Why provide housing to Military members?

- All active duty military members receive housing or an allowance for housing costs
- Areas around military installations are surveyed to evaluate how many families can be adequately housed (community first)
  - The military builds homes to address any deficits
- Prior to privatization the military services relied upon appropriated funding for the design, construction, operation and maintenance of all housing
Before Privatization
MHIP Legislation


- Investments
- Conveyance or lease of existing property and facilities
- Differential lease payments
- Direct loans and loan guarantees
- Unit size and type (community standards)
- Ancillary supporting facilities
- Pilot projects for acquisition or construction
- of military unaccompanied housing

- Developed to attract private sector financing, expertise and innovation to provide necessary housing faster and more efficiently than traditional Military Construction processes would allow

First Navy project at NAS Corpus Christi, Texas
DoN Business Approach

- Partnerships
- Investments
- No guarantees
  - BRAC/deployment
  - Occupancy
  - Loan
- Outlease of land
- Improvements abandoned in place at end of deal
- Revitalize existing inventory and address housing deficit
PPV Projects to Date

DoN Family Housing PPV
• 40 project phases executed
• End-state of ~62,000 homes
• MILCON equivalent development ~ $9.3B
• DoN cash investment ~ $1.3B
• 7.0:1 leverage

Navy Unaccompanied Housing PPV
• 2 projects executed
• End-state of 6,596 beds
• MILCON equivalent development ~ $594.1M
• DoN cash investment ~ $79.7M
• 7.5:1 leverage
PPV Project Locations / Future Phases

**PPV Projects**
1) Kingsville Townhomes, LP (K1)
2) Kingsville II, Family Housing Ltd, LP (K2)
3) De Luz Housing, LLC (CP1)
4) Gateway Trident, LLC (E2)
5) San Diego Family Housing, LLC (SD)
6) New Orleans Navy Housing, LLC (NO)
7) South Texas Military Housing, LP (ST)
8) Camp Pendleton & Quantico Housing, LLC (CPQH)
9) Ohana Military Communities LLC (HI)
10) Northeast Housing, LLC (NE)
11) Pacific Northwest Communities, LLC (NW)
12) Mid-Atlantic Military Family Communities LLC (MA)
13) Atlantic Marine Corps Communities, LLC (CLCPS)
14) Midwest Family Housing, LLC (MW)
15) Southeast Housing LLC (SE)
16) Hampton Roads PPV, LLC (HRUH)
17) Pacific Beacon LLC (SDUH)

**Future Projects**

<table>
<thead>
<tr>
<th>Future Projects</th>
<th>FY</th>
<th>End-State</th>
<th>Total Development Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego (SDFH 6)</td>
<td>2015</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Camp Pendleton (CPQH 9)</td>
<td>2015</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

Data as of Dec 2014
Resident Satisfaction

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>85 to 100</td>
<td>Outstanding</td>
</tr>
<tr>
<td>80 to 84</td>
<td>Very Good</td>
</tr>
<tr>
<td>75 to 79</td>
<td>Good</td>
</tr>
<tr>
<td>70 to 74</td>
<td>Average</td>
</tr>
<tr>
<td>65 to 69</td>
<td>Below Average</td>
</tr>
<tr>
<td>60 to 64</td>
<td>Poor</td>
</tr>
<tr>
<td>55 to 59</td>
<td>Very Poor</td>
</tr>
<tr>
<td>0 to 54</td>
<td>Crisis</td>
</tr>
</tbody>
</table>
Unaccompanied Housing
Preserving Historic Homes
Sustainable Development
Net-Zero Energy Homes

The Midway Park neighborhood at Camp Lejeune is the first on a Marine Corps installation to have LEED Gold certified homes. The Midway Park LEED homes offer specific features to allow Residents a more sustainable living environment.

- **Sustainable Site**
  - The Midway Park homes were previously developed which means the new community is not disturbing any rare land and is less amount of new resources required by retaining the existing roads and infrastructure. The site within 5 miles of numerous community resources such as a convenience store, bank, post office, etc. making the neighborhood a more pedestrian friendly.

- **Water Efficiency Outside the Home**
  - There is no need for irrigation system since the Midway Park Community use drought tolerant grass and plants that do not require watering and are not used for landscaping.

- **Pollutant Protection**
  - Storm water is channeled to retention ponds in the storm drains, which is reducing runoff and pollution into the local storm systems.

- **Water Efficiency Inside the Home**
  - All homes are equipped with dual flush toilets and high efficiency shower heads to help save water. The toilets have two different settings, a full flush for liquid removal and a half flush for solid removal.

- **Existing Roads**
  - Existing road patterns are reused to eliminate allowances and to minimize dust and noise.

- **HVAC Systems**
  - The homes are extremely energy efficient due to tight building envelopes created by advanced framing techniques and highly insulated roofs. The home also includes a three-speed fan to allow for flexible ventilation. The home also includes multiple fans throughout the home for a comfortable living environment.

- **Recycled Materials**
  - The majority of materials during demolition of the old homes were recycled and diverted from landfills. Material for the new homes such as fiberglass insulation and coroplast have recycled content.

- **Dual Pane Windows**
  - Reducing the amount of heat infiltration, which is perfect for the subtropical North Carolina Climate.

- **Energy Star Appliances**
  - All homes feature Energy Star appliances. The use 20% to 30% less energy than comparable products.

- **Lighting**
  - All homes are equipped with LED lighting to help reduce heat in the home and parallel more efficient lighting.

- **Garages**
  - The homes have a rear entry garage allowing for greater entry. In addition, mechanical systems and ductwork are not located in the garage eliminating pollutants that would typically filter these systems and get into the dollars home.

- **Vails**
  - The roof line walls are insulated walls with a higher thermal mass to control heating and cooling efficiency in all seasons.

- **Carbon Emission Reduced**
  - We made a conscious effort to purchase as many materials as possible locally to reduce carbon emissions from transportation of these materials. In addition, by creating a neighborhood with pathways, residents will be able to walk more and bike less to get to the convenient stores, playgrounds, or dog parks.

www.atlanticcommunities.com
Solar Arrays
Building Systems
New Project Phases
Additional Information

Robert P. Harris, AIA, LEED-AP
Director, Special Venture Acquisition
NAVFAC Headquarters
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http://www.acq.osd.mil/housing/index.htm
DEPARTMENT OF VETERANS AFFAIRS

Enhanced-Use Lease (EUL) Authority

Presentation For
SAME
July 2015
Paul Macpherson
Director, IEDS
Department of Veterans Affairs
Enhanced-Use Leasing (EUL)

**Purpose:**
Provide an overview of VA’s EUL program

Demonstrate examples of successful EUL projects

VA’s is proposing to expand its EUL authority to provide:

a) Supportive housing and
b) Services and/or mixed-uses
Enhanced-Use Leasing (EUL)

Enhanced-Use Lease: A long-term agreement between VA [as lessor] and a non-Federal entity, which “enhances the use of the [leased] property,” and which allows VA to offer an enhanced range of services to Veterans.

- Long-term: up to 75 years
- Non-Federal: private (for-profit or non-profit) or public (e.g., a public housing authority)
- Enhances use of property: allows VA to repurpose unneeded capital assets (i.e., vacant buildings and land)
- Features:
  - As consideration for the leasehold interest, lessees provide VA with cash consideration (previous authority allowed for in-kind consideration)
  - Traditionally, a wide range of uses
  - As of August 2012, EUL authority only allows supportive housing
  - VA is one of only a handful of Federal agencies with EUL authority
VA EUL History

History of Legislation:
- 1991 - Authority enacted
- 2001 - Authority renewed for ten years
- 2012 - Authority authorized but limited for “supportive housing” projects only
- 2014 - VA’s FY 2015 Budget Submission referenced a legislative proposal to broaden the current EUL authority to allow VA to reuse vacant and underutilized land and buildings for repurposing beyond supportive housing. The proposal was submitted to Congress in February 2014, but not enacted.
- 2015 - VA’s FY 2016 Budget Submission references a forthcoming legislative proposal to broaden the current EUL authority (resubmission of previous year’s proposal)

Program Summary:
Since the inception of the EUL program, there are 107 active projects to repurpose underutilized land and buildings:
- Housing Projects: 72 projects total (including 60 active and 12 projects in pre-development phases)
- Research/Medical Services: 2 projects in operation
- Consolidation/Regional Office/Parking: 14 projects total
- Energy: 4 projects in operation
- Misc. Private Sector Use: 15 projects total
Existing EUL Authority

Existing EUL Authority is limited to supportive housing only:

The term “supportive housing” means housing that engages tenants in on-site and community-based support services for veterans or their families that are at risk of homelessness or are homeless. Such term may include the following:

- Transitional housing
- Single-room occupancy
- Permanent housing
- Congregate living housing
- Independent living housing
- Assisted living housing
- Other modalities of housing
Existing EUL Authority

• There are 26 housing projects in operation. These projects total 1,724 units.

• Pending finalization of project financing and other aspects of the project due-diligence process, BURR initiative projects will contribute approximately 3,323 additional housing units to VA’s inventory.
Proposed Changes to 38 U.S.C. § 8162

**Summary of Benefits:** Expanded EUL Authority would allow VA to reuse vacant and underutilized land and buildings that – while not suitable for repurposing as supportive housing – may still have other forms of reuse potential. This would enable VA to manage its infrastructure footprint more efficiently, thereby permitting VA to provide more and improved services to Veterans and their families.

- Allow VA to manage its infrastructure footprint more efficiently, including a reduction of underutilized and vacant inventory
- Allow expanded opportunities to provide better access to health care and supportive services to Veterans and their families
- Allow mixed use development that will attract private investment; provide a larger impact on communities for jobs and tax revenues, community services, and other amenities
- Allow for consolidation opportunities and repurposing of entire underutilized or vacant campuses
- Allow VA to repurpose larger assets
Enhanced-Use Leasing

Backup
EUL Housing Program

**BURR**
Building Utilization Review and Repurposing: A program to reuse underutilized or vacant real estate assets through public private partnerships

**BURR I Phase 1**
These are the 38 EULs that were executed in December 2011 under the expanded EUL authority (including Ft. Howard mixed use & Minneapolis parking)

**BURR II Phase 1**
These are new EULs that are executed using the 2012 authority for supportive housing only

<table>
<thead>
<tr>
<th>Unit Counts Reported in Current Tracking Reports</th>
<th>Units</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legacy Housing Units Currently In Operation</td>
<td>1,451</td>
<td>21</td>
</tr>
<tr>
<td>BURR I Phase 1 Housing Units Currently In Operation</td>
<td>273</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total Housing Units Currently In Operation</strong></td>
<td>1,724</td>
<td>26</td>
</tr>
<tr>
<td>BURR I Phase 1 Housing Units In Development Scheduled to be In Operation by 12/31/2015</td>
<td>354</td>
<td>6</td>
</tr>
<tr>
<td>BURR I Phase 1 Housing Units In Development Scheduled to be In Operation On or After 1/1/2016</td>
<td>1,405</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total BURR I Phase 1 Units In Development</strong></td>
<td>1,759</td>
<td>30</td>
</tr>
<tr>
<td>BURR II Phase 1 Units In Development (With Known Unit Counts) Scheduled to be In Operation by 12/31/2015</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>BURR II Phase 1 Units In Development (With Known Unit Counts) Scheduled to be In Operation On or After 1/1/2016</td>
<td>223</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total BURR II Phase 1 Units In Development</strong></td>
<td>223</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total BURR I Phase 2 and Beyond Units (Not Yet In Development)</strong></td>
<td>1,341</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total Units (Legacy, BURR I, and BURR II)</strong></td>
<td>5,047</td>
<td>60</td>
</tr>
</tbody>
</table>

1. Includes 354 of the 1,031 Construction units.
2. Includes 677 of the 1,031 Construction units, the 154 Negotiation >10% units, 236 of the 471 Negotiation <10% units, and the 338 On Hold / Being Restructured units.
3. Includes the 1,106 Amendment Signed, Future Phases units and 235 of the 471 <10% Negotiation units.
4. Project count excludes the 12 projects in Pre-Development stage.
Examples of Successful EULs
Supportive Housing
Current Authority
EUL Accomplishments
Battle Creek-Phase II, MI

• Medallion Management Inc (operating as Silver Star) and VA entered into an Enhanced-use lease (EUL) on December 22, 2008
• Under this EUL, the lessee was to finance, construct, operate, and maintain a housing facility to provide 75 units of safe, affordable, drug and alcohol free housing and services to eligible Veterans on approximately 5 acres. Construction was completed in 2009 and all units are 100% occupied with priority placement for Veterans
• On July 6, 2012, an EUL amendment for Phase II of the Battle Creek was executed, which resulted in the construction of additional 100 housing units on an additional 4.6 acres of vacant land contiguous with the current parcel
• This 110,000 sq. ft. project is the second phase of Silver Star. The three-story building houses approximately 100 apartment units as well as a variety of common spaces
• Construction completed on September 23, 2013 and all units are 100% occupied with priority placement for Veterans
• Total development cost of $16.1M
• There are an additional 75 housing units contemplated under a potential future phase due to the success of the previous two phases
EUL Accomplishments
Dayton I, OH – Lyons Place II

Rendering
• St. Mary’s Development Corporation (developer/lessee) is constructing a 55,561 gross sq. ft. permanent housing facility called Lyons Place II
• The facility will provide 55 permanent housing units for seniors (62 and over), with Veterans given preferred placement
• St. Mary’s Development Corporation & VA hosted a groundbreaking ceremony on March 28, 2014
• Construction of the project is completed
• Lyons Place II is operational
• Total development cost is $9.7M
Valor Grove is envisioned as a place of solace and healing for Veterans. The facility will be open to all Veterans, while services and programs will initially be designed specifically with women Veterans and Veterans with families in mind.

- The facility will provide 50 units of permanent supportive housing (25 units of new construction and 25 renovated units in Building 33)
- Comprehensive family resource center services will be provided by Tuscaloosa’s One Place
- Total development cost is $6.8M
EUL
Mixed Use
Previous Expanded Authority
EUL Accomplishments
Ft. Howard, MD – Existing Campus

Site Summary:
Approximately 100 acres and 44 vacant historic improvements (305k GSF) on the entire campus
EUL Accomplishments
Ft. Howard, MD – Future State

<table>
<thead>
<tr>
<th>Residential Component</th>
<th>Units</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Housing</td>
<td>50</td>
<td>4%</td>
</tr>
<tr>
<td>Affordable Rental Units (25%)</td>
<td>99</td>
<td>7%</td>
</tr>
<tr>
<td>Market-Rate Senior (Restricted) Units</td>
<td>232</td>
<td>16%</td>
</tr>
<tr>
<td>Affordable Senior (Restricted) Units</td>
<td>150</td>
<td>11%</td>
</tr>
<tr>
<td>Market-Rate Rental Units</td>
<td>305</td>
<td>21%</td>
</tr>
<tr>
<td>For Sale Units (CO-OP)</td>
<td>589</td>
<td>41%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1425</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Health Care / Retail / Office / Hospitality / Amenities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care Beds</td>
<td>246</td>
</tr>
<tr>
<td>Hotel Keys</td>
<td>112</td>
</tr>
<tr>
<td>Retail SF</td>
<td>102,590</td>
</tr>
<tr>
<td>Medical Office / Office</td>
<td>45,387</td>
</tr>
<tr>
<td>Management SF</td>
<td>13,610</td>
</tr>
<tr>
<td>Amenity SF</td>
<td>43,030</td>
</tr>
</tbody>
</table>
2004: Clark County, WA developed a Crisis Triage Center to integrate mental health crisis and detoxification services and to operate as an alternative to the emergency room. Clark County financed, constructed, operates and the facility on land leased on the Portland VAMC campus, thereby filling a significant gap in mental health and substance abuse services for Veterans and non-Veterans in the Vancouver area.

- Approx. 6.1 acres land leased
- 175,000 sq. ft. building with 4-story Center and 350 parking spaces
- Cost savings/avoidance/enhanced services: $10.68M (cumulative)
2004: The Fort Snelling Federal Credit Union constructed a new and expanded credit union facility on an underutilized parcel of land at the Minneapolis VAMC campus. The previously leased space was returned to the VAMC for patient and staff purposes.

- Approx. .50 acres land leased
- 3000 sq. ft. building and 1,120 sq. ft. four-unit drive-up canopy
- Cost savings/avoidance/enhanced services: $75,482 (cumulative)
1998: East Tennessee State University (ETSU) under this EUL provided for the construction of a new building on the James H. Quillen VAMC campus to improve medical and research capabilities, the renovation of existing structures, and the demolition of unused structures. ETSU assumed all financial responsibility for the maintenance and capital improvements and VA has rent-free use of 7,000 square feet in one of the buildings.

- Approx. 31 acres land leased, 8 buildings
- 383,566 sq. ft. building
- Cost savings/avoidance/enhanced services: $17.12M (cumulative)
Video of the impact an EUL can have on helping homeless Veterans at the Lyons Campus of the VA New Jersey Health Care System

Valley Brook Village Video