

## **Privatized (PPV) Housing Program Frequently Asked Questions** **(updated 26 February 2012)**

This listing of FAQs reflects the most common military questions asked by military members and their families. The answers are provided from a Navy-wide corporate level. Some of the activity web sites may include similar FAQs and the answers to those questions may vary slightly because of local difference in the PPV Projects.

### ***Q: What is privatized housing?***

A: Legislation passed by Congress in 1996, known as the Military Privatization Initiative (MHPI), provided a series of authorities that allows the Department of the Navy (DoN) and other military services to enter into long-term agreements with private industry to design, finance, construct, own, operate, maintain, and professionally manage public/private housing ventures. PPV housing may be located on or off government property and may be former military housing. The basic concept of PPV is the formation of a Limited Liability Company (LLC) between the DoN and a private company. The private company secures the necessary financing and, as the majority member in the LLC, is responsible for the replacement, renovation, maintenance, management and operation of the conveyed Navy housing homes. The Navy, as a minority member in the LLC, maintains a vested interest in ensuring that quality housing is available to service members and that the housing is fully sustained for the life of the 50-year agreements. Under the PPV plan, the service member signs a lease and makes monthly rent payments to the LLC using the service member's Basic Allowance for Housing (BAH) entitlement, which covers rent, utilities and renter's insurance. If there is a lack of demand by military families and other preferred referrals, the LLC may seek civilian tenants (after 30 days).

### ***Q: Who is privatizing their housing?***

A: All of the services: Navy/USMC, Army and Air Force are privatizing their housing. You can see all the locations that have been privatized and are scheduled for privatization at the OSD website.

### ***Q: Why did the Navy privatize their housing?***

A: DoD began privatization of family housing after the Military Housing Privatization Initiative (MHPI) legislation was passed in 1996 in an effort to have private industry borrow funds to recapitalize current infrastructure. In turn, the PPV company, in this case Lincoln Military Housing, signs a lease with the military member and receives the members BAH for rent. Privatization has allowed the DoN to leverage private investment to more quickly improve the family housing inventory. In addition, resident satisfaction scores have trended dramatically up across the entire program and in the Mid-Atlantic privatization portfolio specifically. The Mid-Atlantic Military Family Communities, LLC (MAMFC) was established in August 2005. LMH, a nationwide leader in providing military housing, is the managing member. MAMFC owns and operates a portfolio of nearly 6,000 homes in the Hampton Roads, DC, Northern Virginia, and Maryland areas. In pursuing privatization, the DoN displays its steadfast commitment to providing quality and affordable homes for military families.

***Q: How is privatized housing similar to military housing?***

A: A few of the similarities are:

- Zero out of pocket expenses for residents; rent is based on BAH.
- You will continue to live in a military community.
- Government pays for the cost of moves into PPV units for eligible service members.
- You will continue to go to the Housing Welcome Center for housing information.
- The Housing Welcome Center will receive your application for PPV housing and will refer you to the Property Management Company.

***Q: How is privatized housing different from military housing?***

A: Some of the differences are:

- Units are managed and operated by a private property management company.
- You must sign a lease. The lease will include a "military clause".
- You will receive BAH and pay rent directly to the property manager.
- The property management company handles all resident matters, including maintenance.

***Q: What is the Navy's role and responsibility with a PPV partner when residents are not satisfied with Lincoln's response to their concerns?***

A: If a resident has a concern about their unit or neighborhood, their primary contact is with the local Mid-Atlantic Military Family Communities (MAMFC) community/property manager (not unlike if living in housing in the local surrounding economy). If the resident is dissatisfied with the property management response and has exhausted other avenues with their landlord such as raising the issue to higher levels within the company, the member can contact the Housing Welcome Center and speak with a military liaison who is trained in landlord-tenant relations. The Navy staff member will work with the PPV partner and resident to resolve any issues. If the issue is still un-resolved, the tenant can raise the concern with his/her command. This is the case with all military members and their landlords, not just PPV.

***Q: How long has the Navy had a partnership with Lincoln Military Housing?***

A: Since August 2005.

***Q: How many Lincoln run homes are in Hampton Roads? Where are they?***

A: Total LMH homes in Hampton Roads 4,384

- 519 Naval Station Norfolk
- 507 Norfolk Crossing
- 985 NAS Oceana
- 862 JEB Little Creek
- 600 Willoughby-Whitehurst
- 360 Yorktown
- 453 NSA Northwest Annex-Portsmouth
- 98 Norfolk Naval Shipyard

***Q: How much money has the Navy saved in Hampton Roads since the privatization?***

A: Over the 50 year life of the Family Housing PPV in Hampton Roads, the Navy is projected to save approximately \$240 Million. This amount accounts for Basic Allowance for Housing, as well as the approximately \$300 Million in initial development made possible and completed by the PPV in Hampton Roads.

***Q: Why is Lincoln Military Housing in all of the Navy Housing Welcome Centers?***

A: Lincoln has a small office in the Hampton Roads Navy Housing Welcome Center which the Navy owns. Since the outside economy is the primary source of housing in the Hampton Roads area, the Navy maintains the Welcome Center to provide housing options to the more than 54,000 Navy and military members in the area, and provides a preferred referral to Lincoln Military Housing. If the military member chooses to rent with Lincoln, the convenience of their office at the Welcome Center makes for a one stop shop to sign their lease. The other housing offices were conveyed to Lincoln when privatization began in 2005 and they now own them. Staff at the Housing Welcome Center provides assistance to over 30,000 customers in the Center annually, as well as thousands of internet and phone requests.

***Q: How do you monitor/track the satisfaction of residents in PPV housing?***

A: We have a process in place to monitor customer satisfaction and partner performance via survey tools, meetings and community service events. The annual survey is conducted by CEL & Associates, a third party survey, with objective standards and conducted by real estate industry standards. The three primary benchmarks by which properties are evaluated are Overall Satisfaction; Property Satisfaction; and, Service Satisfaction.

***Q: How many families attended the Educational Housing Forums?***

A: Approximately 74 families. Forty of the families attended the forum at Joint Expeditionary Base Little Creek - Fort Story in the Little Creek Community Center, Dec. 14; 20 families attended the forum held at Norwich Manor Community Center in Norfolk on Dec. 15; and 14 families attended the forum held on Dec. 19 at Naval Weapons Station Yorktown housing.

***Q: What has been done to restore confidence in the Navy and LMH for the residents that the Navy and Lincoln are looking out for their best interests?***

A: Taking care of our families has always been, and remains, a top priority. I have talked personally with many of the residents, sent a letter to every resident, and my staff is fully engaged with commands in Hampton Roads and LMH to assure families that we have listened to their concerns and are addressing them appropriately and quickly. I believe the actions we, along with LMH, have taken demonstrates our commitment to our families.

***Q: What steps have LMH taken?***

A:

1. Appointed a full-time Chief Customer Service Officer (CCSO) for its Mid-Atlantic family housing on December 9, 2011.
2. Will recruit a current resident of LMH housing in Hampton Roads to serve as a family housing advocate with unlimited direct access to the CCSO.
3. Put in place a new toll free number (855-LMH-4YOU) (855-564-4968) for residents with issues or concerns they feel need to be addressed.

4. Effective immediately and at the company's expense, Lincoln will offer a mold inspection using certified independent mold inspectors designated by the Navy to any resident who requests the service.
5. Will deploy a task force of special Lincoln maintenance teams and Navy personnel, starting today, December 12, 2011 to conduct interior life safety and water intrusion inspections of all Hampton Roads homes.
6. Will hire an independent, licensed professional engineering firm to survey the condition of aged building exteriors and address any systemic issues that could result in water infiltration.
7. Has hired respected and recognized experts to conduct a top-to-bottom review of current Lincoln maintenance and communication policies and procedures. The conclusions of this analysis will be reported directly to senior Lincoln management, the CCSO and the Navy.
8. Update training for all Lincoln maintenance teams to ensure that they properly communicate with residents.

For further information please go to: <http://www.lincolnmilitary.com/lmh/>

### *Medical/health issues*

#### ***Q: What is mold?***

A: Mold is a fungus that can be found both indoors and outdoors. No one knows how many species of fungi exist but estimates range from tens of thousands to perhaps three hundred thousand or more. Molds grow best in warm, damp, and humid conditions, and spread and reproduce by making spores. Mold spores can survive harsh environmental conditions, such as dry conditions, that do not support normal mold growth.

#### ***Q: Where are molds found?***

A: Molds are found in virtually every environment and can be detected, both indoors and outdoors, year round. Mold growth is encouraged by warm and humid conditions. Outdoors they can be found in shady, damp areas or places where leaves or other vegetation is decomposing. Indoors they can be found where humidity levels are high, such as basements or showers and can be due to leaking air conditioners, leaking windows, poorly vented bathrooms, or it may be a plumbing problem or roof leak.

#### ***Q: How do molds affect people?***

A: Some people are sensitive to molds. For these people, exposure to molds can cause symptoms such as nasal stuffiness, eye irritation, wheezing, or skin irritation. Some people, such as those with serious allergies to molds, may have more severe reactions. Severe reactions may occur among workers exposed to large amounts of molds in occupational settings, such as farmers working around moldy hay. Severe reactions may include fever and shortness of breath. Some people with chronic lung illnesses, such as obstructive lung disease, may develop mold infections in their lungs. In 2004 the Institute of Medicine (IOM) found there was sufficient evidence to link indoor exposure to mold with upper respiratory tract symptoms, cough, and wheeze in otherwise healthy people; with asthma symptoms in people with asthma; and with hypersensitivity pneumonitis in individuals susceptible to that immune-mediated condition. The IOM also found limited or suggestive evidence linking indoor mold exposure and respiratory illness in otherwise healthy children.

#### ***Q: What should a resident in PPV housing do if they believe conditions in their home is affecting their health?***

A: If a military member or their family has a concern about their health, they should seek medical attention from their primary health care provider.