



# ***Navy Family Housing Thresholds & Reporting***



**January 2000**





# *Objective*

Suitably house all families





# *SECNAV Priorities*

- First: Satisfy Cost of Ownership
- Second: Fix What We Own
- Third: Rely Primarily on the Private Sector



# *Defense Planning Guidance*

- 2010 Family Housing Goal:
  - Revitalize, Divest, or Demolish Family Housing

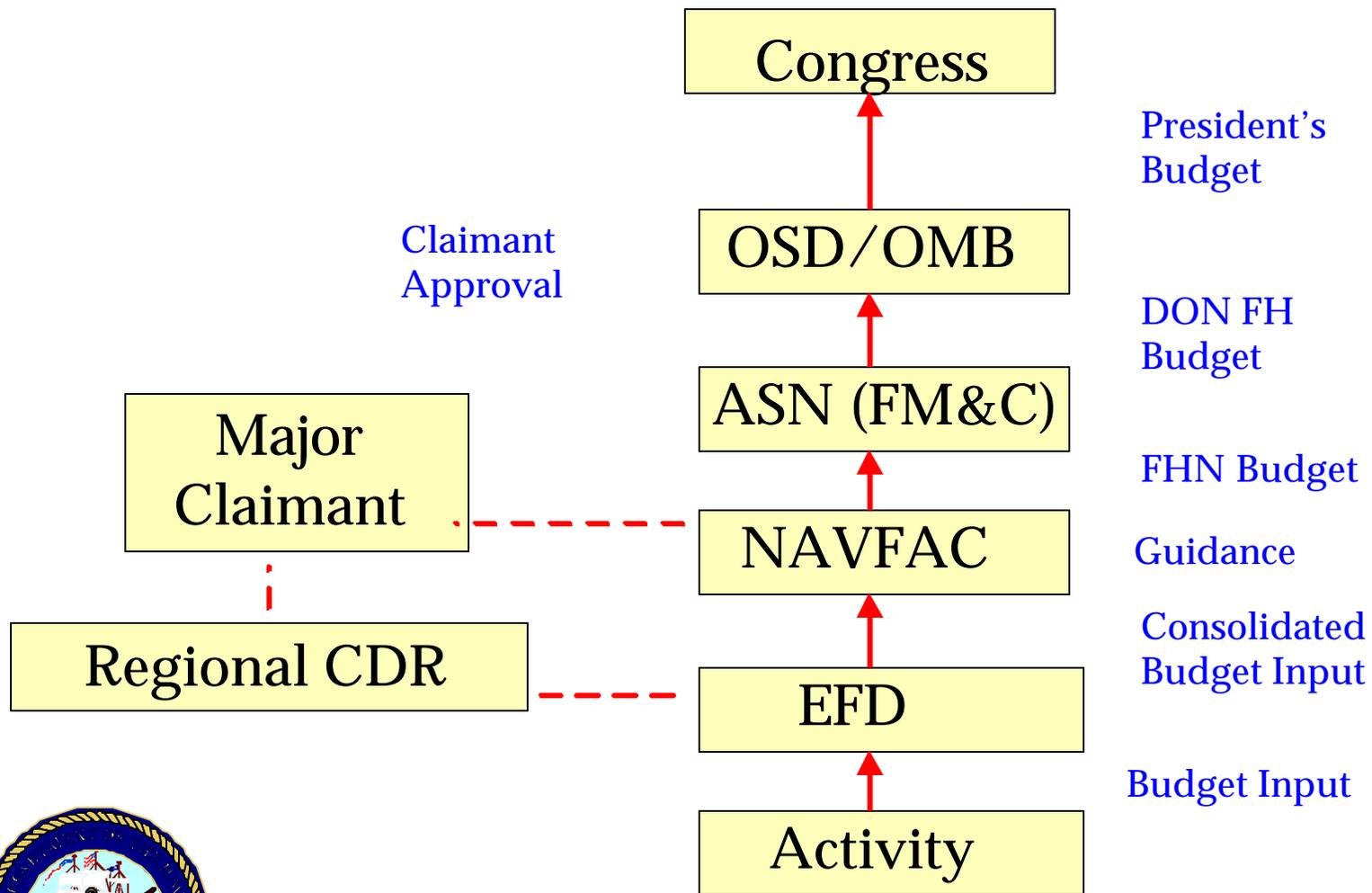


## *Family Housing Scope*

- Navy has: 216,000 Families
  - 60,500 Owned Homes
  - 5,600 Leased Homes
- Number of Locations: 84
- FY00 Budget: \$ .974B
- FY01 Budget: \$1.031B



# *The Budget Process*





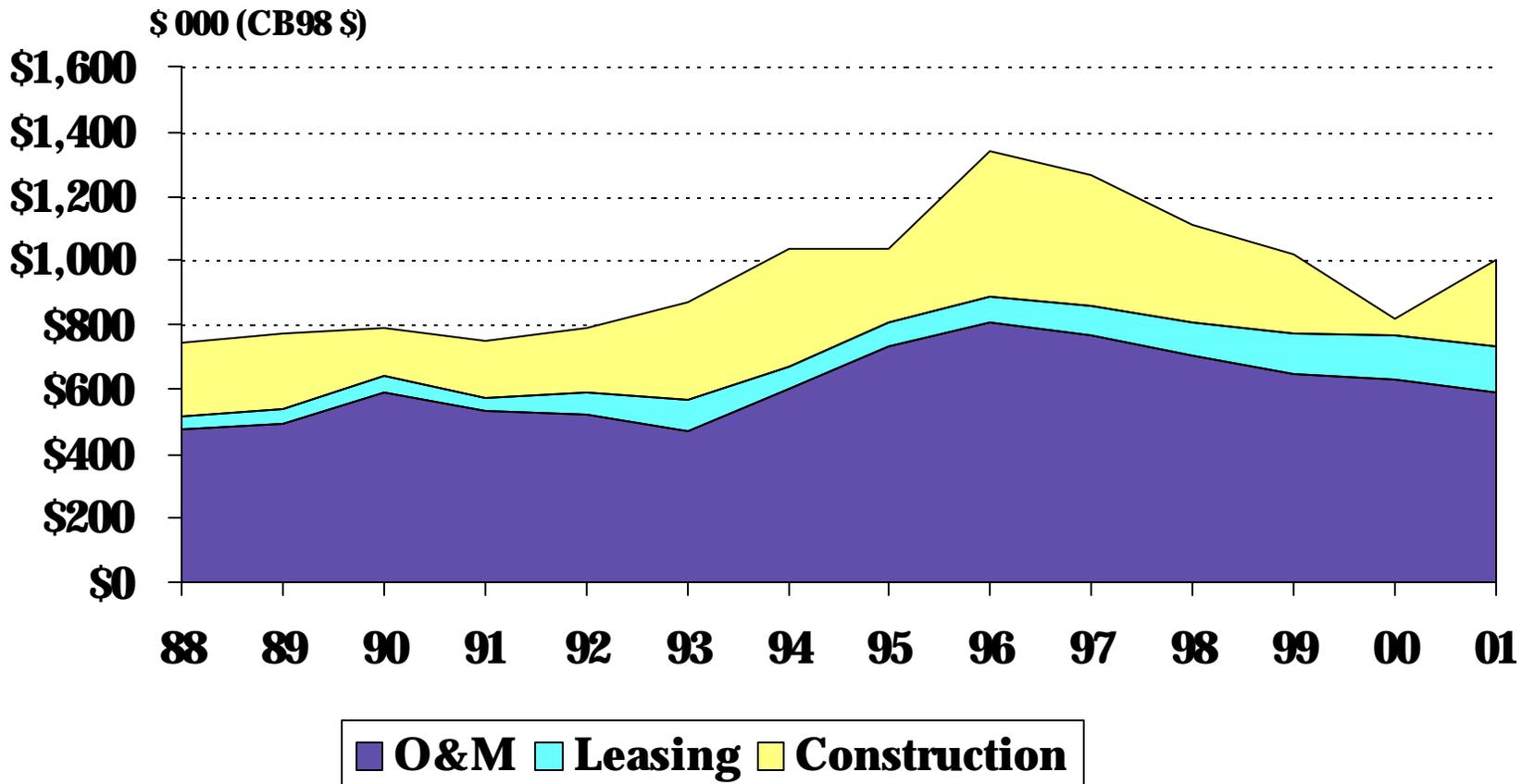
# *Budget Input*

- Historical Records
- Comprehensive Neighborhood Plans
- Flag Six Year Plans



# Navy Family Housing

## FUNDING PROFILE





## *First Navy PPVs*

- Navy Has Executed Two Limited Partnership PPV Projects:
  - 404 Units for Corpus Christi & Kingsville, TX
  - 185 Units at Everett, WA
- Construction Completed Fall 1997
- Incorporated Differential Lease Payments to Eliminate Sailor's Out-of-pocket Expenses



## *Pilot PPV Program*

- HAC Authorized Services to Execute a “Pilot Project” Approach
- Re-evaluate Program After “Pilot Projects” to Determine Where PPV Is Most Effective
- Ensure Substantial Improvements to the Quality of Military Family Housing Using Both Traditional and PPV Approaches



# *HAC Approved PPV Projects*

<u>Location</u>	<u>Year</u>	<u># Units</u>	<u>DON Investment</u>
● Everett II	May 00	300	\$18.9M
● Kingsville II	Apr 00	150	\$ 6.8M
● South Texas	Dec 00	812	\$25.6M
● San Diego	Aug 00	3,248	\$20.9M
● New Orleans	Nov 00	681	\$12.4M





# *LANTDIV PPV Pilots*

*(pending Congressional approval)*

<u>Location</u>	<u>Year</u>	<u># Units</u>	<u>DON Investment</u>
● Hampton Rds	FY01	80	\$3.4M
● Pennsylvania	FY01	339	\$0.0M
● New York	FY02	527FH 140BH	\$22.9M



# *Navy Housing Approval thresholds*

- **Limits Are Unique to Family Housing**
  - Vary by Type of Funds (Improvements Vs Maintenance & Repair)
  - Flag Officer Housing Thresholds Are Different
  - Most Require Congressional Notification & Approval
    - » Before the Work Is Begun
- **Flag Housing Limits (Per Unit)**
  - \$3K for Improvements
  - \$25K for Maintenance & Repair
- **Non-flag Housing (Per Unit)**
  - \$20K Maintenance & Repair
  - \$50K Area Cost Factor for Improvements
- **Verify With Housing If Unsure**



# FY00 Thresholds

Category	Funds Source	Approval Authorities						Required Documentation
		Activity	EFD	FACHQ	CNO	ASN	Congress	
<b>Minor Construction</b>	BP20/22							
Fiscal Year Per Unit <\$3,000			X					
Per Project <\$500,000			X					
For costs above these thresholds use 'Improvements Substitute'								
<b>Fire Damage</b>	BP20/22							
Per Unit <20K		X						
Per Unit >20K				X	X	X	X	1391, 1391C, Cost Estimate, if >\$50K Economic Analysis
Per Project <\$5,000,000			X					1391, 1391C, Cost Estimate
Per Project >\$5,000,000				X	X	X	X	1391, 1391C, Cost Estimate
<b>Improvements Change Orders From Budget Book Amount or for Savings/Substitute Projects Use Award Amount</b>	BP31							
Project Per Unit <\$50,000 (* ACF)			X					
Project Per Unit >\$50,000 (* ACF)				X	X	X	X	Revised 1391, 1391C, Cost Estimate, Economic Analysis
Total Project Cost Increase >25% or >\$2M. Scope Decrease >25%				X	X	X	X	Revised 1391, 1391C, Cost Estimate, Economic Analysis
<b>Improvements Substitute</b>	BP31							
Project Per Unit <\$50,000 (* ACF)				X				
Project Per Unit >\$50,000 (* ACF)				X	X	X	X	1391, 1391C, Cost Estimate, Economic Analysis
Total Project <\$2,000,000				X				1391, 1391C, Cost Estimate, Economic Analysis
Total Project >\$2,000,000				X	X	X	X	1391, 1391C, Cost Estimate, Economic Analysis
<b>Major Maintenance &amp; Major Repair</b>	BP20/22							
Repairs Concurrent With Improvements, Use Improvements								
Standalone Repairs Per Unit <\$20K			X					1391, 1391C, Cost Estimate
Standalone Repairs Per Unit >\$20K **				X	X	X	X	1391, 1391C, Cost Estimate, if >\$50K Economic Analysis
Per Project <\$5,000,000			X					1391, 1391C, Cost Estimate
Per Project >\$5,000,000				X	X	X	X	1391, 1391C, Cost Estimate
<b>FLAG Quarters</b>	BP20/22							
Fiscal Year Maintenance & Repair & Incidental Improvements <\$25K		X						
>\$25,000				X	X	X	X	Budget, 6 Yr CNO Maintenance Plan
Improvements >\$3,000 Per Unit	BP31			X	X	X	X	1391, 1391C, Cost Estimate, E/A if > 50K, Budget, 6 Yr CNO Maintenance Plan
<b>Construction and Improvement Design</b>	BP40/41							
Design Cost >\$500K				X	X	X	X	1391, 1391C, Design Cost Estimate Notification Must Be Completed Before Any Funds Are Obligated

X = Approval Authority Required

\* = As adjusted by the Area Cost Factor (ACF)

\*\* = After the fact notification allowed if portion causing costs to exceed \$20,000 is asbestos or lead based paint related & could not have been anticipated.



## *Flags - Threshold Overview*

- >\$25K M&R Budget Requires Prior Congressional Approval
  - » Allowed \$5K Or 25%, Whichever Is Less, Cost Variation
- Annual Out-Of-Cycle Notification To Congress For New Budget/Emergent Repairs >\$25K M&R
- Annual Re-Notification To Congress For Previously Approved Budgets With Cost Increases >\$5K or 25%



# *New & Replacement Construction*

- Reprogrammings and Notifications Made As Required
- Reprogramming
  - >25% Project Cost Increase Or >\$2M Project Cost Increase
  - All New, Unbudgeted Projects
  - Requires Prior Reprogramming Request
- Notification
  - >25% Scope (Units) Reduction Or >25% Scope Adjustment
  - Any Change To Bedroom Composition or Paygrades
  - Requires Prior Notification



# *Improvements*

- Notifications Made As Required
- 10 U.S.C., Sections 2825, 2853
  - >\$50K Per Unit, Adjusted By Area Cost Factor, Requires Congressional Approval
    - » In Budget, Or Prior Notification If Not In Budget
  - >25% Project Cost Increase Or >\$2M Project Cost Or >25% Reduction To Scope (Units or Work)
    - » Work = Improvements Converted To Demolition
    - » Requires Prior Notification
  - All Improvement Projects Require Prior Budgeting or Notification Before Exceeding Any Of the Above Thresholds





# *Repair Projects*

- Must Be Totally Repair
  - No Improvement Work, One Year Money
- Prior Budget or Notification Required If:
  - Costs Exceed \$20K Per Unit Or Total Project Cost Exceed \$5M
  - \$20K Per Unit Threshold - Must Also Include Other Major Maintenance Or Repair Work Accomplished During Fiscal Year





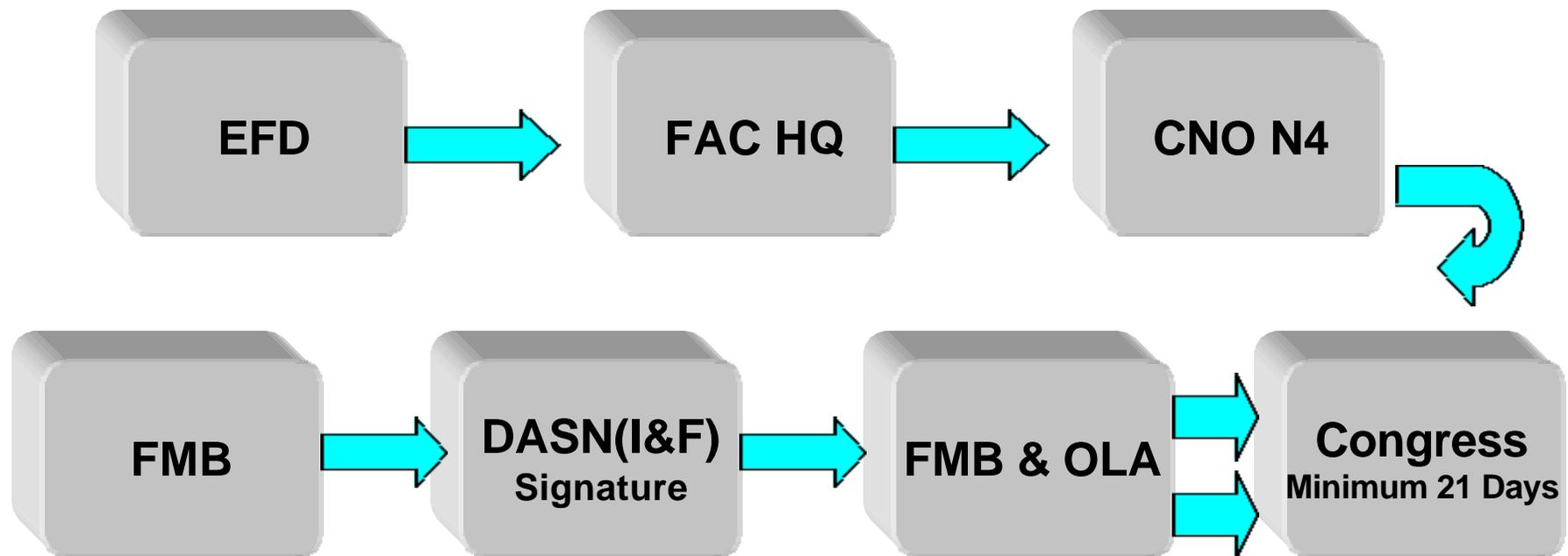
# *Minor Construction/Incidental Improvements*

- 10 USC, Section 2805 & OSD Guidance
  - Repair Funds Used
    - » Work Is Construction In Nature
  - \$3K Per Home Or \$500K Per Project
  - Cost Can Not Exceed Thresholds
    - » No Allowance For Notifications



# *Notification Chop Chain*

- Offices May Be Added, Depends On Nature Of Package
- Typically Takes 30 Days To Get From FAC HQ To Congress



# *Never Guess!*

- Sources For Threshold Guidance:
  - EFD Housing Office
  - EFD Counsel
  - Law And Language
    - » 10 USC, Chapter 169
    - » Annual Appropriation and Authorization Language
  - NAVFAC Guidance
    - » Family Housing Manual, P-930 Chapter 20
    - » Policy And Program Letters





# ***LANTDIV FAMILY HOUSING MILCON PROGRAM FY00 - 02***

<b>Activity</b>	<b>Fiscal Year</b>	<b>Neighborhood</b>	<b>Total CWE (\$000)</b>
Brunswick	FY01	Brunswick Gardens	\$ 19,400.0
Brunswick	FY02	New	\$ 33,804.0
New London	FY02	Polaris Park	\$ 16,908.0
Sigonella	FY02	Officer Housing	\$ 3,158.0





# *LANTDIV Family Housing Improvement Program FY00 - 02*

<b>Activity</b>	<b>Fiscal Year</b>	<b>Neighborhood</b>	<b>Total CWE (\$000)</b>
Annapolis	FY00	North Severn	\$ 6,853.9
Annapolis	FY00	Arundel Estates	\$ 4,270.1
Earle	FY00	Charleswood	\$ 6,669.4
Keflavik	FY00	U. Commissary/Officer	\$ 15,000.0
New London	FY00	Nautilus Park 2	\$ 6,270.5
Newport	FY00	Greene Lane	\$ 14,534.0
Newport	FY00	Melville	\$ 8,795.0
Roosevelt Roads	FY00	Manatee Bay	\$ 29,440.0





# *LANTDIV Family Housing Improvement Program FY00 - 02*

Activity	Fiscal Year	Neighborhood	Total CWE (\$000)
Annapolis	FY01	Academy Yard	\$ 2,800.0
Keflavik	FY01	BOAC/L. Commissary/C	\$ 9,513.0
Lakehurst	FY01	Pinehurst	\$ 8,187.0
New London	FY01	Nautilus Park 1	\$ 11,004.0
New London	FY01	Nautilus Park 2	\$ 19,726.0
Norfolk	FY01	Stanley Court	\$ 9,832.0
Norfolk	FY01	Gela/Shelton	\$ 19,644.0
Patuxent River	FY01	Solomon's Annex	\$ 868.0





# *LANTDIV Family Housing Improvement Program - FY00/02*

<b>Activity</b>	<b>Fiscal Year</b>	<b>Neighborhood</b>	<b>Total CWE (\$000)</b>
Annapolis	FY02	N. Severn/Arundel	\$ 3,737.0
Earle	FY02	Charleswood	\$ 5,637.0
Indian Head	FY02	Riverview	\$ 3,999.0
Keflavik	FY02	Lower Commissary	\$ 11,934.0
Keflavik	FY02	SP HSG	\$ 23,995.0
Lakehurst	FY02	Pinehurst	\$ 7,329.0
London	FY02	Daws Hill	\$ 8,124.0
Naples	FY02	Villa Nike	\$ 67.0
New London	FY02	Nautilus Park 1	\$ 10,279.0
Newport	FY02	Codding Cove/CHI	\$ 1,425.0
Norfolk	FY02	AFSC	\$ 323.0
Norfolk	FY02	Flags	\$ 183.0
Norfolk	FY02	Pecan Crescent	\$ 550.0
Roosevelt Roads	FY02	Manatee Bay	\$ 4,180.0
Roosevelt Roads	FY02	Flag	\$ 19.0
Wallops	FY02	Blades Circle	\$ 2,759.0





# *FH Points of Contact*

- Paula LaFollette - Northeast (610-595-0803)
- Richard Grindstaff - Overseas/Mid-Atlantic (757-322-4544)
- Nancy Houck - General Guidance/FIS (757-322-4575)

