

Welcome!

HKC1503:

***Department of the Navy Housing Privatization
and Veterans Affairs Housing Programs***

August 6, 12:00 PM - 1:00 PM EDT

Earn 1.0 AIA LUs



Moderator



**Thomas Burns,
Assoc. AIA**

Thomas Burns, Assoc. AIA graduated from Roger Williams University in 2009. While in school he traveled to Haiti to study the challenges of building safe housing. This study sparked his interest in international community development and upon graduating he enrolled in a program with the International Institute of Sustainable Development through Colorado State University. He has since pursued work in public interest design, interning with MASS Design Group in Haiti working on two hospitals and a job training initiative. Thomas currently serves as Architectural Designer for Davis Square Architects in Somerville, MA.

Submit a question to the moderator via the chat box. Questions will be answered as time allows.



Speaker 1



Robert Harris, AIA

Robert Harris is the Director Special Venture Acquisition (SVA) at Naval Facilities Engineering Command located at the Washington Navy Yard in Washington, DC. SVA is responsible for development, acquisition, execution, oversight, monitoring and management of Public-Private Venture (PPV) programs, portfolios and projects supporting the Navy and Marine Corps with investment portfolios that currently include approximately \$10 billion in assets.

He is a licensed professional architect in Maryland and Minnesota and a member of the AIA.

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Speaker 2



**Paul C. Macpherson,
CPM**

Paul Macpherson has over 25 years of real estate management experience.

In 2013 Paul joined VA as Director of the Investment Enterprise Development Service his primary responsibility is to seek out and consummate public private partnerships with developers that will build housing for disadvantage, homeless, and elderly Veterans at little or no cost to VA. This is VA's Enhanced Use Lease (EUL) program. Since taking over the program his project management team has closed 11 EULs, valued at \$156M, providing 599 units of low income housing.

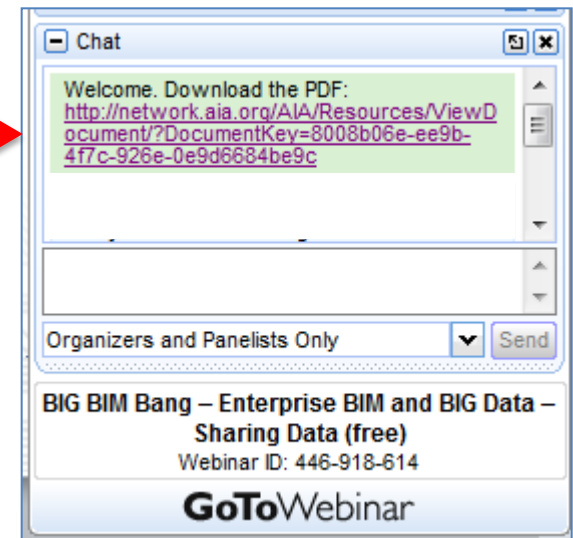
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Questions?

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Course Description

This webinar will present and overview of the Department of the Navy Housing Privatization program and the Department of Veteran's Affairs Enhanced Use Leasing Housing Program. The Navy's program consists of over 62,000 family housing units and over 6,500 rooms for unaccompanied Sailors. This program has dramatically improved the quality of life for Sailors, Marines and their families across the United States. The presentation will review the background, legislative authorities, business approach and how the program has advanced sustainable design, net zero energy, innovative building systems and preservation of historic homes. The Veteran's Affairs section of the presentation will provide an overview of the VA's Enhanced Use Leasing Program, their successful housing projects and how they are looking at expanding authorities to provide supportive housing and services and/or mixed uses. This webinar will be presented by Mr. Bob Harris, AIA, LEED-AP, the Director of Special Venture Acquisition at Naval Facilities Engineering Command Headquarters and Mr. Paul McPherson, the Director of The Investment Enterprise and Development Service at the Department of Veteran's Affairs.



Learning Objectives

Participants will learn . . .

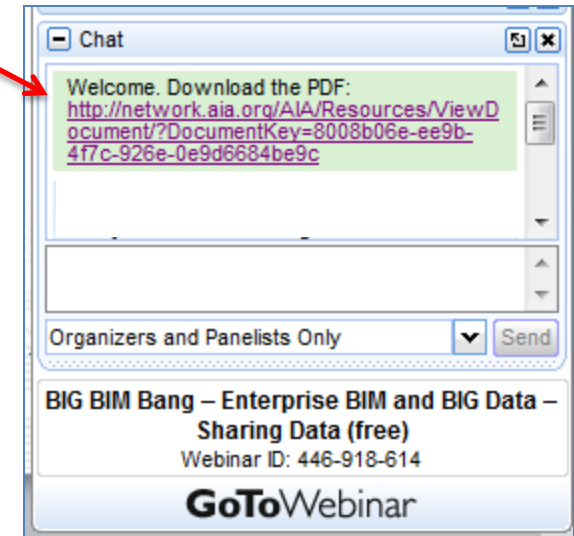
1. Gain an understanding of Military Public-Private Ventures.
2. Understand the involvement of architects in ongoing Public-Private Ventures.
3. Gain an understanding of the Veteran's Administration housing programs.
4. Understand the involvement of architects in ongoing VA Housing programs.



Questions?

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They will be answered as time allows.





Department of the Navy Housing Privatization

August 2015

Background



Why provide housing to Military members?

- All active duty military members receive housing or an allowance for housing costs
- Areas around military installations are surveyed to evaluate how many families can be adequately housed (community first)
 - The military builds homes address any deficits
- Prior to privatization the military services relied upon appropriated funding for the design, construction, operation and maintenance of all housing

Before Privatization



MHPI Legislation



Enacted in 1996 (10 U.S.C. §2871 – 2884)

- **Investments**
- **Conveyance or lease of existing property and facilities**
- **Differential lease payments**
- **Direct loans and loan guarantees**
- **Unit size and type (community standards)**
- **Ancillary supporting facilities**
- **Pilot projects for acquisition or construction of military unaccompanied housing**
- **Developed to attract private sector financing, expertise and innovation to provide necessary housing faster and more efficiently than traditional Military Construction processes would allow**

First Navy project at NAS Corpus Christi ,Texas

DoN Business Approach



- **Partnerships**
- **Investments**
- **No guarantees**
 - BRAC/deployment
 - Occupancy
 - Loan
- **Outlease of land**
- **Improvements abandoned in place at end of deal**
- **Revitalize existing inventory and address housing deficit**

PPV Projects to Date



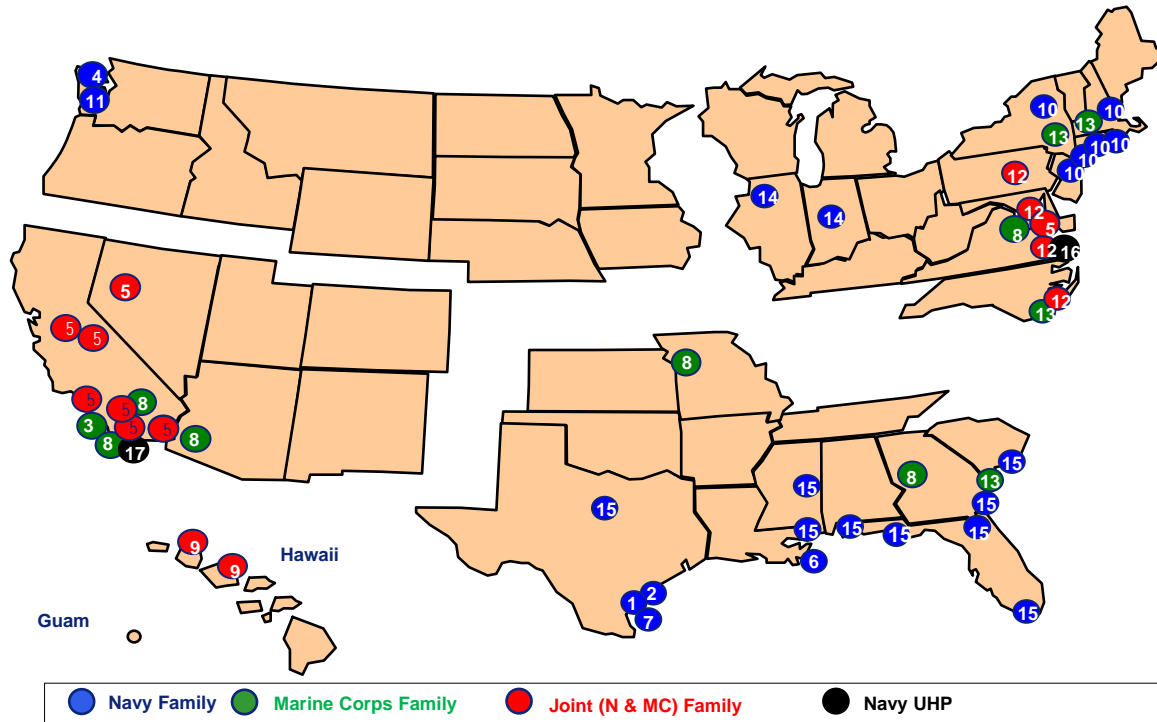
DoN Family Housing PPV

- 40 project phases executed
- End-state of ~62,000 homes
- MILCON equivalent development ~ \$9.3B
- DoN cash investment ~ \$1.3B
- 7.0:1 leverage

Navy Unaccompanied Housing PPV

- 2 projects executed
- End-state of 6,596 beds
- MILCON equivalent development ~ \$594.1M
- DoN cash investment ~ \$79.7M
- 7.5:1 leverage

PPV Project Locations / Future Phases



PPV Projects

- 1) Kingsville Townhomes, LP (K1)
- 2) Kingsville II, Family Housing Ltd, LP (K2)
- 3) De Luz Housing, LLC (CP1)
- 4) Gateway Trident, LLC (E2)
- 5) San Diego Family Housing, LLC (SD)
- 6) New Orleans Navy Housing, LLC (NO)
- 7) South Texas Military Housing, LP (ST)
- 8) Camp Pendleton & Quantico Housing, LLC (CPQH)
- 9) Ohana Military Communities LLC (HI)
- 10) Northeast Housing, LLC (NE)
- 11) Pacific Northwest Communities, LLC (NW)
- 12) Mid-Atlantic Military Family Communities LLC (MA)
- 13) Atlantic Marine Corps Communities, LLC (CLCPS)
- 14) Midwest Family Housing, LLC (MW)
- 15) Southeast Housing LLC (SE)
- 16) Hampton Roads PPV, LLC (HRUH)
- 17) Pacific Beacon LLC (SDUH)

Future Projects

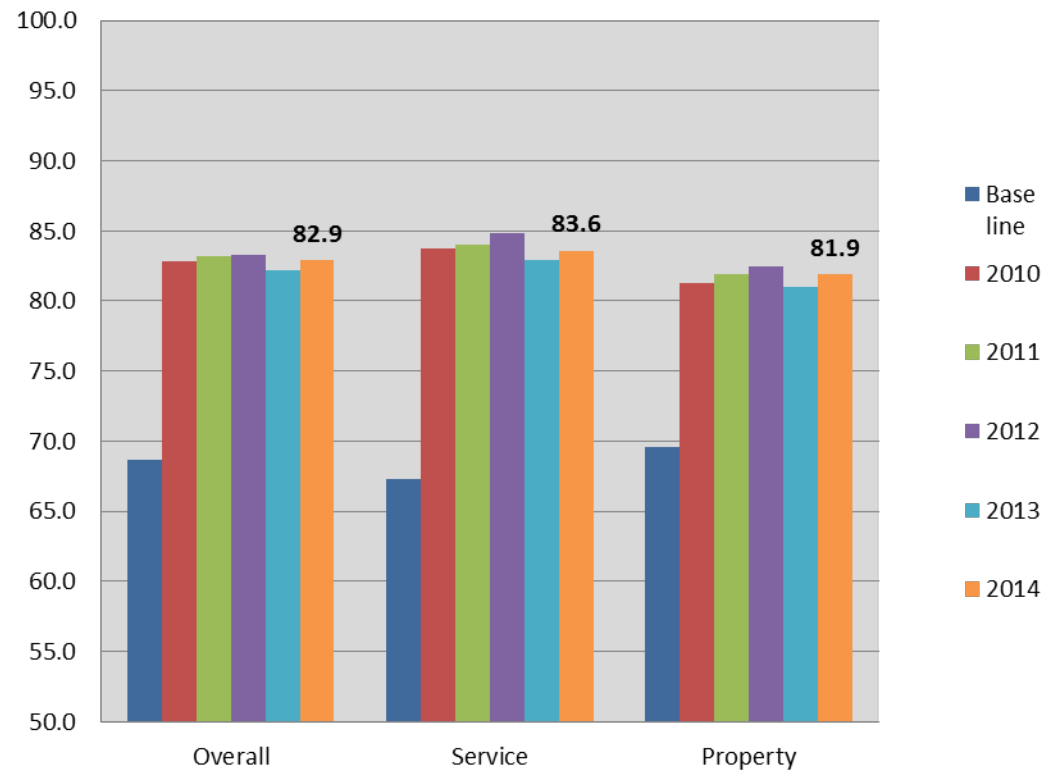
	<u>FY</u>	<u>End-State</u>	<u>Total Development Cost</u>
San Diego (SDFH 6)	2015	TBD	TBD
Camp Pendleton (CPQH 9)	2015	TBD	TBD







Resident Satisfaction



85 to 100	Outstanding
80 to 84	Very Good
75 to 79	Good
70 to 74	Average
65 to 69	Below Average
60 to 64	Poor
55 to 59	Very Poor
0 to 54	Crisis

Unaccompanied Housing









Sustainable Development



Net-Zero Energy Homes



LEED Homes at Midway Park

The Midway Park neighborhood at Camp Lejeune is the first on a Marine Corps Installation to have LEED Gold certified homes. The Midway Park LEED homes offer specific features to allow Residents a more sustainable living environment.

1 Sustainable Site

The Midway Park land was previously developed which means that the new community is not disturbing any new land and is also limiting the amount of new resources required by reusing the existing roads and infrastructure. The site is within 1/2 mile of numerous community resources, such as a convenience store, bank, post office, etc. making the neighborhood more pedestrian friendly.

2 Water Efficiency Outside the Home

There is no need for irrigation systems within the Midway Park Community as drought tolerant grass and plants that do not require watering are being used for landscaping.

3 Pollutant Protection

Storm water is directed to bio retention swales in lieu of storm drains, which is reducing runoff and pollution into the local storm systems.

4 Water Efficiency Inside the Home

All homes are equipped with dual flush toilets and high efficiency fixtures that help save water. The toilets have two different settings, a half flush for liquid removal and a full flush for solid removal.

5 Existing Roads

Existing road patterns are reused to eliminate deforestation and to minimize dust and noise.

6 HVAC Systems

The homes are extremely energy efficient due to the tight building envelope created by advanced framing techniques and highly rated insulation. The home is also healthier for residents to live in due to well planned construction practices such as a pre-occupancy air flush, use of exhaust fans and controlling contaminants that enter the homes.

7 Recycled Materials

The majority of materials during demolition of the old homes were recycled and diverted from landfills. Material for the new homes, such as fiberglass insulation and carpet have recycled content.

8 Dual Pane Windows

Reducing the amount of heat infiltration, which is perfect for the subtropical North Carolina Climate.

9 Energy Star Appliances

Kitchen Appliances that use 20%-30% less energy are installed in every Midway Park home.

10 Lighting

All homes are equipped with CFL lighting to help reduce heat in the home and provide more efficient lighting.

11 Garages

The homes have a rear entry feature allowing for private entry. In addition, mechanical systems and ductwork are not located in the garage eliminating pollutants that would typically infiltrate these systems and get into standard homes.

12 Walls

Thicker insulated walls with a higher thermal value lead to better heating and cooling efficiency in all seasons.

13 Carbon Emission Reduced

We made a conscious effort to purchase as many materials as possible locally to reduce carbon emissions from the transportation of these materials. In addition, by creating a neighborhood pathway network, Residents will be enabled to walk more and drive less to get to the convenience store, playgrounds or dog parks.



www.atlanticmcc.com



Solar Arrays



LEED Platinum



4209/4211 Elrod Drive (Duplex) LEED Platinum
Molokani Neighborhood MCBH

Building Systems



New Project Phases



Additional Information



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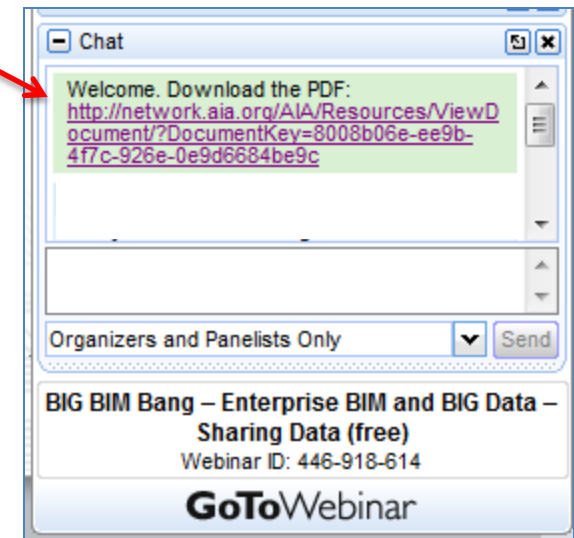
<http://www.acq.osd.mil/housing/index.htm>

Questions?



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Thank you for joining us!



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Enhanced-Use Lease (EUL) Authority

Presentation For

AIA – HKC1503

August 2015

Paul Macpherson

Director, IEDS

Department of Veterans Affairs

paul.macpherson@va.gov

Enhanced-Use Leasing (EUL)

Purpose:

Provide an overview of VA's EUL program

Demonstrate examples of successful EUL projects

VA's is proposing to expand its EUL authority to provide:

- a) Supportive housing and
- b) Services and/or mixed-uses

Enhanced-Use Leasing (EUL)

Enhanced-Use Lease: A long-term agreement between VA [as lessor] and a non-Federal entity, which “enhances the use of the [leased] property,” and which allows VA to offer an enhanced range of services to Veterans.

- Long-term: up to 75 years
- Non-Federal: private (for-profit or non-profit) or public (e.g., a public housing authority)
- Enhances use of property: allows VA to repurpose unneeded capital assets (i.e., vacant buildings and land)
- Features:
 - As consideration for the leasehold interest, lessees provide VA with cash consideration (previous authority allowed for in-kind consideration)
 - Traditionally, a wide range of uses
 - As of August 2012, EUL authority only allows **supportive housing**
- VA is one of only a handful of Federal agencies with EUL authority

VA EUL History

History of Legislation :

- 1991 - Authority enacted
- 2001 - Authority renewed for ten years
- 2012 - Authority authorized but limited for “supportive housing” projects only
- 2014 - VA’s FY 2015 Budget Submission referenced a legislative proposal to broaden the current EUL authority to allow VA to reuse vacant and underutilized land and buildings for repurposing beyond supportive housing. The proposal was submitted to Congress in February 2014, but not enacted.
- 2015 - VA’s FY 2016 Budget Submission references a forthcoming legislative proposal to broaden the current EUL authority (resubmission of previous year’s proposal)

Program Summary:

Since the inception of the EUL program, there are 107 active projects to repurpose underutilized land and buildings:

- Housing Projects: 72 projects total (including 60 active and 12 projects in pre-development phases)
- Research/Medical Services: 2 projects in operation
- Consolidation/Regional Office/Parking: 14 projects total
- Energy: 4 projects in operation
- Misc. Private Sector Use: 15 projects total

Existing EUL Authority

Existing EUL Authority is limited to supportive housing only:

The term “supportive housing” means housing that engages tenants in on-site and community-based support services for veterans or their families that are at risk of homelessness or are homeless. Such term may include the following:

- Transitional housing
- Single-room occupancy
- Permanent housing
- Congregate living housing
- Independent living housing
- Assisted living housing
- Other modalities of housing

Existing EUL Authority

- There are 26 housing projects in operation. These projects total 1,724 units.
- Pending finalization of project financing and other aspects of the project due-diligence process, BURR initiative projects will contribute approximately 3,323 additional housing units to VA's inventory.

Proposed Changes to 38 U.S.C. § 8162

Summary of Benefits: Expanded EUL Authority would allow VA to reuse vacant and underutilized land and buildings that – while not suitable for repurposing as supportive housing – may still have other forms of reuse potential. This would enable VA to manage its infrastructure footprint more efficiently, thereby permitting VA to provide more and improved services to Veterans and their families.

- Allow VA to manage its infrastructure footprint more efficiently, including a reduction of underutilized and vacant inventory
- Allow expanded opportunities to provide better access to health care and supportive services to Veterans and their families
- Allow mixed use development that will attract private investment; provide a larger impact on communities for jobs and tax revenues, community services, and other amenities
- Allow for consolidation opportunities and repurposing of entire underutilized or vacant campuses
- Allow VA to repurpose larger assets

Enhanced-Use Leasing

Backup

EUL Housing Program

BURR

Building Utilization Review and Repurposing: A program to reuse underutilized or vacant real estate assets through public private partnerships

BURR I Phase 1

These are the 38 EULs that were executed in December 2011 under the expanded EUL authority (including Ft. Howard mixed use & Minneapolis parking)

BURR II Phase 1

These are new EULs that are executed using the 2012 authority for supportive housing only

Unit Counts Reported in Current Tracking Reports	Units	Projects
Legacy Housing Units Currently In Operation	1,451	21
BURR I Phase 1 Housing Units Currently In Operation	273	5
Total Housing Units Currently In Operation	1,724	26
BURR I Phase 1 Housing Units In Development Scheduled to be In Operation by 12/31/2015 ¹	354	6
BURR I Phase 1 Housing Units In Development Scheduled to be In Operation On or After 1/1/2016 ²	1,405	24
Total BURR I Phase 1 Units In Development	1,759	30
BURR II Phase 1 Units In Development (With Known Unit Counts) Scheduled to be In Operation by 12/31/2015	0	0
BURR II Phase 1 Units In Development (With Known Unit Counts) Scheduled to be In Operation On or After 1/1/2016	223	4
Total BURR II Phase 1 Units In Development	223	4
Total BURR I Phase 2 and Beyond Units (Not Yet In Development)³	1,341	5
Total Units (Legacy, BURR I, and BURR II)⁴	5,047	60

¹ Includes 354 of the 1,031 Construction units.

² Includes 677 of the 1,031 Construction units, the 154 Negotiation >10% units, 236 of the 471 Negotiation <10% units, and the 338 On Hold / Being Restructured units.

³ Includes the 1,106 Amendment Signed, Future Phases units and 235 of the 471 <10% Negotiation units.

⁴ Project count excludes the 12 projects in Pre-Development stage.

Examples of Successful EULs

Supportive Housing

Current Authority

EUL Accomplishments

Battle Creek-Phase II, MI



- Medallion Management Inc (operating as Silver Star) and VA entered into an Enhanced-use lease (EUL) on December 22, 2008
- Under this EUL, the lessee was to finance, construct, operate, and maintain a housing facility to provide 75 units of safe, affordable, drug and alcohol free housing and services to eligible Veterans on approximately 5 acres. Construction was completed in 2009 and all units are 100% occupied with priority placement for Veterans
- On July 6, 2012, an EUL amendment for Phase II of the Battle Creek was executed, which resulted in the construction of additional 100 housing units on an additional 4.6 acres of vacant land contiguous with the current parcel
- This 110,000 sq. ft. project is the second phase of Silver Star. The three-story building houses approximately 100 apartment units as well as a variety of common spaces
- Construction completed on September 23, 2013 and all units are 100% occupied with priority placement for Veterans
- Total development cost of \$16.1M
- There are an additional 75 housing units contemplated under a potential future phase due to the success of the previous two phases

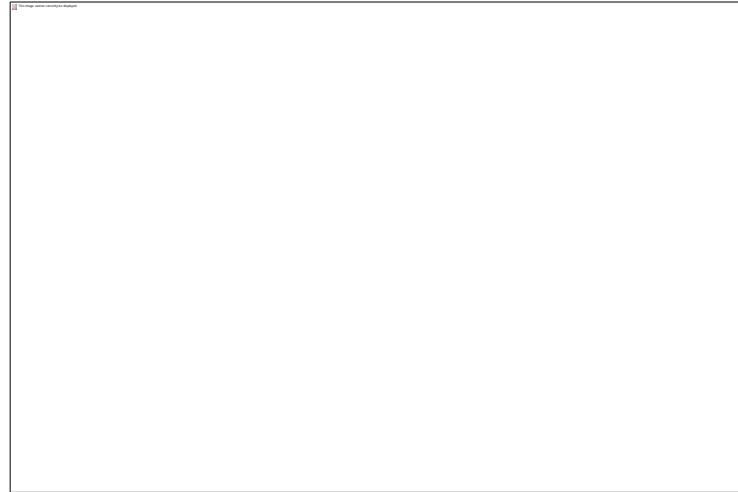
EUL Accomplishments

Dayton I, OH – Lyons Place II



Rendering

- St. Mary's Development Corporation (developer/lessee) is constructing a 55,561 gross sq. ft. permanent housing facility called Lyons Place II
- The facility will provide 55 permanent housing units for seniors (62 and over), with Veterans given preferred placement
- St. Mary's Development Corporation & VA hosted a groundbreaking ceremony on March 28, 2014
- Construction of the project is completed
- Lyons Place II is operational
- Total development cost is \$9.7M



Front View

EUL Accomplishments

Tuscaloosa, AL – Valor Grove



Building 33A

- Valor Grove is envisioned as a place of solace and healing for Veterans. The facility will be open to all Veterans, while services and programs will initially be designed specifically with women Veterans and Veterans with families in mind.
- The facility will provide 50 units of permanent supportive housing (25 units of new construction and 25 renovated units in Building 33)
- Comprehensive family resource center services will be provided by Tuscaloosa's One Place
- Total development cost is \$6.8M

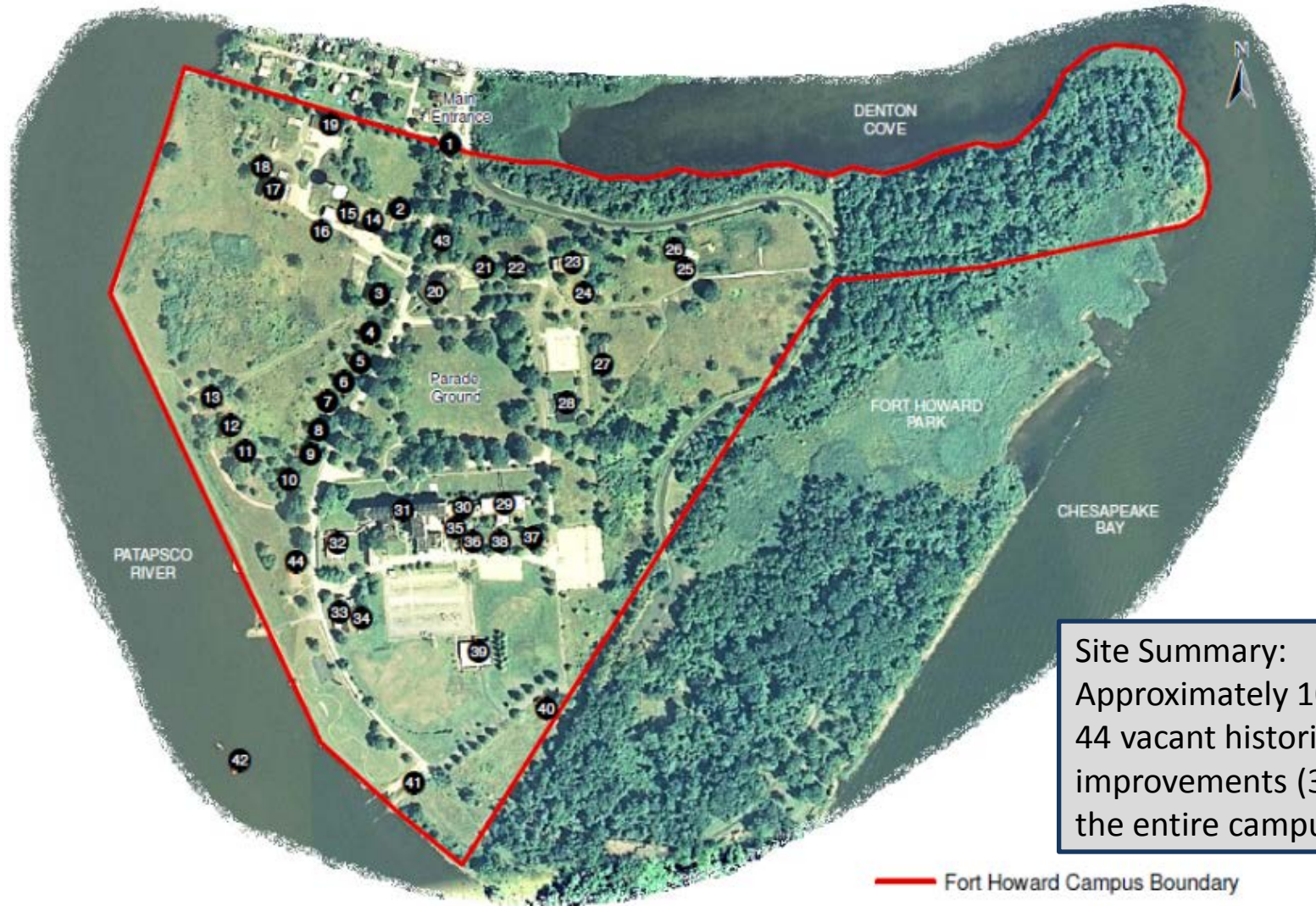


Building 33

EUL
Mixed Use
Previous Expanded Authority

EUL Accomplishments

Ft. Howard, MD – Existing Campus



Site Summary:
Approximately 100 acres and
44 vacant historic
improvements (305k GSF) on
the entire campus

EUL Accomplishments

Ft. Howard, MD – Future State



BUILDING 501-576 - RESIDENTIAL

Residential Component	Units	Percentage
Permanent Housing	50	4%
Affordable Rental Units (25%)	99	7%
Market-Rate Senior (Restricted) Units	232	16%
Affordable Senior (Restricted) Units	150	11%
Market-Rate Rental Units	305	21%
For Sale Units (CO-OP)	589	41%
Total	1425	100%

Health Care / Retail / Office / Hospitality / Amenities	
Health Care Beds	246
Hotel Keys	112
Retail SF	102,590
Medical Office / Office	45,387
Management SF	13,610
Amenity SF	43,030

EUL Accomplishments

Vancouver Crisis Triage Center



2004: Clark County, WA developed a Crisis Triage Center to integrate mental health crisis and detoxification services and to operate as an alternative to the emergency room. Clark County financed, constructed, operates and the facility on land leased on the Portland VAMC campus, thereby filling a significant gap in mental health and substance abuse services for Veterans and non-Veterans in the Vancouver area.

- Approx. 6.1 acres land leased
- 175,000 sq. ft. building with 4-story Center and 350 parking spaces
- Cost savings/avoidance/enhanced services: \$10.68M (cumulative)

EUL Accomplishments

Minneapolis, MN – Credit Union



2004: The Fort Snelling Federal Credit Union constructed a new and expanded credit union facility on an underutilized parcel of land at the Minneapolis VAMC campus. The previously leased space was returned to the VAMC for patient and staff purposes.

- Approx. .50 acres land leased
- 3000 sq. ft. building and 1,120 sq. ft. four-unit drive-up canopy
- Cost savings/avoidance/enhanced services: \$75,482 (cumulative)

EUL Accomplishments

Mountain Home, TN – Medical School



1998: East Tennessee State University (ETSU) under this EUL provided for the construction of a new building on the James H. Quillen VAMC campus to improve medical and research capabilities, the renovation of existing structures, and the demolition of unused structures. ETSU assumed all financial responsibility for the maintenance and capital improvements and VA has rent-free use of 7,000 square feet in one of the buildings.

- Approx. 31 acres land leased, 8 buildings
- 383,566 sq. ft. building
- Cost savings/avoidance/enhanced services: \$17.12M (cumulative)

Video of the impact an EUL can have
on helping homeless Veterans at the
Lyons Campus of the VA New Jersey
Health Care System

Valley Brook Village Video

[http://www.communityhope-nj.org/veterans-programs-
valley-brook-village.php](http://www.communityhope-nj.org/veterans-programs-valley-brook-village.php)