provide these families no relief on the basis that they should get either full relief or nothing ignores the plight of these families.

AGENCY COMMENTS AND GAO EVALUATION

DOD and military officials stated that severely reducing currently eligible personnels' opportunity for onbase housing would be viewed as the loss of another benefit and would adversely affect their morale, lessen their commitment to the service, and aggravate current retention problems. They stated that other alternatives, such as construction of onbase housing, more federally subsidized housing for military families, or a variable housing

allowance adjusted for local community housing costs, would provide relief to ineligibles without adversely affecting personnel currently eligible for housing.

The eligible personnels' opportunity for obtaining onbase housing under GAO's proposed assignment policy would be reduced but not to the extent anticipated by the military services. Only 42 percent of military personnel in grades E-6 and above who responded to the 1978 DOD family housing survey were living in military housing. Therefore, the majority of eligible higher graded military personnel with dependents are already living in the community and, because military housing is not available, they receive an allowance to help them with housing expenses. Higher graded personnel receive greater allowances than lower graded personnel, therefore, they are better able to obtain suitable community housing.

Furthermore, military personnel with dependents who are currently ineligible for military housing would displace fewer eligible personnel than at first seems apparent. For example, onbase housing assigned to currently eligible personnel at six bases GAO analyzed would be reduced by only 19 percent under GAO's proposed assignment policy. There were 90,382 personnel eligible for 22,718 onbase housing units at the six bases. At the time of GAO's review, 1,120 of the units were awaiting reassignment or undergoing repair. The remaining 21,598 units were occupied by 20,824 eligible and 774 ineligible personnel.

The reduced impact occurs because, of 15,521 ineligible personnel, 23 percent were voluntarily separated from their dependents and 35 percent preferred to live in the community. About 12 percent of the ineligibles were childless families which would not receive military housing because most onbase housing is designed for larger families. Personnel without children, however, should be able to obtain suitable community housing because it is likely that their spouses would be employed. The remaining 4,666 ineligibles, including the 774 already housed onbase, would have received onbase housing under GAO's proposal. (See p. 32.)

The construction of more onbase housing is clearly inconsistent with DOD's policy objectives of relying on communities near military installations as the primary source of housing and of constructing onbase housing only when the community cannot meet the

military's housing needs. Implementation of GAO's recommendations would result in a predictable movement, over time, of persons who are unsuitably housed in the community replacing persons onbase who can afford suitable community housing. (See p. 33.)

The federally subsidized housing programs are barely meeting a fraction of the needy eligible civilian population; it appears that DOD's Family Housing Program is more appropriate for meeting the military's housing needs. (See p. 33.)

GAO did not evaluate the variable housing allowance in its review. However, payment of additional allowances to all military families, including higher grades who can already afford to live in the community, would seem to increase the housing inequities which exist between the lower and higher graded military persons with dependents. (See p. 33.)

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ABBREVIATIONS

DOD	Department of Defense
FmHA	Farmers Home Administration
GAO	General Accounting Office
HUD	Department of Housing and Urban Development
MAHC	maximum allowable housing cost
RMC	regular military compensation

CHAPTER 1

INTRODUCTION

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The principal objective of the Department of Defense (DOD) Family Housing Program is to assure that members of the Armed Forces with dependents have suitable housing for their families. To help accomplish this objective, DOD may take various actions, such as: (1) encouraging the development of community housing, (2) helping military families receive a fair share of community housing, (3) constructing housing at military installations, 1/ and (4) assigning onbase housing to those who cannot obtain suitable housing in the community.

While the military does attempt to influence community housing development, it looks to the Department of Housing and Urban Development (HUD) to take the lead in this effort. However, the housing referral office at military installations does help military families find suitable housing in the community, including rental housing subsidized by HUD and, in rural areas, by the Farmers Home Administration (FmHA), Department of Agriculture.

DOD family housing in the conterminous 48 States and the District of Columbia, at March 31, 1978, is shown in the following table.

	Number of housing units				
Description	Total	Army	Air Force	Navy	Marine Corps
Adequate housing					-
Owned	245,394	77,396	106,781	47,163	14,054
Leased	5,563	2,388	1,445	1,730	-
Other	33	9	24	-	-
Total	250,990	79,793	108,250	48,893	14,054
Inadequate (note a)	24,582	6,951	6,346	6,445	4,840
Privately owned, DOD sponsorship	4,346	1,889	322	2,135	-
Trailer spaces	8,515	1,281	4,580	1,715	939
Total	288,433	89,914	119,498	59,188	19,833

a/Designated so by DOD for reasons such as poor condition, small size, and temporary nature of construction

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1/In this report, we use the terms "base", "complex", and installation" synonymously.

CHAPTER 2

DOD HOUSING POLICIES AND ASSIGNMENT PRACTICES DO NOT ASSURE THAT LOWER GRADED PERSONNEL WITH DEPENDENTS ARE SUITABLY HOUSED

DOD's onbase housing policy and the military services' assignments of onbase housing are not consistent with the stated principal objective of DOD's Family Housing Program, which is to assure that members of the Armed Forces with dependents have suitable housing for their families. When suitable housing cannot be provided by the community, DOD's policy is to construct needed housing at the installation. The Congress has supported this policy, instructing DOD that onbase housing is to be built only as a last resort.

Under DOD policy, however, lowest graded personnel with families--enlisted persons in grades E-1 through E-3, and E-4s with 2 years or less service--are not authorized to compete with eligible personnel for onbase housing. Furthermore, because the services' housing assignment practices have created imbalances in the amount of onbase housing units allocated to the various grade categories, eligible lower graded personnel--enlisted persons in grade E-4 with more than 2 years service and grades E-5 through E-6--are not given the same opportunity to obtain onbase housing as officers and higher graded enlisted persons (E-7 through E-9).

Although the communities near military installations can usually provide housing DOD considers suitable for higher graded personnel, who, by DOD criteria, can afford prevailing rents, the military services construct and assign a greater proportion of onbase housing to such persons than they construct and assign to lower graded persons. Conversely, ineligible and eligible lower graded personnel, who, by DOD criteria, can least afford to live in the community, are generally forced to obtain their housing in the community if they want to live with their dependents. Our review showed that a substantially greater percentage of lower graded than higher graded persons

- --suffer financial hardship in obtaining community housing,
- --live in housing DOD considers substandard, and
- --live without their dependents because they are unable to obtain onbase housing or suitable community housing.

DOD's family housing assignment policy has also aggravated economic and social problems existing in communities near military installations. Our review at nine bases revealed that

--military families at five base locations occupied a substantial percentage of certain federally subsidized low-income housing, thereby reducing the availability of such housing for low-income civilian families,

--competition by low graded military families tended to increase rental rates for available low-cost housing; and

--communities can usually provide suitable housing, according to DOD criteria, for higher graded personnel.

Although various military officials have expressed concern for the plight of the lower graded personnel, DOD has not resolved the problem. We believe that all military personnel with dependents should be eligible for military family housing, with the housing being assigned on a priority of need after providing housing to key and essential personnel.

HOUSING ASSIGNMENT POLICY INCONSISTENT WITH PROGRAM OBJECTIVE

The longstanding objective of DOD's Family Housing Program is to assure that members of the military services have suitable housing in which to shelter their families. The Deputy Assistant Secretary of Defense (Installations and Housing) reemphasized this objective during fiscal year 1979 hearings before the Senate and House Committees on Appropriations. Further, he said DOD's basic policy is to rely on communities near military installations as the primary source of housing for military families and to construct onbase housing only when the community cannot provide suitable housing to meet the military's needs. According to DOD, housing is suitable when it is appropriately located within 60 minutes driving distance of the base and is not substandard or too costly. 1/

The Congress has supported DOD's family housing policy and has advised DOD that, because of significantly rising costs of constructing and maintaining military family housing

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1/More than 25 percent of military income, including tax-free allowances and resultant tax benefits. (See p. 10.)

and the need to assist the economies of communities near installations, military housing should be constructed only as a last resort.

However, DOD's onbase housing assignment policy is not consistent with the principal objective of its Family Housing Program and its onbase housing construction policy.

Although communities can generally provide suitable housing for higher graded personnel, who can either buy homes or pay the prevailing rental costs, the military generally constructs and assigns onbase housing to these families and fails to provide suitable housing for lower graded personnel, who can least afford to live in the community.

DOD regulations provide that only personnel in pay grades E-5 and above and E-4s with over 2 years of military service who are accompanied by their families are eligible for military family housing. Military housing is generally allocated to the pay grade categories for which it was programed, constructed, or otherwise obtained. DOD has established one enlisted and four officer categories, but allows the services to subdivide the enlisted category into senior enlisted (i.e., E-7 through E-9) and lower enlisted categories (E-4 through E-6).

Key and essential personnel, such as installation commanders and command sergeants major in the Army, have first priority for onbase housing and, because of military necessity, may be required to live onbase. Other eligible personnel are assigned to military housing allocated to their grade category. Priority within a grade category is determined by the effective date of the person's application for housing. Personnel may also be assigned to housing one grade category above or below the category for which they qualify.

Military families are generally assigned to housing according to the number of bedrooms required, which is based on the number, age, and sex of their dependent children. However, certain higher grades receive larger units, regardless of the number of dependent children. For example, commissioned officers in pay grades O-4 and O-5 by Navy and Air Force regulations, and O-5 by Army regulations, are entitled to three-bedroom units. The Air Force also authorizes three-bedroom units for senior enlisted personnel.

Although not precluded by Federal law, the lower grades (E-1 through E-3 and E-4s with 2 years or less service) are not allowed by DOD to compete for military housing classified as adequate. These ineligibles may obtain military family housing only after the needs of all eligibles have been met. Military housing which has been designated "inadequate" by

DOD for reasons such as poor condition, small size, and temporary nature of construction may be available for ineligible married personnel. Most of this housing, however, is occupied by eligible families.

The following table shows the housing available to, and/or occupied by, ineligible personnel at the nine bases we visited. No adequate housing has been allocated to ineligible personnel. Although some adequate units were occupied by ineligible personnel, additional assignments are to be made only when there are no eligible personnel on the waiting list. Ineligibles were given a priority for inadequate units at two bases and competed with eligibles for inadequate units at two other bases.

Base	Ineligible families (note a)	Housing for ineligibles
Fort Lewis	1,876	No housing for ineligibles.
Fort Hood	3,412	No housing for ineligibles.
San Diego Naval Complex	5,165	Ninety personnel occupied adequate housing units. No additional personnel will be assigned.
Fort Ord	1,138	Three adequate housing units occupied by ineligibles but, no inadequate units. Priority for 806 inadequate housing units available to the extent that newly constructed or planned housing becomes available to eligible junior enlisted personnel.
Camp Pendleton	2,788	Ineligibles receive priority for 647 inadequate housing units. Ineligibles occupied 525 of the units.
Mountain Home Air Force Base	611	Because of surplus, 46 adequate units were occupied by ineligibles. No inadequate units.
McChord Air Force Base	366	Ineligibles compete with eligible personnel for 100 inadequate housing units. None of the units were occupied by ineligibles.
Norfolk Naval Complex	5,696	Ineligibles compete with eligible personnel for 2,175 inadequate housing units. Ineligibles occupied 200 of these units.
Bremerton Naval Complex	619	Because of surplus, 77 adequate units were occupied by ineligibles. No inadequate units.
Total	21,671	

a/Includes eligible E-4s because the bases did not maintain information on E-4s that would identify the eligible E-4s from ineligible E-4s.

LOWER GRADED ELIGIBLE PERSONNEL DO NOT RECEIVE PROPORTIONATE SHARE OF MILITARY FAMILY HOUSING

Since the objective of DOD's Family Housing Program is to assure that members of the Armed Forces with dependents have suitable housing for their families, one would anticipate that onbase housing would be allocated among the eligible categories in the same ratio as the requirements of each category bear to the total requirements of all categories. At the installations we visited, however, lower graded enlisted personnel who are eligible for onbase housing generally received a smaller proportion of military family housing than higher graded personnel.

In accordance with DOD instructions, all services may designate each military housing construction project for a specific military grade category (such as junior enlisted or senior enlisted). DOD regulations require that family housing generally be occupied by military personnel within the grade category for which it was programed, constructed, or otherwise obtained. Since most onbase housing was constructed years ago, the original programed allocations may not necessarily meet today's needs. As a result, those persons in charge of allocating housing can reallocate military housing between grade categories when inequities exist (i.e., one grade category has a better chance to obtain military housing than another because of imbalances in the amount of onbase housing compared to demand).

At least two of the nine installations we visited had attempted to correct an imbalance in housing designations between grade categories. Fort Ord reallocated 164 company grade officer quarters to junior enlisted personnel, and Fort Lewis temporarily designated some vacant officer housing for use by enlisted grades. However, as discussed below and shown in the following table, there was a further need to reallocate housing from higher to lower grade categories to alleviate the present imbalances.

At the time of our visit to the bases, officers and senior enlisted personnel generally had a substantially greater proportion of their military housing demand satisfied than did junior enlisted personnel, as shown in the following table. E-4s received housing which met about 40 percent of their housing demand compared to about 77 percent for E-7s. At some bases, the comparisons were even more extreme. For example, at Fort Hood 92 percent of the E-7 demand for onbase housing was met, but only 26 percent of the E-4 demand. At Fort Ord, 90 percent of the E-7 demand was met by military housing, but only 36 percent of the E-4 demand. The table on the following page shows the

Type of Personnel	Demand for military housing (note a)	Living in military housing	Percent of demand met
Officers			
General, senior, and field grade officers (O-10 to O-4)	1,715	1,441	84
Company grade officers:			
O-3	1,125	812	72
O-2	569	420	74
O-1	1,284	810	63
W-4 to W-1	852	656	77
Total	3,830	2,698	70
Total	5,545	4,139	75
Enlisted			
Senior enlisted:			
E-9	244	184	75
E-8	968	812	84
E-7	4,254	3,270	77
Total	5,466	4,266	78
Junior enlisted:			
E-6	10,119	6,773	67
E-5	12,982	7,373	57
E-4	9,064	3,649	40
Total	32,165	17,795	55
Total	37,631	22,061	59

a/Total living in or waiting for military housing.

average percentage of onbase housing demand met, by grade, for seven installations visited. Adequate information was not available at two bases to allow us to make accurate calculations.

At three of four bases where we obtained available information, higher enlisted grades generally had shorter waiting periods for military housing than the lower enlisted grades. At the fourth base the waiting periods were about equal. At one of the three bases, junior enlisted personnel had to wait for both two- and three-bedroom units about six times longer than senior enlisted personnel. At the second base, senior enlisted personnel waited 1 to 2 months for two-bedroom units, while junior enlisted personnel waited 16 to 17 months. The third base projected waiting periods of 12 to 20 weeks for 478 junior enlisted personnel and 1 to 2 weeks for 3 senior enlisted personnel.

LOWER GRADED PERSONNEL SUFFER FINANCIAL HARDSHIPS IN PAYING FOR COMMUNITY HOUSING AND/OR LIVE IN SUBSTANDARD HOUSING

Our review of DOD survey data showed that 61 percent of the lower graded personnel--E-1 through E-3--surveyed were either renting community housing that, based on DOD's criteria, was too costly for their military incomes and/or was substandard or were involuntarily separated from their families because they could not find affordable standard housing. Also, 38 percent of the E-4s, 19 percent of the E-5s, and 11 percent of the E-6s were similarly unsuitably housed.

To determine the status of housing for military families and the need for additional onbase housing, DOD conducts an annual housing survey at selected units. The military services submit questionnaires to a test group of personnel in all grade levels. The 1978 survey was conducted at 133 DOD units in the conterminous 48 States and the District of Columbia. Our analyses covered 130 of these units for which data was available. About 510,000 military personnel assigned to these 130 units had dependents, and the services received questionnaire responses from 83,284 of these personnel. Of this group, 5,502 were voluntarily separated from their families, leaving 77,782 who wanted to live with their families in the base area. This group consisted of 29,684 living in military family housing, 968 involuntarily separated from their families, and 47,130 who were living with their families in the community.

	Total families	Test group
Officers	106,883	29,324
Eligible enlisted (note a)	345,449	39,164
Ineligible enlisted	58,005	9,294
Total	510,337	77,782

a/All grade E-4 personnel are treated as eligible for onbase housing in our analyses because of the difficulty in separating eligible E-4s from ineligible E-4s and because very few are ineligible (about 2 percent of those surveyed by DOD at one Air Force base we visited). DOD also considers all E-4s eligible in its family housing survey.

We analyzed the 77,782 questionnaires to determine the extent to which this group lived in unsuitable community housing. A community housing unit is considered unsuitable by DOD if it (1) is located an excessive distance from the base--requires more than 60 minutes travel time one way between home and base, (2) is substandard--because of structural condition, equipment, neighborhood, number of bedrooms, or completeness of utilities, or (3) is too costly--the respondent says his or her housing is too costly and the actual cost, including utilities, exceeds the maximum allowable housing cost (MAHC) that DOD believes an individual should pay for housing. If a family is involuntarily separated because the military member could not bring his or her family to the base area due to lack of affordable standard housing, then that family is also considered unsuitably housed.

We excluded distance as a factor from our analyses because it is frequently based on personal preference and we were more concerned with the more serious substandard and too costly housing conditions. Furthermore, distance is not significant: only 2 percent of the respondents lived an excessive distance from the bases. We also concluded that personnel buying their homes or living in military family housing were suitably housed. With respect to whether housing was too costly, DOD established an MAHC at 30 percent of regular military compensation (RMC) 1/ based on October 1976 pay rates. The military services disagreed with DOD, generally favoring a 25-percent factor as being more realistic. In

1/RMC is the sum of basic pay, allowances (quarters and subsistence), and the Federal income tax benefit resulting because the allowances are not taxable.

November 1978 DOD changed the MAHC to 25 percent of RMC. In our analyses we compared rental housing costs with 25 percent of RMC based on October 1977 pay rates.

The table on the following page shows that 61 percent of the E-1s through E-3s and 38 percent of the E-4s questioned at the 130 military units were living in unsuitable housing in the community or were involuntarily separated from their families. Conversely, the vast majority of higher graded personnel were suitably housed. Obviously, lower graded personnel have less opportunity than their higher graded associates to find suitable housing within the 25-percent criteria. For example, based on 25 percent of their RMC, an E-3 would have about $183 available for housing, but an E-6 or O-2 would have about $291 and $323 available for housing, respectively. As discussed earlier, however, onbase housing is assigned to higher graded personnel and the lowest grades are forced to live in the community.

At the seven bases we visited for which information was available, a higher proportion of families were renting houses in the community than at the 130 bases, and a higher percentage were unsuitably housed. For example, 65 percent of the ineligibles and 50 percent of the E-4s surveyed, including those who were involuntarily separated from their families, were unsuitably housed. Also, 26 percent of the E-5s and 9 percent of the company grade officers were unsuitably housed. We estimated that about 9,800 ineligibles and 9,900 E-4s were unsuitably housed at the seven bases we visited.

Although many families of lower graded personnel were renting unsuitable housing at all of the bases we visited, the principal reason for the unsuitability varied. At the Norfolk Naval Complex, Virginia, for example, the principal problem was substandard housing, while at Fort Ord and Camp Pendleton, California, the main problem was the high cost of housing.

Grade category or grade	Reason housing considered unsuitable				
	Total	Substandard only	Cost only	Cost and substandard	Involuntarily separated
	(percent, rounded)				
Officers					
General to field grade categories (O-10 to O-4)	2	1			
Company grade category (O-3 to O-1 and warrant)	5	2	2	1	
All officers	3	1	1		
Enlisted:					
E-9	4	1	1		1
E-8	5	1	2	1	1
E-7	6	2	2	1	1
E-6	11	4	5	2	1
E-5	19	5	9	4	1
E-4	38	8	18	9	3
All eligible	16	4	7	3	1
All ineligible	61	7	34	17	3
All enlisted	25	5	12	6	2

Unaffordable housing

The proportion of respondents who were renting in the community and incurring housing costs exceeding 25 percent of their RMC varied significantly at the seven bases for which information was available. For example, personnel stationed at Fort Ord, near the resort area of Monterey, California, paid the highest housing costs. At Fort Ord, 97 percent of the E-1s, E-2s, and E-3s and 81 percent of the E-4s who answered the questionnaire were paying over 25 percent of their RMC for rent and utilities. Similarly, 83 percent of the E-5s and 41 percent of the company grade officers were incurring housing costs exceeding 25 percent of their RMC. In contrast, at Mountain Home Air Force Base, Idaho, 42 percent of the E-1s through E-3s, 22 percent of the E-4s, 25 percent of the E-5s, and none of the company grade officers were paying over 25 percent of their RMC for rental housing.

Substandard housing

Our analysis of service-member responses to DOD's questionnaire showed that 46 percent of the E-1s, E-2s, and E-3s renting housing in the community near the Norfolk Naval Complex, Virginia, and 38 percent at the Fort Hood, Texas, community were living in substandard housing. With respect to E-4s, 48 percent of the renters at Mountain Home Air Force Base, Idaho, and 44 percent of the renters at Fort Ord, California, occupied substandard housing. Of the seven bases for which information was available, lower graded personnel apparently had the least difficulty in finding suitable housing at the Bremerton Naval Complex, Washington, because only 17 percent of the E-1s, E-2s, and E-3s and 27 percent of the E-4s lived in housing considered substandard.

Questionnaire respondents designated their housing as unsuitable principally because of its structural condition and insufficient number of bedrooms. For the seven bases, 18 percent of the E-1s, E-2s, and E-3s were living in structurally defective units and 16 percent were living in units which did not have enough bedrooms for their family size. With respect to E-4s, 17 percent said their units were unsuitable because of structural condition and 20 percent because of an insufficient number of bedrooms. Other reasons frequently cited for unsuitable housing included undesirable neighborhoods and inadequate and/or faulty utilities and equipment. Following are examples of the problems cited at the various bases:

--Twenty-seven percent of the ineligibles questioned at Norfolk said they lived in undesirable neighborhoods; 24 percent identified their units as structurally defective.

--Twenty-nine percent of the ineligibles at Fort Hood said there was an insufficient number of bedrooms.

--Forty-one percent of the E-4s at Mountain Home Air Force Base stated they were living in structurally defective units.

--Thirty-six percent of the E-4s at Fort Ord identified an insufficient number of bedrooms as the major problem.

As indicated below, living off base can, in some instances, cause severe problems for low-income families.

--An E-3 marine at Camp Pendleton said he could not afford to rent a clean and decent house for his wife

and child. Also, the one-bedroom unit he lived in is located in an unsafe part of town and is in deplorable condition--the roof leaks, and the stove and refrigerator are old and do not work satisfactorily. He said the oven door must be wedged shut to be used and that rodents are also a problem. The E-3 said the fact that he could not get decent housing for his family is a major reason why he will leave the Marines when his enlistment is over.

--An E-3 at Fort Ord told us that he pays $265 a month for a one-bedroom apartment that should have been condemned because it was in such bad condition. Some of the problems included structural damage to walls and ceilings, inadequate utilities, and an insufficient number of bedrooms. He shared one bedroom with his wife and their two children. To pay the rent and support his family, he got a second job working nights, which he believed hurt his effectiveness as a soldier.

Officials at military installations were also very concerned about the housing situation faced by families of lower graded personnel. Statements made to us by officials at some of the bases we visited included the following

--A Fort Ord official said that an adequate supply of housing for lower graded personnel does not exist.

--A Fort Hood official said housing available for ineligibles is generally deplorable, with some families "living like animals."

--An official at the San Diego Naval Complex said lower graded personnel, including E-5s with large families, have an extremely difficult time finding suitable housing in the community.

--An official at Mountain Home Air Force Base said many of the low-cost mobile homes occupied by the military are substandard because of such things as poor sewage, insufficient heating, and inadequate play areas.

--A Fort Lewis official said the plight of lower graded enlisted personnel, in many instances, is unfortunate. He said that although their incomes are low and they must live in offbase housing, which is more costly than onbase housing, many do not know how to properly manage their money.

In discussing the affordability of community housing, the Comprehensive Planning Organization, San Diego Region, in its July 1977 report "Regional Housing Perspectives" stated that lower enlisted grades were facing a housing crisis in San Diego.

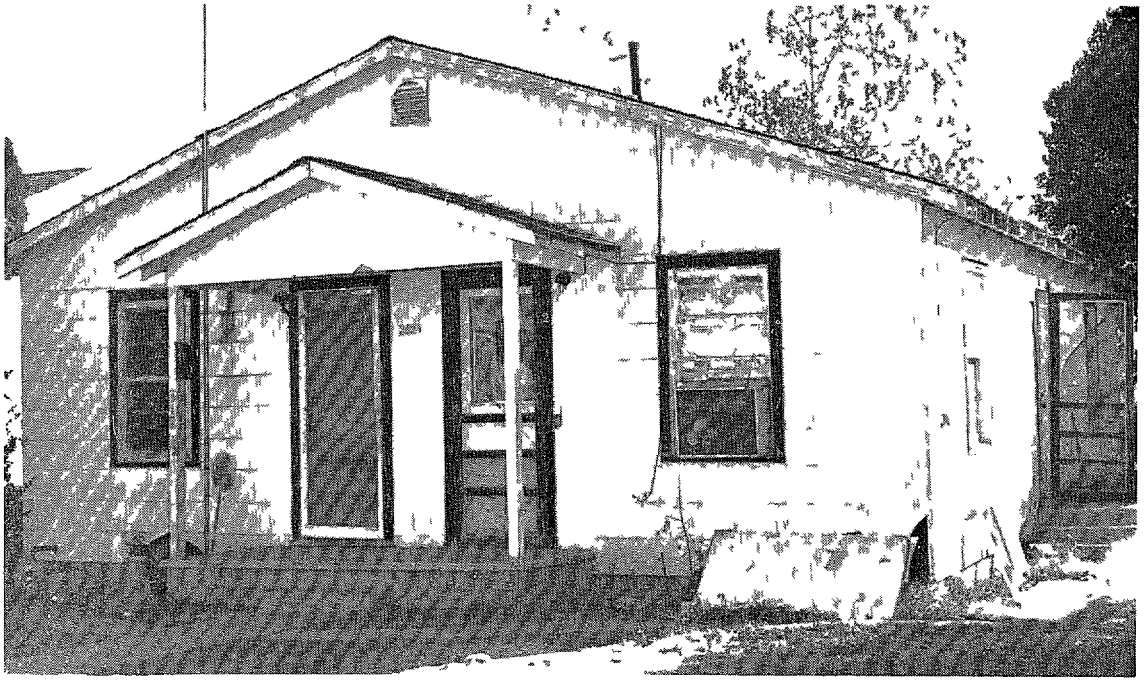
On the following pages are photographs of low-cost and/or substandard community housing occupied by or available to lower graded enlisted personnel and their families.

We noted various statements made by top DOD and military service officials for the fiscal years 1978 and 1979 congressional hearings which indicate concern about the plight of lower graded personnel living in the community. The Deputy Assistant Secretary of Defense (Installations and Housing) stated:

> "The fundamental basis for this program (family housing) is the welfare of the Armed Forces. We are mindful that family separations due to lack of suitable housing or living in unsuitable conditions can adversely affect the morale of the service members and be detrimental to the effectiveness of our military forces."
>
> * * * * *
>
> "The problem that I see in providing housing for low income military personnel is not unlike that of the Nation. There simply is not enough housing assistance given to the low and moderate income and low income groups in this country."
>
> * * * * *
>
> "It is extremely difficult for these families (ineligibles) to obtain decent housing in the private sector, since most communities prefer to address the demand generated by military personnel with greater income."

The Assistant Chief of Engineers, Office of the Chief of Engineers, Department of the Army stated:

> "We are increasingly concerned with the plight of the families of our junior enlisted soldiers, particularly those not eligible for onpost family housing. All commands report increasingly difficult financial conditions for these ineligible families and we now estimate that about 40 percent of them within the 50 States are not living in adequate housing. This compares with less than 5 percent of the eligible families."

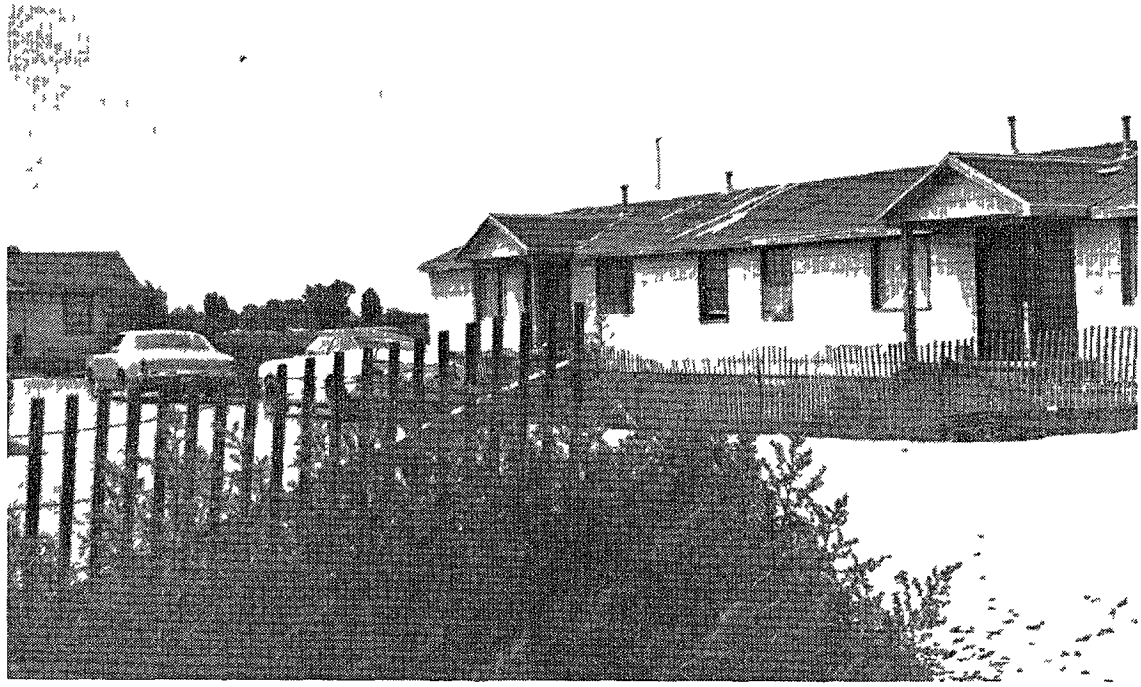


FORT HOOD, TEXAS SUBSTANDARD UNIT BECAUSE OF POOR STRUCTURAL CONDITION, ROOF, WALLS, AND DOORS NEED REPAIRS

SOURCE U S ARMY PHOTOGRAPH

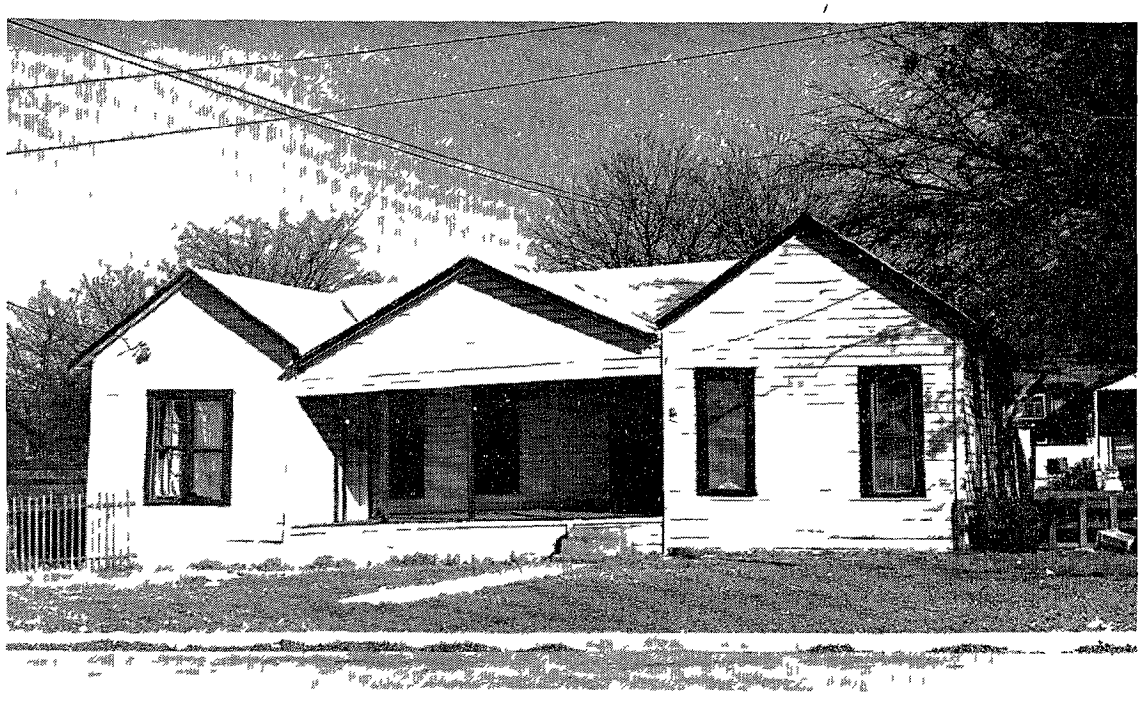
FORT HOOD, TEXAS SUBSTANDARD UNIT BECAUSE OF POOR CONDITION AND/OR LACK OF REPAIR

SOURCE U S ARMY PHOTOGRAPH



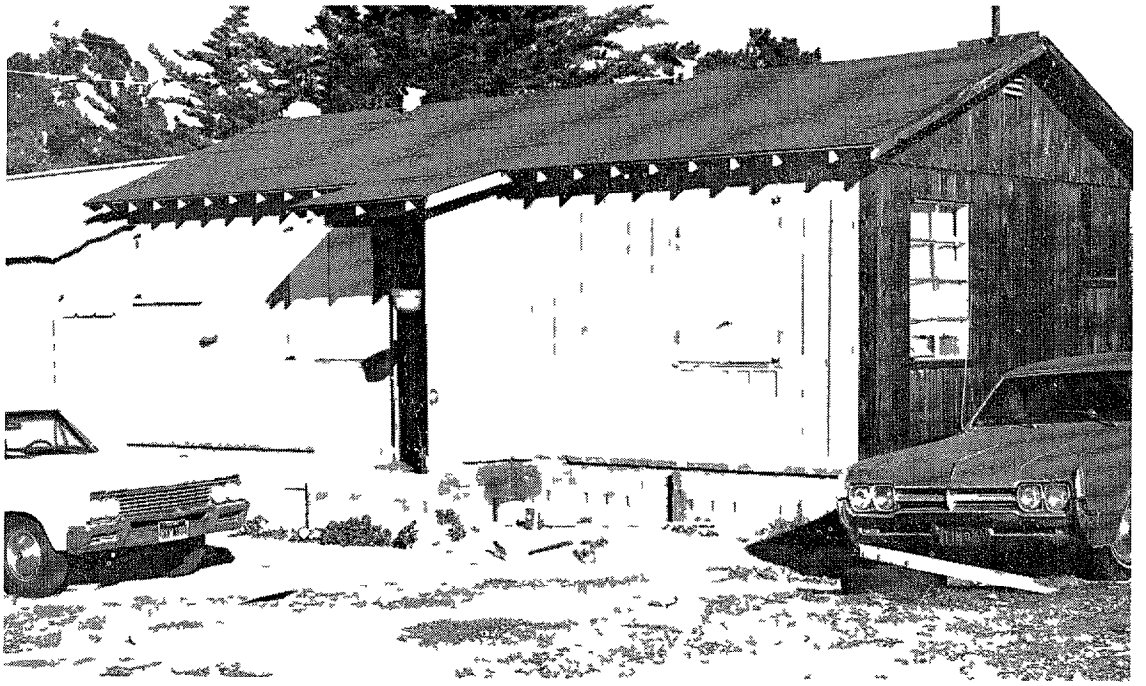
MOUNTAIN HOME AIR FORCE BASE, IDAHO BARRACKS BUILDING MOVED OFFBASE AND CONVERTED TO 1–AND2–BEDROOM APARTMENTS

SOURCE MOUNTAIN HOME AFB HOUSING OFFICE



FORT HOOD, TEXAS SUBSTANDARD UNIT BECAUSE OF POOR STRUCTURAL CONDITION, WALLS, FLOORS, WINDOWS AND DOORS NEED REPAIRS

SOURCE U S ARMY PHOTOGRAPH



FORT ORD, CALIFORNIA SUBSTANDARD UNIT DUE TO UNSOUND STRUCTURAL CONDITION

SOURCE U S ARMY PHOTOGRAPH

The Assistant Commander for Family Housing, Naval Facilities Engineering Command said:

> "The housing market is pretty much geared to what the civilian community can afford. That is what the builders are building. I think a good example of things that are happening is that old apartment houses and such are being converted into condominiums. Rental units are no longer there. People are rehabilitating and selling them as condominiums. The rental market is decreasing, and we need a rental market for our lower enlisted personnel and particularly those ineligibles for whom we do not program housing. The married people in the lower enlisted rate do not meet the criteria for new construction."

Although high-level officials have indicated their concern about the housing difficulties low-income personnel are having, the problem remains, primarily because DOD's housing assignment policy gives preference to higher graded personnel who, according to DOD criteria, can afford standard community housing.

DOD'S ASSIGNMENT POLICIES HAVE A NEGATIVE EFFECT ON THE COMMUNITY

DOD's housing assignment policies appear to work at cross-purposes to the achievement of some Federal housing objectives. The policies, by forcing the lowest graded military families to seek community housing, aggravate social and economic problems existing in the community. Many communities already have a problem in providing decent, safe, and sanitary housing for their low-income civilian families. The situation--which was evident at several of the military bases we visited--is further aggravated when low-graded military personnel must compete with civilians for low-income housing.

Our discussions with housing managers and local government officials in communities near the nine bases we visited and our review of their records revealed that

- --military families occupied a substantial percentage of certain federally subsidized low-income housing at five of the base communities, thereby reducing the availability of such housing for low-income civilian families,

- --competition by low-graded military families tended to increase rental rates for the available low-cost

housing and reduce the availability of such housing for low-income civilian families, and

--communities can usually provide standard housing for higher graded military personnel who, according to DOD criteria, can either afford to buy a home or pay the prevailing rentals.

Some important Federal housing objectives are to (1) alleviate shortages of adequate and affordable housing for lower income families, (2) increase residential construction, (3) encourage homeownership, and (4) encourage community development and neighborhood preservation and revitalization. Such objectives can be enhanced to the extent that DOD's family housing policies and practices coincide and contribute to their achievement. DOD's policies, however, appear to work at cross-purposes to the achievement of these objectives.

Supply of federally subsidized housing reduced for lower income civilian families

HUD and FmHA operate housing rental assistance programs for low- and moderate-income families. These programs, to October 1977, have provided housing assistance to about 3 million households, or only about 10 percent of the income-eligible population. DOD's onbase housing assignment policy has forced low-income military families to compete in the community for this limited supply of subsidized housing.

The principal rental subsidy programs participated in by military personnel at the bases we visited were HUD's section 236 and FmHA's section 515 programs. Section 8, a major HUD rental subsidy program, was seldom used by military personnel at the bases we visited, partly because lower income, disabled, or elderly civilians had priority. HUD's section 236 provides mortgage interest subsidies to developers of rental projects in which a portion of the housing units are made available to lower income persons at reduced rates. FmHA's section 515, a rural rental housing program, provides loans to finance the construction or purchase and rehabilitation of rental housing. Occupancy is limited to low- and moderate-income households and persons over 62 years of age. FmHA generally grants an interest credit, reducing the rate of interest to as low as 1 percent. This allows the project sponsors to charge reduced rents to low- and moderate-income families.

We reviewed the housing occupancy at five of the seven bases where communities had section 236- or section 515-subsidized housing. This information was not readily available at the two bases we did not review. At four communities, military families occupied from 10 to 41 percent of the housing and, at another location, military

families occupied 68 percent of the subsidized housing units. Many civilian families were on the waiting list for subsidized housing in these five communities, but low-income military families occupied the units. Available information showed that reported monthly incomes of civilians occupying or waiting for this subsidized housing were substantially lower than those of competing military families.

The following table shows the information obtained at these five bases excluding HUD-subsidized housing projects which were set-aside for use for lower grade military families on a priority basis.

	Number of subsidized units	Number occupied by military	Percentage occupied by military	Civilians on waiting list	Monthly military income exceeded civilian income by
Mountain Home AFB, Idaho	80	54	68	46	$145
Fort Ord, California	825	130	16	106	163
San Diego, California	5,753	1,819	32	184 a/	175
Camp Pendleton, California	570	59	10	90 b/	276
Fort Hood, Texas	100	41	41	c/	c/
Total	7,328	2,103		426	

a/At three projects having a total of 1,756 housing units.
b/At one project having a total of 314 housing units.
c/Information not available.

One State housing authority official said that because the military families occupied the subsidized housing, some low-income civilian families were forced to live in substandard units. This appears inevitable because many civilian families competing for the subsidized housing units have very low incomes and without financial assistance cannot afford adequate housing.

Impact of housing policy on rents and availability of adequate housing for low-income civilians

In several communities we visited, officials told us that current military policies place low-income military in direct competition with low-income civilian families for a limited number of low-cost housing units. Some community officials believe the military demand for housing is one reason why rents have risen for low-income civilian families.

For example, in one community, a HUD housing market analyst commented that demand by military personnel puts stress on low-cost units in the local market and, in some instances, forces civilian tenants to spend an inordinate amount of their income for rent. In San Diego, California, a city planning official said that rents for low-income housing were substantially higher because of the large military demand for the housing. Also, a Bremerton, Washington, official, testifying before the the House Subcommittee on Appropriations, requested that the subcommittee direct the Navy to assign military housing to families of lower graded enlisted personnel who would be assigned to the Trident Submarine Base. He said those military families, by living in the community, would force rents to increase for all low-income and elderly families.

Communities can usually provide suitable housing for higher graded personnel

Our analysis of questionnaire data received from respondents at 130 military units DOD surveyed in 1978 showed that of 30,237 personnel in grades E-6 and above living in the community, 25,196, or 83 percent, were buying their homes. Of those who were renting in the community, 73 percent did not pay over 25 percent of their RMC for housing. In grades E-5 and below, only 40 percent of the renters did not pay over 25 percent of their RMC for housing.

Community officials we queried unanimously agreed that their problem is housing the low-income families, not those who can afford to buy homes or pay prevailing rental rates. These officials said that suitable housing is available for higher graded personnel. For example, the city planner at Oceanside, California, near the Camp Pendleton Marine Corps

Base, told us that the community can provide sufficient suitable housing to accommodate the higher grades, but cannot provide sufficient suitable housing for the lower grades.

An official of the Idaho housing agency told us that, in his opinion, higher graded personnel at Mountain Home Air Force Base would be able to find suitable housing in the community.

Impact of housing policy on community and national housing objectives

Community officials we visited believe the military family housing policy does not benefit the community. In the past, communities faced with military population increases have generally preferred to provide the housing because it increased the tax base, gave local financial institutions loan opportunities, and provided many other benefits. However, these benefits are reduced and may even be eliminated when higher income military families reside onbase and low-income families live in the community. One community official, testifying before a House subcommittee, said he did not favor housing the military in the community because the military families to be housed would be junior enlisted families. The official said the tax benefits the county would receive would not offset the cost of additional services the community would have to provide.

Our analysis of responses from the 1978 DOD housing questionnaire survey shows that officers and enlisted military families E-6 and above are much more likely to own their own homes. They provide communities with the tax base increase necessary for community development and present financial institutions with opportunities to make loans. For example, 83 percent of the officers and enlisted personnel E-6 and above owned their homes, compared to only 21 percent for enlisted personnel E-5 and below. Thus, assigning onbase housing to persons who cannot afford to live in the community would likely increase the number of military personnel who own homes, with consequent benefits to the community, since higher graded persons who would otherwise be living onbase would instead be living in the community. It can be anticipated that many would likewise purchase homes.

The Federal Government provides community development funds, such as block grants and low-interest loans, to assist State and local governments in neighborhood preservation and revitalization projects and housing rehabilitation. Efforts which minimize the influx of low-income families and encourage higher-income families to live in the community would appear

to further the achievement of these preservation and revitalization objectives. Current military assignment practices, however, encourage the reverse because many higher income households live onbase, while the lowest income households must live in the community.

Community officials at the many locations we visited said that they would welcome any change in the military's family housing policies and practices which would provide military housing for the lower income families.

DOD'S REASONS FOR EXCLUDING HOUSING NEEDS OF LOWER GRADE ENLISTED PERSONNEL

Although all officer grades (O-10 through W-1) and all enlisted grades (E-9 through E-1) are statistically surveyed in the annual housing survey conducted at an installation, DOD does not use the housing needs of the lowest graded enlisted personnel with families--persons in grades E-1 through E-3--when computing the need for new onbase housing. In addition, DOD excludes E-4s with 2 years or less service in assigning onbase housing Consequently, DOD excludes these ineligible families from its objective of assuring that members of the Armed Forces with dependents have suitable housing for their families.

We attempted to learn the reasons why DOD excluded such lower graded persons. DOD officials said that this exclusion was established some years ago--probably in the late 1940s or early 1950s--and that no documentation exists citing the rationale for the exclusion. However, the officials said that the exclusion should continue primarily because other benefits, in particular the payment of costs incurred to transport household goods, are not granted to the lower graded personnel (ineligibles) and, therefore, housing should not be granted either. This position was reinforced in hearings before the House Subcommittee of the Committee on Military Construction Appropriations in February 1977, when the Deputy Assistant Secretary of Defense (Installations and Housing) testified:

> "There have been attempts made over the years to extend entitlements--travel of dependents and movement of household goods-to these lower grades, but each year they have met with failure and the Department of Defense has not programed for this. As a corollary matter, we have not extended eligibility for family housing to these lower grades."
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> * * * * *
>
> "The military departments have reported that $189.7 million would be required to provide extension of full travel and transportation entitlements to junior

enlisted personnel. This estimate does not include the cost of providing any additional housing for these personnel."

This issue--extending eligibility for family housing and full travel and transportation entitlement to the lower graded enlisted personnel--is not new. Beginning with testimony during the fiscal year 1972 hearings on DOD's family housing construction program, the Director for Housing Programs said that his office was working with manpower personnel in the Office of the Secretary of Defense to embark on a program to extend the benefits of onbase housing to the lower enlisted personnel. Although no law precluded DOD from including the ineligibles in the onbase housing program, he would not act unilaterally because there were other benefits which he did not have authority to grant, such as travel of dependents and transportation of household effects, that these personnel would become entitled to receive if he extended the housing benefits. He said, however, that this had not been thought out too carefully or given extensive study.

The need to extend the housing program to all grades was voiced in the fiscal year 1974 hearings. Army, Navy, and Air Force housing officials, respectively, said that

--the Army hoped to expand eligibility for its family housing program,

--the Navy expected all military grades to be eligible for onbase family housing within the next 5 years, and

--the Air Force aimed to provide housing for its ineligibles.

Subsequently, in its fiscal year 1975 budget submission, DOD requested 10,462 family housing units, including 3,000 for enlisted personnel not previously considered eligible. The House authorizing committee approved 53 percent of DOD's requested units but denied all 3,000 units for ineligible personnel. The Senate authorizing committee approved 68 percent of DOD's request, including 1,458 of the 3,000 units requested for ineligible personnel. In conference, however, no units were authorized for the ineligibles as the conferees agreed that it was not necessary for the Government to invest in constructing housing units for personnel who may have enlisted for a minimum period of time, on a trial basis, or for personnel who may not have seriously considered a career in the military service.

The House Committee on Appropriations expressed a different point of view in commenting on the authorizing committees' action as follows:

"The Committee is pleased that the Department of Defense in its fiscal year 1975 request has taken the initiative to provide housing and moving allowances for the lower grade military personnel who were formerly ineligible for them, although this year, the Congress has not proven receptive to these requests."

* * * * *

"The Committee is firmly convinced that it is in the long-range interest of the military to attempt to provide housing for all married military personnel."

* * * * *

"The Committee has encouraged requests for housing for these lower grade personnel in the past and will support them in the future."

The issue surfaced again when, in response to a question asked in the fiscal year 1978 hearing about the likelihood of providing travel allowances for married military personnel in grades E-1 through E-3, the Deputy Assistant Secretary of Defense (Installations and Housing), formerly the Director for Housing Programs, said that the lower graded married enlisted personnel were a DOD housing requirement (although administratively excluded) because they (1) were married, (2) had dependents, and (3) had to pay for the shipment of household goods. He added that excluding these personnel was wrong and that all married personnel should receive housing assistance, but he could not anticipate when DOD would request or when the Congress would authorize paying the cost of transporting dependents and household goods for these personnel.

We believe that the related benefits of transporting household goods and dependents should be dealt with separately. Assigning onbase family housing primarily involves the use of inplace assets, while providing transportation benefits would result in a significant cash outlay. To provide these families no relief on the basis that they should get either full relief or nothing ignores the plight of these families.

The Secretary of Defense, in achieving DOD's suitable housing objective, has the authority to include the housing needs of all personnel with dependents and assign DOD-owned housing based on need. DOD has recognized the impropriety of excluding lower graded enlisted personnel with dependents from its objective of assuring that members of the Armed Forces with dependents have suitable housing for their dependents. We believe this objective can be better realized by providing onbase housing to personnel who can least afford

to live in the community. This policy change should be made on the principle that all members of the Armed Forces should have suitable housing for their families.

HOUSING ASSIGNMENTS SHOULD BE BASED ON NEED

A military housing assignment policy giving priority to families who need onbase housing because they can least afford to live in the community would substantially reduce the number of families unsuitably housed. This priority system should provide a sufficient number of onbase units to house (1) key and essential personnel, (2) most needy families, and (3) a substantial number of higher graded personnel, with little additional construction of onbase housing.

We believe DOD's method for determining the number of families who need onbase housing should be changed. Onbase housing should be provided only when suitable housing cannot be provided by the community. In determining the need for military family housing, DOD decides whether families are suitably or unsuitably housed but generally ignores their capability to obtain suitable housing in the community. By assigning onbase housing to higher graded personnel and denying onbase housing to lower graded eligible personnel, DOD perpetuates a housing deficit because many of the lower eligible graded personnel will be identified as unsuitably housed and needing onbase housing. To overcome this problem, we believe DOD should decide the need for military family housing based on a person's capability to obtain suitable housing in the community. This capability can be derived by defining whether a person's military income and family size qualifies him for subsidized housing assistance. DOD does not consider family size in deciding whether a person's housing costs are too high.

In our analyses we used HUD's section 8 housing subsidy program criteria for identifying families in need of housing assistance. HUD develops income eligibility criteria by family size for each housing area in the United States. For example, the criterion for a family of four is income which is at or below 80 percent of the area's median income. For a family of eight, the criterion is 100 percent of the median. HUD and community officials in areas we visited said that these criteria are a valid means of determining who needs housing assistance.

Applying HUD's low-income criteria to the six installations visited, we identified the grades and number of personnel needing housing assistance based on their RMC and family size. (See following table.) These personnel generally would not have the capability to find suitable housing in the community.

	Total demand for onbase housing	Need housing assistance	Percent
Officers:			
W-1 to W-4 and O-2 to O-10	3,602	-	-
O-1	1,144	230	20.1
Total	4,746	230	4.8
Enlisted:			
E-7 to E-9	4,013	-	-
E-6	6,876	148	2.2
E-5	9,692	5,144	53.1
E-4	7,014	5,844	83.3
E-1 to E-3	6,563	6,563	100.0
Total	34,158	17,699	51.8
Total	38,904	17,929	46.1

The remaining group of personnel, totaling 20,975 (38,904 minus 17,929), generally had the capability to obtain suitable housing in the community. As pointed out on page 23, 83 percent of the personnel in grades E-6 and above living in the community were buying their homes. DOD considers those who are buying homes to be suitably housed. Adding those renters who were suitably housed in the community to those who were buying their homes, 92 percent of the personnel in grades E-6 and above living in the community were suitably housed Similarly, 63 percent of the E-5s were suitably housed. Based on this analysis, we believe the E-5s and above generally have the capability to obtain suitable housing in the community. In unusually high-cost areas, such as Fort Ord and Camp Pendleton, California, however, some higher graded personnel with children would be considered in the low-income category and would qualify for housing assistance. For example, at these two bases E-5s with two dependents and O-1s with three dependents would qualify for housing assistance and, according to our proposed priority system, military family housing.

The following table shows that, under the priority assignment alternative, each of the six bases had enough units to house all families with two or more children who qualified on the basis of need and wanted onbase housing. In making our analysis, we assumed that many more units would be needed for personnel on a military necessity basis than is normally required. (See p. 37.)

Location	Could demand be met for needy families with 1 child?	2 children?	3 or more children?
Fort Lewis	Yes	Yes	Yes
Fort Hood	Yes	Yes	Yes
Fort Ord	No	Yes	Yes
Norfolk Naval Complex	No	Yes	Yes
Camp Pendleton Marine Base	No	Yes	Yes
Mountain Home Air Force Base	Yes	Yes	Yes

Although all installations had housing available for needy families with one child, three of the six installations could not meet the entire demand. However, of 4,501 needy families with one child at these three bases, 3,846 could be assigned to onbase housing units. Also, of the 3,402 childless families qualifying for onbase housing, only 563 would be housed onbase. As noted in appendix I, one-child families would qualify for two-bedroom units and childless families would qualify for one-bedroom units. However, most military housing has been constructed for larger size families. At DOD units in the conterminous 48 States and the District of Columbia, 76 percent of the January 1978 adequate housing inventory were three-bedroom units or larger, 23.5 percent were two-bedroom units, and 0.5 percent were one-bedroom units. We believe lower graded one-child families would generally need housing assistance; however, most personnel with no children would probably not need housing assistance because it is likely that their spouses are employed or will be after their move to a new base. The latest census data shows that about 45 percent of all wives work and that the percentage is increasing.

An assignment policy based on need would not have to preclude higher graded personnel from living onbase. For example, in our analysis the housing demand met by onbase housing for E-6 through E-9 grades ranged from a low of 54 percent for E-6s to a high of 100 percent for E-9s. For the officer grades, the housing demand met ranged from 26 percent for 0-2s to 100 percent for 0-10s.

When military housing is not provided, military personnel receive a basic allowance for quarters to help them with community housing expenses. The higher the military grade, the greater the allowance. We estimate that the priority system we propose would result in the Government paying an additional $37 million in allowances because higher graded personnel displaced from onbase housing would receive that much more than is received by the lower graded personnel who would be living onbase. However, these additional allowances would be more than offset by the following significant benefits:

--Onbase housing will be provided for ineligible families, and more military families will be suitably housed.

--Subsidized and other low-cost housing would be more readily available to the civilian population.

--Expenditures for secondary moves would be reduced.

--Future costs for construction of onbase housing would be reduced.

--The proposed changes would help achieve both national and DOD housing policy objectives.

Presently, the civilian population and the military's low-income families are competing in the community for a limited supply of low-income rental housing, including subsidized housing. Furthermore, much of the nonsubsidized low-income housing is substandard. By changing the assignment policy, low-income military families will receive suitable military housing and free the limited number of low-cost housing units in the community for use by very low income civilian families.

Priority assignment would also reduce the need for secondary moves. Secondary moves are necessary when new arrivals are forced to obtain housing in the community while waiting for military housing to become available. When the family later moves onbase, DOD pays for this second move. These moves are in addition to the permanent change-of-station move also paid for by DOD. If housing were assigned on the basis of need, we believe those who have priority would frequently move directly into base housing, thereby eliminating the need for a second move. DOD estimated that secondary moves cost the Government about $27 million in fiscal year 1977.

Under the policy of providing priority housing only for military necessity and for those families who cannot afford to live in the community, there should usually be no need to construct additional housing. According to DOD criteria, many of the families now living onbase can afford to live in the community, and the community can usually provide suitable housing for these families.

CONCLUSIONS

Although (1) DOD's stated intent is to assure that family personnel have suitable housing and to provide onbase housing only when needed and (2) national policy is to alleviate the shortgage of adequate, affordable housing for lower income families, the military services generally provide onbase housing to personnel with the least need and do not provide adequate housing to those most in need. Under DOD policy, personnel

generally with the least capability to obtain affordable suitable community housing--the lowest graded group of enlisted personnel--may be assigned to adequate onbase housing only on a space-available basis. Further, the lowest graded eligible enlisted personnel receive a substantially less proportionate share of military family housing than higher graded personnel.

As a result, many lower graded military personnel live with their families in housing that is either substandard or too costly, or they are involuntarily separated from their families.

The present family housing assignment policy has also aggravated economic and social problems existing in communities near military installations. It has tended to increase rental rates for available low-cost community housing. Also, a substantial percentage of federally subsidized low-income housing is occupied by military families, thereby reducing the availability of such housing for low-income civilian families.

Although various military officials have expressed concern for the plight of lower graded personnel and DOD has provided some housing, such as inadequate housing, for ineligibles, these efforts have been largely ineffective in solving the problem. We believe that the lowest graded personnel, who are now ineligible for onbase housing, should be made eligible for such housing We also believe that lower graded personnel who can least afford to live in the community should be given priority in the assignment of onbase housing ahead of personnel who can afford suitable community housing.

Authorization of housing for ineligible personnel must be linked with changes in DOD's policies so that (1) families who can least afford to live in the community are given priority in obtaining onbase housing and (2) new housing is constructed only for these families. Otherwise, DOD would probably seek to construct additional onbase housing to meet the new requirements of current ineligible personnel without reducing the onbase housing requirements of presently eligible personnel who can afford to live in the community.

In an earlier report, 1/ we recommended that the Navy give priority to lower graded eligible personnel in assigning onbase housing at the Trident Submarine Base at Bangor, Washington. Although disagreeing with the recommendation, DOD agreed that housing assistance for the lower grades should be emphasized. DOD stated, in April 1978, that the assignment policy could

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1/"Analysis of the Need for Additional Family Housing at the Navy's Trident Submarine Base" (CED-78-49, Feb. 9, 1978.)

stand some review to determine if it could be modified to better match the housing needs of military families irrespective of rank. DOD added that a quad-service task group, formed to investigate ways to improve the procedures of its housing survey system, was making such a review. We learned, however, that as of July 1979, the quad-service task force has not made the review DOD said it would.

AGENCY COMMENTS AND OUR EVALUATION

We met with representatives of the military services and DOD to discuss this report. The officials agreed with the accuracy of the factual material presented, but expressed strong concern over the potentially adverse implications of our recommendations on personnel currently eligible for onbase housing. They stated that because of recent actions that have negatively affected compensation of service members, severely reducing the opportunity for onbase housing for higher graded personnel would be viewed by such personnel as the loss of another benefit and would adversely affect their morale, lessen their commitment to the service, and aggravate current retention problems. The officials stated that other alternatives such as construction of more onbase housing, more HUD- and FmHA-subsidized housing for military families, or a variable housing allowance adjusted for local community housing costs, would provide relief to ineligibles without adversely affecting personnel currently eligible for housing.

We believe our proposed assignment policy change would have less impact on the currently eligible and higher graded personnel than the military officials anticipate. Only 42 percent of military personnel in grades E-6 and above who responded to the 1978 DOD family housing survey were living in military housing. Therefore, the majority of eligible higher graded military personnel with dependents are already living in the community. Military personnel receive a basic allowance for quarters to help them with community housing expenses when military housing is not available. The higher the military grade, the greater the allowance received, therefore the higher graded personnel are better able to obtain suitable community housing.

Furthermore, military personnel with dependents who are currently ineligible for military housing would displace fewer eligible personnel than at first seems apparent. For example, we estimate that onbase housing assigned to currently eligible personnel at the six bases listed on page 29 would be reduced by only 19 percent under our proposed assignment policy. There were 90,382 personnel eligible for 22,718 onbase housing units at the six bases. At the time of our review, 1,120 of the units were vacant awaiting reassignment or undergoing repair. The remaining 21,598 units were occupied by 20,824 eligible and 774 ineligible personnel. The reduced

impact occurs because, of 15,521 ineligible personnel, 23 percent were voluntarily separated from their dependents and 35 percent preferred to live in the community. About 12 percent of the ineligibles were childless families which would not receive military housing because most onbase housing (three bedroom units) is designed for larger families. We believe, however, that lower graded married personnel with no children should be able to afford suitable community housing because it is likely that their spouses would be employed. The remaining 4,666 ineligibles, including the 774 already housed onbase, would have received onbase housing under our proposed assignment policy.

We oppose the construction of more onbase housing because such construction is clearly inconsistent with DOD's policy objectives of relying on communities near military installations as the primary source of housing and of constructing onbase housing only when the community cannot provide suitable housing to meet the military's needs. Effective use of DOD's inplace onbase housing assets in accordance with the program's objective of assuring that personnel with dependents are suitably housed would preclude the need for substantial additional onbase construction. Implementation of our recommendations would result in a predictable movement, over time, of persons who are unsuitably housed in the community replacing persons onbase who can afford suitable community housing.

With respect to providing more HUD- and FmHA-subsidized housing, both agencies are barely meeting a fraction of the needy eligible civilian population. In view of DOD's stated Family Housing Program objective, it appears that the military housing program is more appropriate for meeting the military's housing needs.

Our review did not include an evaluation of the variable housing allowance as a means of alleviating the housing problems of military families. However, payment of additional allowances to all military persons with dependents, including higher grades who can already afford to live in the community, would seem to increase the housing inequities which exist between lower and higher graded military persons with dependents.

Most, if not all, are agreed that lower graded military personnel are suffering financial hardships in obtaining suitable housing or are not suitably housed. In considering solutions to alleviate this problem, one of the issues which should be addressed is "What is the purpose of DOD's Family Housing Program?" Is the program intended to provide a fringe benefit to some military families (not all eligible families are housed onbase)? Or is the program intended to assure that military families are suitably housed? According to DOD's stated objective, it is the latter

RECOMMENDATIONS

We recommend that the Secretary of Defense

--grant all military personnel with dependents, regardless of grade, eligibility for military family housing;

--after assigning such housing on the basis of military necessity, make future housing assignments on the basis of need, by providing priority to personnel who can least afford to live in the community; and

--propose construction of additional housing only when the military housing inventory is insufficient, after being assigned on the basis of need, to house personnel who can least afford to live in the community.

CHAPTER 3

SCOPE OF REVIEW

We reviewed DOD policies and military department practices relating to the assignment of military personnel to onbase family housing to determine their effect on service personnel and the community. We reviewed pertinent records and interviewed personnel at the Federal agencies and military offices, complexes, 1/ and bases listed below. The military installations were selected to provide coverage of the three military services as well as geographic coverage.

Deputy Assistant Secretary of Defense (Installations and Housing), Virginia.

Naval Facilities Engineering Command, Virginia.

Facilities Systems Office (Navy), California.

Military complexes and bases:

Navy

San Diego Naval Complex, California
Norfolk Naval Complex, Virginia
Bremerton Naval Complex, Washington
Camp Pendleton Marine Corps Base, California

Army

Fort Lewis, Washington
Fort Hood, Texas
Fort Ord, California

Air Force

McChord Air Force Base, Washington
Mountain Home Air Force Base, Idaho

Department of Housing and Urban Development, California, Virginia, and Washington.

Farmers Home Administration, Idaho.

In addition, we interviewed various State, county, city, and private housing officials in the States of California, Idaho, Texas, Virginia, and Washington, and reviewed records provided

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1/A complex consists of more than one base or installation.

by them. We also made detailed computer analyses of DOD's 1978 annual housing survey questionnaires which are designed to assess the status of available community housing and the need for additional onbase military housing. Our verification of the computer tape showed that all bases which had completed the survey were included on the tape. We found that some questionnaires had been entered twice on the tape. We eliminated all duplicate entries and on a test basis traced the accuracy of data from the source questionnaires to the data on the computer tape. This comparison showed that the computer data was accurate. We also found that the conditions indicated by the computer data were consistent with the housing conditions we found at the nine bases visited.

GAO ASSUMPTIONS AND METHOD USED TO ALLOCATE ONBASE HOUSING AND DETERMINE COST OF ASSIGNMENT POLICY BASED ON NEED

ASSUMPTIONS

--All housing designated for officers O-4 (field grade) and above was needed for military necessity, and all E-9s living in or wanting to live in military housing would qualify for housing based on military necessity. By doing this, we set aside more housing units than normally required for military necessity. For example, the officer entitlement could have been limited to a higher level, such as O-6 senior grade category.

--Only families desiring onbase housing would be assigned to onbase housing. At the six installations reviewed, there was enough demand for military family housing without requiring anyone to live on base.

--Housing units would be allocated on the basis of one bedroom for parents and one bedroom for each child. A greater number of low-income families would get onbase housing by assigning one bedroom per child rather than using DOD criteria. This is because low-income service personnel usually are younger and usually have younger children, while the preponderance of the onbase housing inventory (three-bedroom units) tends to accommodate older families. Families with no children would only qualify for one-bedroom units.

--Housing assignments would be made on a proportionate basis among the grades after housing those having a military necessity priority and after housing families on the basis of need.

METHOD USED

To allocate onbase housing and estimate the increased cost, we:

--Identified the demand for military family housing by grade.

--Determined the number of bedrooms needed for each grade.

--Used the Department of Housing and Urban Development's section 8 income eligibility criteria to determine the number in each grade, by family size, who needed housing assistance.

--Compared the results (the number of families needing and wanting military housing) with the military housing inventory to determine deficits and surpluses.

--Allocated surplus housing to those needing the most bedrooms.

--Estimated additional cost resulting from variances in the basic allowance for quarters forfeited to the Government.

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