



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
INSTALLATIONS AND ENVIRONMENT
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WASHINGTON DC 20310-0110



REPLY TO
ATTENTION OF

March 18, 2003

Honorable Duncan Hunter, Chairman
Committee on Armed Services
United States House of Representatives
2265 Rayburn House Office Building
Washington, DC 20515-0001

Dear Mr. Chairman:

Pursuant to The Army's previous notifications of intent to solicit (July 23, 2001) and intent to award (May 24, 2002), I am pleased to forward the Community Development and Management Plan (CDMP) for Fort Bragg, North Carolina. The Army will take no action to implement the CDMP, before Congress has completed its 45-day review.

I will be pleased to provide you with any additional information you may need.

Sincerely,

William A. Armbruster
Deputy Assistant Secretary of the Army
Privatization and Partnerships

Enclosure

cc: Honorable Ike Skelton, Ranking Member

MILITARY HOUSING PRIVATIZATION INITIATIVE PROJECT SUMMARY

INSTALLATION: Fort Bragg, North Carolina

SCOPE:

This initiative will privatize a total of 5,578 family housing units at Fort Bragg. The Government will convey 4,744 existing units and out-lease the underlying land as part of this initiative. The deal will be consummated through a real estate transaction between the Army and its development partner, previously selected under a Request for Qualification (RFQ) procurement process.

The partner will obtain commercial first mortgage financing in the amount of approximately \$292.5M. The partner will commit approximately \$6.0M in equity to plan, design and construct a residential community that will provide soldiers access to quality, affordable housing. The Army intends to provide a long-term interest in the installation real property to the selected developer, who will serve as the residential community developer and manager.

The Fort Bragg RCI program includes the conveyance of 4,744 existing units. The initial development plan includes the demolition of approximately 1,568 existing homes and construction of approximately 2,652 new homes. The remaining inventory of 2,926 existing homes, which includes 209 historic homes, 933 recently constructed homes, will be maintained and renovated to adhere to modern construction and State Historic Preservation Office standards. The ending inventory of the Fort Bragg community will be 5,578 new, remodeled and maintained homes. Additionally, the Fort Bragg developer partner will construct 12 new community centers and create modern neighborhood amenities such as ball fields, landscaping, jogging path / bike paths, and new and regenerated parks. The developer intends to meet 100% ISR Green by the end of CY 2010.

The Army will pay the Basic Allowance for Housing (BAH) to soldiers, who in turn will pay rent and utilities for the privatized housing. Rents will be equal to BAH minus a utility allowance for the soldier to pay utility bills. The allowance will be based on historical utility costs plus an acceptable buffer.

AUTHORIZATION:

10 U.S.C.-- Section 2878 -- Conveyance or lease of existing property and facilities. Facilities and infrastructure will be conveyed, and underlying land out-leased to the partner as part of this project.

10 U.S.C. -- Section 2880 -- Unit size and type. Housing will be renovated and constructed to community standards.

10 U.S.C. -- Section 2881 -- Ancillary support facilities. This project includes the transfer of ancillary supporting facilities as well as the construction of new ancillary facilities such as tot lots, playgrounds, etc.

JUSTIFICATION:

Fort Bragg has a housing deficit of over 927 units and 3,811 units that require renovation or replacement. The Army is utilizing the privatization authorities to leverage scarce funds and the value of installation assets to obtain private sector capital and expertise to manage, improve and construct FH in the U.S. The RCI program will, provide quality Army housing and residential communities that are sustainable over time.

SOURCE OF FUNDS:

This project requires \$49.4M direct Army investment. Therefore, the Army intends to transfer the \$49.4M FY02 Military Construction funds into the Family Housing Improvement Fund.