



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



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





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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**



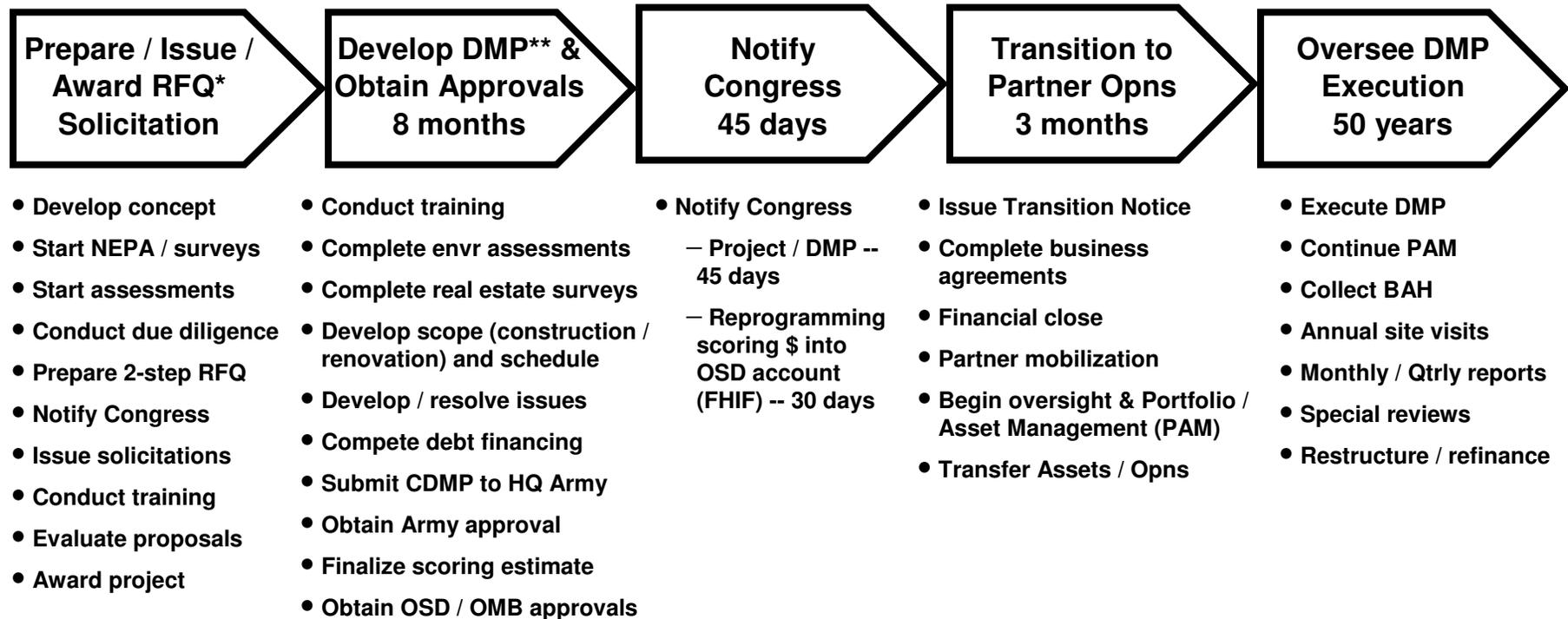


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RCI Process – From Concept to Transfer to Partner



* Request for Qualifications

** Development and Management Plans (Community & Unaccompanied)

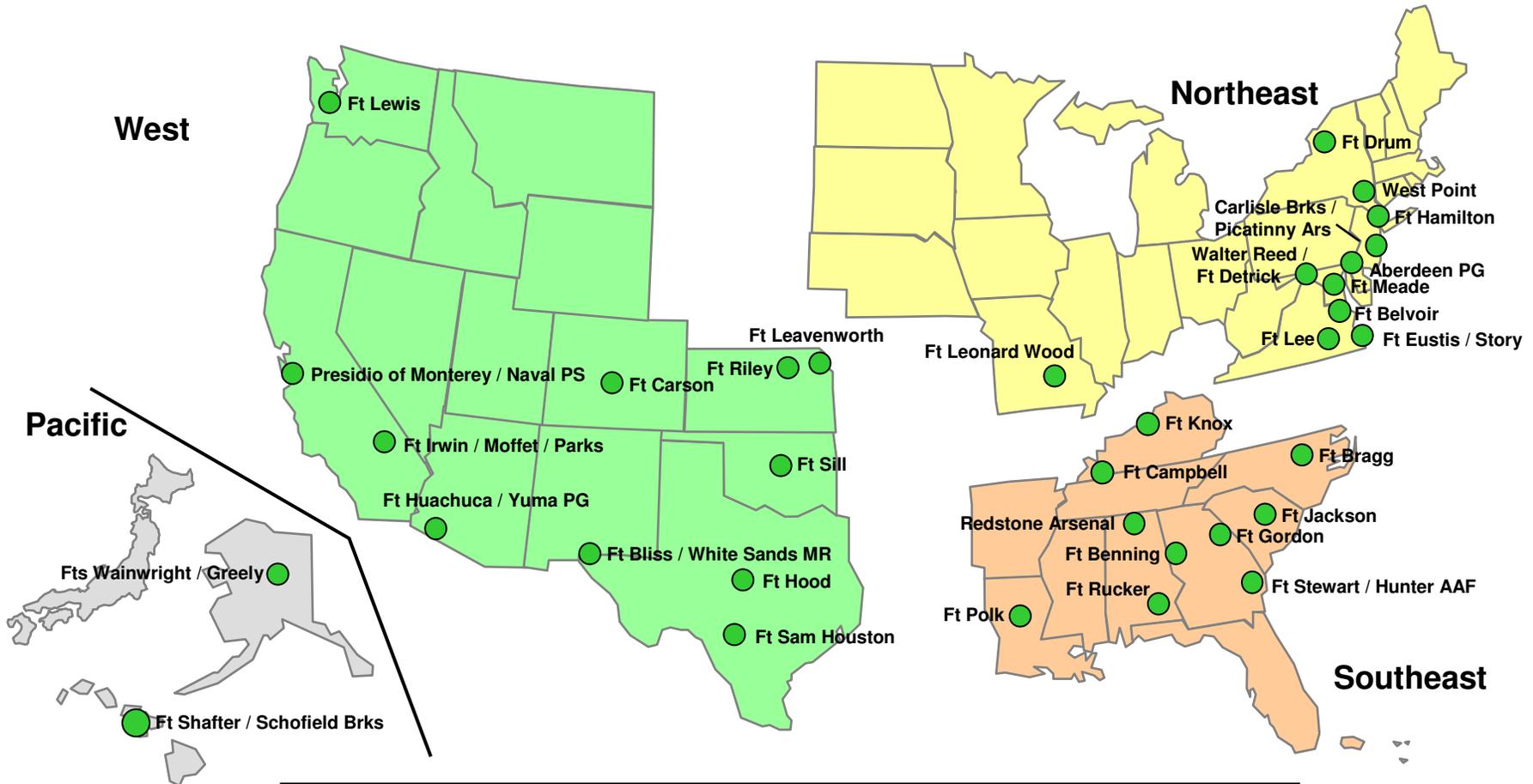


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RCI Family Housing Program – 44 Installations (34 Projects)



- 85,711 Houses; 98% of Army Family Housing in the U.S.
- \$1.97B Army Equity = \$12.60B Initial Private Development
- 6.4 to 1 leverage; the OSD goal is ≥ 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 UPH RCI (Staff Sergeants & Above)

Fort Irwin (Part of Town Center)

- 200 apartments
- All completed by July 2011

Fort Drum

- 192 1 & 2-bedroom apartments
- All completed

Fort Bragg

- 312 1 & 2-bedroom apartments
- All completed

Fort Stewart

- 334 1 & 2-bedroom apartments
- All completed

Fort Bliss

- 358 1 & 2-bedroom apartments
- May not close due to \$ markets





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Single Senior Soldier UPH 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 \$12B in development 1st 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

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



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



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Summary

- **Increases the well-being of 86,000 Families & senior single Soldiers**
- **2009 resident survey feedback shows continued overall improvement**
- **Positive results from 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**

