



**RESIDENTIAL COMMUNITIES INITIATIVE**  
*Assistant Secretary of the Army (Installations and Environment)*

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# **RESIDENTIAL COMMUNITIES INITIATIVE (RCI)**

## **FAMILY & SENIOR UNACCOMPANIED HOUSING**

**Office of the Deputy Assistant Secretary of the Army for  
Installations & Housing**

**Headquarters, Department of  
the Army**

**April 2010  
(updated Jun-14)**





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## **Military Housing – The Case for Change**

- **Chronic under-funding; housing deteriorating and deficit increasing**
- **1996: 70% of housing needed replacement or major renovation, and Army needed \$7B to correct conditions / deficits**
- **1996: Congress helped by providing authorities that allow the Services to privatize family / unaccompanied housing**
- **2002: Senior UPH privatization developed at locations where there are no adequate / affordable accommodations**





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## RCI Overview

### VISION

- Quality Residential Communities for Military Families & Single Senior Soldiers (Staff Sergeants & Above)

### GOALS

- Eliminate inadequate Army Housing in the U.S.
- Eliminate the housing deficit

### OBJECTIVES

- Sustain adequate housing
- Attract quality partners who provide expertise / innovation / capital to projects
- Ensure opportunities for reasonable profits
- Ensure incentive based fees
- Maximize use of local (large / small) businesses
- Protect interests with a RCI Portfolio & Asset Management (PAM) Program



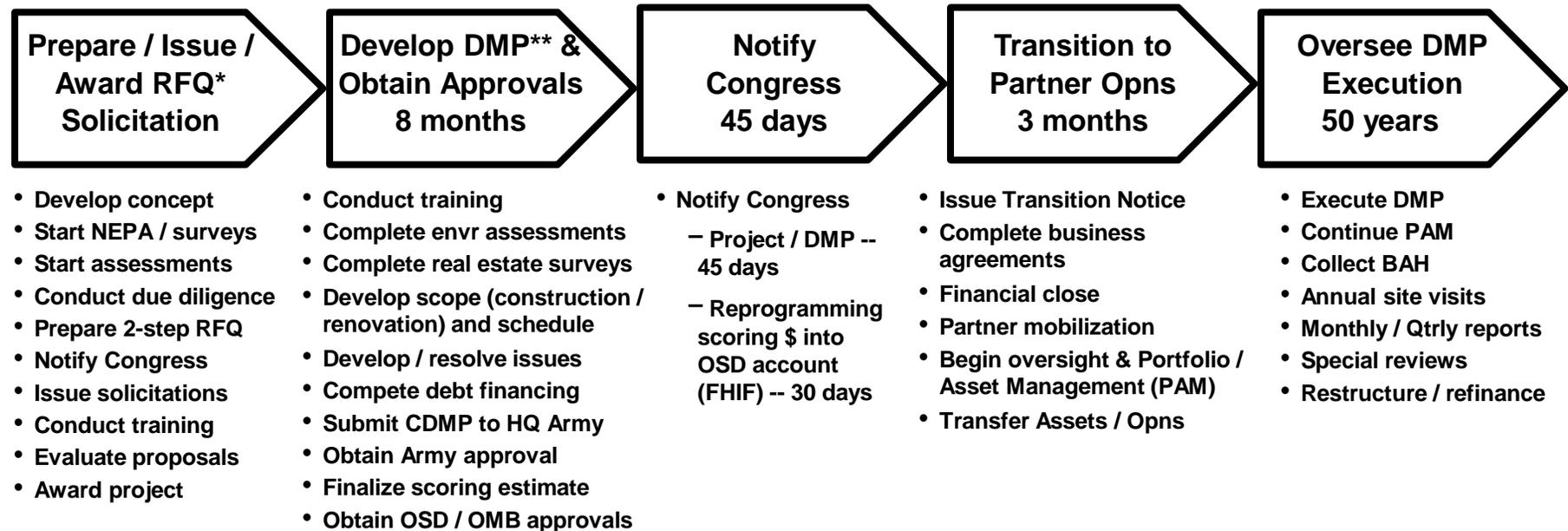


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## RCI Process – From Concept to Transfer to Partner



\* Request for Qualifications

\*\* Development and Management Plans (Community & Unaccompanied)

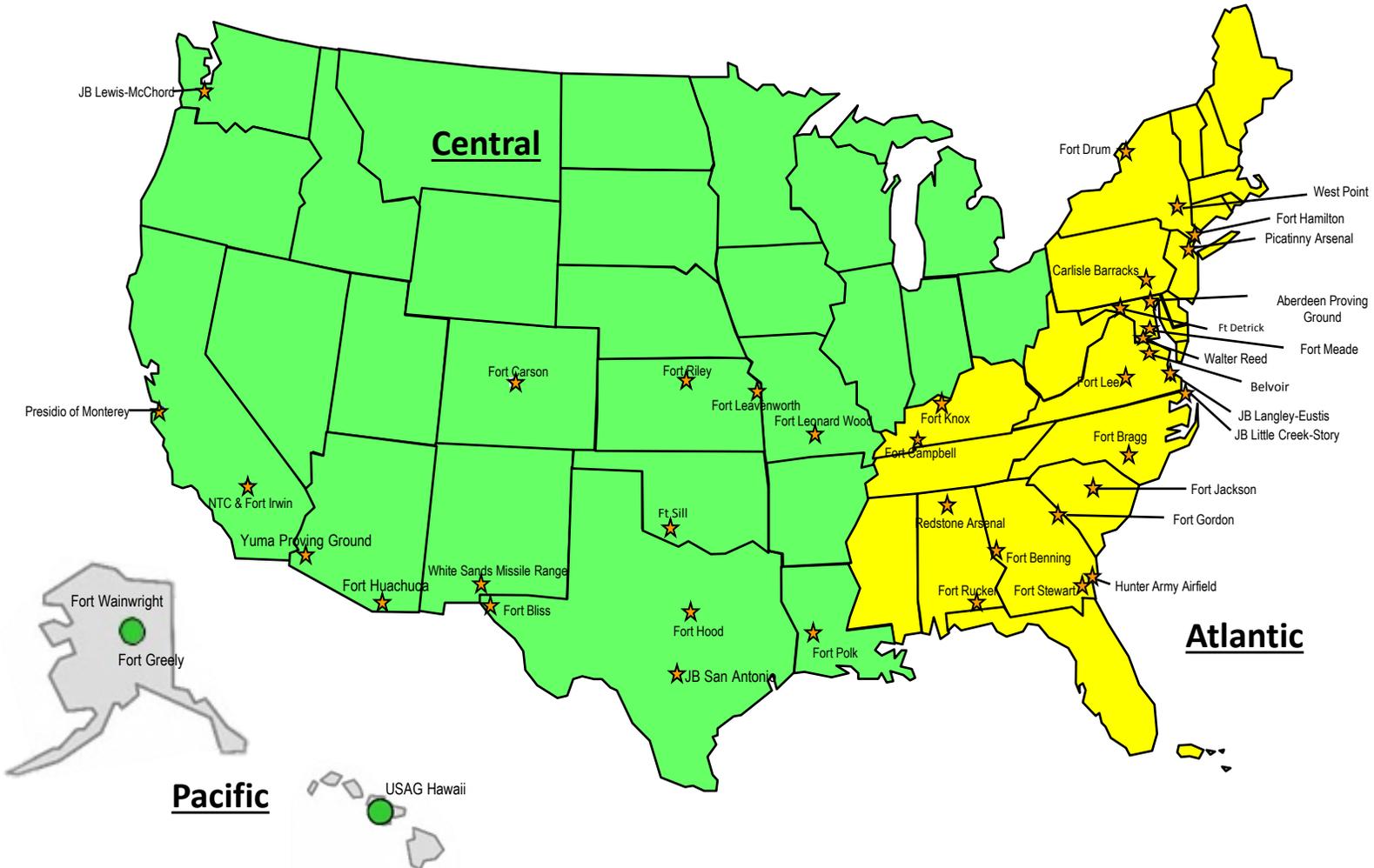


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### RCI Family Housing Program – 44 Installations (34 Projects)



- \$1.9B Army Equity = \$13.3B Initial Private Development
- 6.9 to 1 leverage; the OSD goal is  $\geq 3$  to 1



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**Fort Bragg – Before / After Junior Enlisted Housing**



# Fort Belvoir's Award-Winning Housing





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## **Fort Polk Development**



Junior Enlisted 4-Plex

Recycled Plastic & Accessible Playground





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## Picatinny Arsenal Ribbon-Cutting Ceremony





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## Single Senior Soldier UH RCI (Staff Sergeants & Above)

### Fort Irwin (Part of Town Center)

- 200 apartments
- All completed

### Fort Drum

- 192 1 & 2-bedroom apartments
- All completed

### Fort Bragg

- 432 1 & 2-bedroom apartments
- Phase I of II completed

### Fort Stewart

- 334 1 & 2-bedroom apartments
- All completed

### Fort Meade

- 432 1 & 2-bedroom apartments
- Delivery in-progress





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### **Single Senior Soldier UH RCI at Fort Stewart**





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## **Portfolio & Asset Management (PAM) – 50-Year Oversight**

- **Why PAM? Because 86,000-house portfolio:**
  - Is comparable to largest publicly traded residential companies – only 2 larger (Equity Residential and Archstone Communities)
  - Produces \$13.3B in development 1<sup>st</sup> 10 years; has annual portfolio income of >\$1.5B
  - Includes partners who are leaders in development, property mgt and construction
- **Program designed to:**
  - Monitor health of RCI Portfolio; solve problems before they occur or grow
  - Detect, research and implement project enhancements
  - Report to internal / external stakeholders on program / projects for next 50+ years
- **Comprised of:**
  - Asset Management – Day to day oversight / protection of housing assets / operations of a specific project -- Installation Level
  - Program Management – Oversight / protection of RCI assets and operations across all RCI projects – HQDA Army Staff – OACSIM
  - Portfolio Management – Oversight / protection of RCI assets and operations across entire portfolio of RCI projects – HQDA Army Secretariat – OASA (I&E)



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### PAM – Portfolio Metrics

<b>CATEGORY</b>	<b>METRICS</b>
<b>DEVELOPMENT</b>	<b>Construction Progress</b>
	<b>Construction Costs</b>
	<b>Units On-Line</b>
<b>OPERATIONS &amp; PROPERTY MANAGEMENT</b>	<b>Resident Satisfaction</b>
	<b>Occupancy</b>
<b>FINANCE</b>	<b>Revenue (Effective Gross Revenue)</b>
	<b>Operating Expenses</b>
	<b>Net Operating Income (NOI)</b>
	<b>Debt Coverage Ratio</b>



TOP: JNCO single family units at the Presidio of Monterey  
BOTTOM: CSM duplex at Fort Lewis



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### **Achievements**

- **Increases the well-being of 86,000 Families & senior single Soldiers**
- **2009 resident survey feedback shows continued overall improvement**
- **Positive results from RCI Energy Conservation Program**
- **Will continue listening to our residents through assessments, surveys, focus groups and development and property management reviews**
- **Focusing on resident services and support to ensure consistent experiences across all installations**

