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BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

Department of Defense

Policies, Procedures, And
Practices For Determining
Requirements For Military
Family Housing And Bachelor
Officer And Enlisted Quarters

B-133316

LAW BRANCH
THE ARMY REPORT

REPORT TO THE CONGRESS



087489





COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-133316

To the President of the Senate and the
Speaker of the House of Representatives

This is our report on the survey of the policies, procedures, and practices used by the Department of Defense for determining requirements for military family housing and bachelor officer and enlisted quarters.

Copies of this report are being sent to the Secretary of Defense; the Director, Bureau of the Budget; the Secretary, Housing and Urban Development; and the Secretaries of the Army, Navy, and Air Force,

A handwritten signature in black ink, reading "James B. Stacks".

Comptroller General
of the United States

D I G E S T

WHY THE SURVEY WAS MADE

This survey was undertaken as part of the General Accounting Office's analyses of the Department of Defense's program for obtaining funds to build additional housing facilities at various Army, Navy, and Air Force installations. Our test covered locations in California, Massachusetts, Rhode Island, and Virginia. The examination was part of a continuing review by GAO of military housing activities in which there is a strong congressional interest.

FINDINGS AND CONCLUSIONS

GAO found that DOD's 1968 request for family housing was of questionable validity principally because there was not, at the installations reviewed, a proper evaluation of existing available housing in nearby communities. Lack of proper evaluation of available housing at each installation precludes, in our opinion, appropriate establishment of priorities of need for housing among installations, required because of the limited funds available. For example:

--In the Twelfth Naval District, San Francisco, officials could not provide GAO with adequate documentation that community support was adequately considered. GAO identified about 950 vacant rental units in the vicinity of the Naval Air Station at Alameda and the Naval Supply Center and Naval Hospital at Oakland, or about 600 more than the official surveys. (See p. 9.)

--There were similar findings at the Newport Naval Base; Norfolk Naval Complex; Fort Devens, Massachusetts; and Naval Air Station, Moffett Field, California. (See pp. 10 to 14.)

Other questionable practices in making family housing studies which reflect adversely on the results are pointed out on pages 15 to 20.

GAO found also that the family housing studies were unnecessarily costly and complex (see pg. 26 to 28) and that DOD internal audit agencies had not been reviewing family housing requirements at the installations we reviewed. (See p. 30.)

GAO found a need for DOD to improve its determination of requirements for bachelor officers' quarters and barracks. (See pp. 31 to 40.) For example:

--At Mather Air Force Base, Sacramento, California, GAO questioned plans to construct 460 bachelor officers' quarters at a cost of

\$3.4 million, because private housing was available in the community to meet at least part of the need. After being informally advised of GAO's concern, DOD reduced the project by 172 units.

GAO found that DOD internal audit agencies had not been reviewing requirements for bachelor quarters at the installations we reviewed. (See p. 44.)

RECOMMENDATIONS OR SUGGESTIONS

GAO recommends that:

- Procedures be revised to provide more comprehensive studies of the availability, both current and prospective, of private housing in the community.
- The military departments be required to establish a program for training key personnel at various levels in the policies, procedures, and practices to be followed in family housing surveys.
- The requirements computations made by installations for family housing and bachelor quarters be given appropriate attention by the military audit agencies.
- The DOD family housing surveys be simplified.

AGENCY ACTIONS

The Secretary of Defense agreed, in general, with GAO's conclusion that DOD survey techniques need improvement and plans corrective actions along the lines suggested in this report. However, the Secretary did not agree with the conclusion that surveys to support requests for new facilities in the fiscal year 1968 program were of questionable validity. (See pp. 22 and 42.)

ISSUES FOR FURTHER CONSIDERATION

GAO believes that the weaknesses in housing survey practices were significant enough to materially distort the results and, consequently, plans, in its continuing reviews of the DOD construction program, to examine into the effectiveness of actions to improve the procedures and practices for determining requirements for family and troop housing.

LEGISLATIVE PROPOSALS

None.

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ISSUES FOR FURTHER CONSIDERATION

GAO believes that the weaknesses in housing survey practices were significant enough to materially distort the results and, consequently, plans, in its continuing reviews of the DOD construction program, to examine into the effectiveness of actions to improve the procedures and practises for determining requirements for family and troop housing.

LEGISLATIVE PROPOSALS

None.

INTRODUCTION

The General Accounting Office has made a survey of the policies, procedures, and practices employed by the Department of Defense in determining requirements for family housing and bachelor officer and enlisted quarters. Our survey was directed toward arriving at an informed opinion as to the general reliability of housing studies conducted by installations which formed the basis for the fiscal year 1968 request to the Congress for authorization and funds to build additional accommodations at specific locations.

Since construction of many of the projects approved under the fiscal year 1966 program was still deferred¹ at the time of our survey, we inquired into whether a valid need still existed at the installations we visited for the projects approved earlier in the 1966 Military Construction Program. We also considered whether the housing studies could be simplified and thereby reduce the amount of effort currently required annually in making them. Our examination was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

A detailed discussion of the scope of our survey appears on page 46 of this report.

¹Rescinded January 1967.

BACKGROUND

The Department of Defense provides three types of housing for military personnel and their dependents: family housing, bachelor officer quarters, and enlisted personnel barracks. Where suitable housing is not available to eligible military members, they are permitted to live in the community and receive an allowance for quarters. Construction of new quarters is provided through the annual military construction authorization and appropriation acts. Requirements for the three categories of quarters are interrelated since the personnel for whom such quarters are to be provided constitute, with minor exceptions, the total population to be housed. DOD's investment in all categories of personnel housing at June 30, 1968, was about \$6.7 billion. We were advised that the current 5-year plan calls for an additional \$1 billion for family housing. We were advised also that there was a deficit of about 550,000 barracks spaces and 47,000 units for bachelor officer quarters.

At the time of our survey, DOD did not determine requirements for the three categories simultaneously; rather, family housing requirements determinations were made on the basis of annual surveys conducted generally as of March 31, while those for bachelor officer quarters (BOQs) and barracks were made at various times.

Family housing

The objective of the military family housing program is to ensure that eligible military personnel have adequate economic housing in which to shelter their families. The general policy is that communities near military installations will be relied upon as the primary source of family housing for military personnel. More specifically, existing private and local government rental housing (including trailers) in which military personnel are accepted as tenants, or as owner-occupants, will be considered as suitable community support and will be charged as assets against requirements in all cases where the accommodations are classed as satisfactory by the occupant.

If not classed as satisfactory by the occupant, or if vacant, the accommodations, generally, will be considered suitable if (1) the distance from the administrative area of the installation can be traversed by privately owned

automobile in 1 hour or less during rush hours, (2) the average total monthly cost does not exceed certain prescribed limits which are generally 15 percent higher than the quarters allowances for each eligible grade, and (3) the unit contains certain prescribed features--such as living area, number of bedrooms, baths, etc.--considered to be minimum standards of suitability for the size family involved.

Thus under DOD policy, except for reasons of military necessity, housing is not to be constructed where the community has the capability to provide satisfactory housing for military personnel at no serious financial sacrifice to them.

Because of the continued strong congressional interest over the years in providing family housing for military personnel, DOD established a Family Housing Office under a Deputy Assistant Secretary of Defense in December 1961 for the purpose of attaining uniformity and better control over the program among the services. Each of the services has its counterpart in that the programming for family housing is an activity, separate and distinct from the programming for all other facilities required at a base.

Eligibility for family housing is generally restricted to male personnel who are eligible to draw basic allowance for quarters for dependency reasons and who are commissioned officers, warrant officers, or enlisted men in Grade E-4 with 4 or more years of service and in Grades E-5 through E-9 and key civilians. In addition, to be considered eligible for family housing at an installation, the personnel should be assigned to the installation on permanent change of station (PCS) orders, including students assigned to courses of 20 weeks or more and PCS personnel of tenant units of other services.

Housing availability surveys are usually conducted each year by military installations. The information from the survey is used to support family housing projects for inclusion in future construction programs; to validate the need for projects in deferred construction programs; to

revise and update, where necessary, the Five-Year Housing Program; and to provide data on family housing for other purposes.

The number of additional family housing units required at an installation, i.e., the net housing deficit, is determined by deducting housing assets from gross eligible housing requirements. Assets include (1) existing military-controlled housing, (2) military housing under construction or authorized for construction, (3) existing vacant private and local government rental housing determined to be suitable, and (4) adequate private housing currently occupied by military personnel. Gross housing requirements include all persons entitled to military housing. Both a long-range housing requirement and a current housing requirement are determined; and a percentage of the long-range requirement, usually 90 percent, is used as a programming limitation.

As a part of the survey, service members are requested to submit questionnaires which provide information on marital status, eligibility for Government quarters, type of housing preferred, and suitability of off-base housing presently occupied. The information on suitability of housing is used to estimate total housing units presently occupied by military families in the community considered as suitable housing assets.

Prior to the start of our survey, DOD deferred construction of Government quarters previously approved by the Congress for construction in fiscal year 1966. In January 1967, the Secretary of Defense rescinded the 1965 order deferring the award of construction contracts for about 8,250 family housing units at various military installations.

For fiscal year 1968, the Congress appropriated funds of about \$137 million for 6,750 units.

Bachelor officer and enlisted quarters

The requirement determinations for bachelor officers and enlisted personnel are primarily the responsibility of each installation and its respective headquarters command.

A determination of housing need is not required to be made on any scheduled periodic interval. Generally, formal studies are prepared only when increased requirements are indicated and when additional facilities are needed or existing facilities need to be replaced or rehabilitated.

In a memorandum dated December 12, 1966, the Secretary of Defense outlined a program to improve housing accommodations for bachelor officers and enlisted personnel. According to the memorandum, studies have shown that a high percentage of officers and career enlisted personnel are not required to live on base for mission essential reasons and would prefer to live off base. This memorandum authorized, beginning in fiscal year 1968, certain additional bachelor officers and higher grade enlisted bachelor personnel to live off base whenever suitable quarters were not available.

Based on its experience with this program, DOD will consider extending the off-base living policy to lower grade career enlisted personnel in future years. For fiscal year 1968 the Congress approved funds of about \$37 million for approximately 4,040 bachelor officer spaces and about \$196 million for approximately 63,270 barracks spaces.

In late August 1967 DOD initiated plans to consolidate the responsibility for all housing requirements (bachelor and family) in one centralized office within the Office of the Assistant Secretary of Defense (Installations and Logistics). Since this change in the DOD organizational structure occurred subsequent to completion of our fieldwork, we could not evaluate its effect on the matters discussed in this report. However, we believe that centralization at the DOD level of requirements determinations for all categories of housing should strengthen overall review procedures in developing more compatible and reliable data.

FINDINGS AND RECOMMENDATIONS

NEED FOR IMPROVEMENT IN PROCEDURES AND PRACTICES FOLLOWED IN DETERMINING FAMILY HOUSING NEEDS

We found at selected Army, Navy, and Air Force installations that the family housing surveys used to support requests for housing in the Fiscal Year 1968 Military Construction Program were of questionable validity, principally because the capabilities of the nearby communities to meet **military housing requirements were not reasonably determined**. Also there were a variety of lesser shortcomings in the surveys which added to the unreliability of the survey results.

Had DOD instructions requiring consideration of all pertinent factors been properly followed, the results of these surveys, in our opinion, would have been much more reliable. Also, our examination of projects approved under the fiscal year 1966 program, on which construction was still deferred at the time of our survey, showed that in some cases the continued need **for** the projects **was** questionable. Below are examples of the deficiencies we found at some of the installations we visited.

Community support not properly determined

Contrary to instructions, in our opinion, the installations or complexes identified below did not properly research the communities to arrive at total available and suitable vacant housing units, nor did they properly coordinate and document their surveys.

The stated DOD policy is that, generally, communities near military installations will be relied upon as the primary source of family housing for military personnel and their families. Toward this end, the instruction emphasizes the need for thoroughly surveying communities near installations to ensure that all suitable vacant rental units are counted as housing assets. It requires that the military need be discussed at regular intervals with representatives of Federal and local government agencies and with

representatives of such other organizations as real estate boards, chambers of commerce, and home builders associations.

The instruction further states that at least three sources of vacant rental units must be considered:

Military housing listing: Units listed with installation housing office or any other organization--such as United Service Organization, military wives club, chamber of commerce, etc.--which is designed to provide a family housing locator service for military personnel.

Federal Housing Administration/Veterans Administration listing: Units which are held by FHA or VA. Since such units are usually held for sale, each unit to be considered must be specifically designated for lease for a year or more under agreement between FHA or VA and the **installation housing officer**.

Non-Government listing: Units offered by a multiple listing service, listed by the three realtors handling the largest number of residential rentals, or advertised by the two newspapers with the widest circulation in the area.

In the interest of facilitating inspection of the vacant units, a separate list giving the address, number of bedrooms, and monthly rent is to be prepared for each source. Where one housing market supports two or more military installations, inspection of the vacant rental units is to be conducted jointly.

Twelfth Naval District
San Francisco, California

In the Twelfth Naval District (12 ND) officials were unable to provide us with adequate documentation (required to be retained) that appropriate consideration had been given to community support in the cities of Richmond, El Cerrito, and San Lorenzo. These cities have a total population of about 121,000.

For example, three of the installations included in the East Bay complex--the Naval Air Station, Alameda, and the Naval Hospital and the Naval Supply Center, Oakland--reported to 12 ND that they had identified 332 vacant rental units from newspapers. From the same source, however, we identified about 950 vacant rental units, or about 600 more units. We excluded units which did not meet DOD cost criteria or which advertised a preference for couples with no children. Further, according to information obtained from FHA, there were at that time about 15,800 vacant rental units in the counties in which these three installations are located.

With respect to installations in the West Bay complex, 12 ND officials informed us that no special study had been conducted to determine community support. The area assigned to this complex to survey for community support included San Francisco. The installations involved were the San Francisco Bay Naval Shipyard, Hunters Point; the Naval Station, Treasure Island; and the Western Division, Naval Facilities Engineering Command, San Bruno. Officials of 12 ND estimated the total community support for this complex, encompassing a civilian population of about 770,000, to be only 67 rental units. The officials could provide no documentation to support this figure, because it was an arbitrary estimate.

The San Francisco Bay Naval Shipyard, one of the installations in the 12 ND area, reported, at the time of the survey, 1,099 vacant rental housing units near this one installation. A 12 ND official advised us, however, that he and his superiors disregarded these units because the number was based on a tabulation of the number of "for rent" vacancies appearing in the newspapers on a particular day and not on a field inspection for suitability.

Newport Naval Base, Rhode Island

At Newport Naval Base, Rhode Island, housing officials unrealistically limited consideration of community support to Aquidneck Island which encompasses the city of Newport and the towns of Middletown and Portsmouth. This action resulted in excluding six communities, having a total population of about 200,000, which we found were within the DOD travel distance criterion. The island is connected to the

mainland by two bridges which are about 15 miles from the naval base and they can be reached within about 30 minutes by automobile during peak commuting hours.

Our analysis of 100 completed questionnaires, submitted by military personnel who stated that their quarters in the community were adequate, showed that 40 percent of these quarters were located on the mainland. Our analysis showed also that the base was leasing private housing on the mainland for its personnel.

Norfolk Naval Complex, Norfolk, Virginia

On March 22, 1966, Naval Facilities Engineering Command (NAVFAC), Norfolk, Virginia, awarded a contract to Old Dominion College (ODC), Norfolk, Virginia, to perform a survey, as of March 31, 1966, of existing private rental housing vacancies in the area covered by the Norfolk Naval Complex. NAVFAC used this report as its basis for reporting community vacant housing.

The ODC report showed that 5,612 vacant community housing units were adequate for military personnel in the four-city area covered by the Norfolk Naval Complex. It appeared that NAVFAC eliminated 2,100 of these units from the suitable assets because the monthly rental cost of these units was less than \$105 a month. We were told by a NAVFAC official that he personally felt that any unit having a rental of less than \$105 a month was inadequate for eligible personnel. However, installations are required to consider such units adequate if they meet the DOD test of structural and space standards and reasonable distance.

Our review of the procedures followed by ODC in conducting its study showed that it had made visits to vacant units on a sample basis and had eliminated housing which failed to meet DOD criteria. (See pp. 4 to 6 for discussion of criteria.)

We also found that NAVFAC did not include, as suitable assets, apartments that were under construction at the time of the housing survey. We were told by a NAVFAC official that the units were not reported because there was no space on the determination requirement report for community

housing under construction. Although this is true, DOD written instructions require that consideration be given in family housing studies to potential rental housing which is under construction or firmly planned.

Fort Devens, Massachusetts

At Fort Devens, the city of Worcester, a major population center, was not considered in the determination of suitable housing assets, nor were local newspaper rental advertisements properly reviewed.

There are at least three major population centers within 1 hour's commuting distance of Fort Devens, that meet the DOD travel distance criterion. These are Worcester (population 180,000), Lowell (population 87,000), and Fitchburg (population 43,000). Newspapers published in each city had a paid circulation of approximately 94,000 for Worcester, 46,000 for Lowell, and 20,000 for Fitchburg.

DOD Instruction 4165.45 provides that rental advertisements in the two newspapers having the widest circulation in the area be reviewed to ascertain the extent of vacant housing units. Base housing office personnel reviewed the classified advertisements of the Lowell and Fitchburg newspapers but did not review the classified advertisements of the Worcester newspaper because they considered that they had complied with applicable instructions. As shown above, the paid circulation of the Worcester newspaper alone exceeded by about 30,000 the combined circulation of the newspapers that base officials did review. Because of its relatively wide coverage, this newspaper should also have been considered as a source of vacant rental units.

In connection with the review that base housing officials made of rental advertisements carried in Lowell and Fitchburg newspapers, we found that over 200 housing units for which rental amounts were not shown were disregarded and that advertisements for more than one unit were counted as a single unit. Also we found that the vacant housing units were not inspected to determine their suitability.

In discussing the matter, Fort Devens officials agreed that more effort should have been made to ascertain all

rentals in these cases and stated that failure to include all vacant apartments in multiunit listings was an oversight on their part.

Naval Air Station
Moffett Field, California

At the time of our review of the Naval Air Station (NAS), Moffett Field, award of a contract for a 300-family housing unit was imminent. We found indications that a more thorough survey of available housing in the community was warranted before proceeding with construction of the 300-unit project. Around mid-April 1967, we informally advised cognizant Defense and Navy officials of our concern as follows:

According to a then-recent study by a leading college in the area, as reported in a local newspaper, there were from 1,300 to 2,400 vacant apartments in the cities near Moffett Field. Only about 600 rental units listed in the newspapers by realtors were considered by Moffett in its survey for community support. Two cities in the area (Fremont and Redwood City) were not surveyed for community support. Both cities are within commuting distance.

Moffett officials did not consider as community support any housing units under construction or firmly planned in the area, although required by DOD instructions. We also ascertained that about 36 units listed in the newspapers reviewed by Moffett were omitted as community support because the apartment managers could not be reached by telephone. As a result, the units were not inspected.

The requirement for housing was largely generated by personnel in units of the Military Airlift Command which, until recently, operated out of Moffett. These units have been transferred to other locations, and Moffett's primary mission was changed. It is now the west coast base for antisubmarine warfare squadrons. We were informed by Moffett officials that the newly assigned personnel were, for the most part, younger than

the personnel in the departed squadrons and, for this reason, would have different housing requirements.

Subsequently, we were informally advised by an official of the Office of the Deputy Assistant Secretary of Defense (Family Housing) that DOD had further investigated the need for the project at NAS, Moffett, and had decided to proceed with the construction. The reason given was that the available community housing was not adequate in terms of the number of bedrooms required by the base.

Other practices contributing to the questionable reliability of survey results

Summarized below are other questionable practices or failures to follow instructions that we found in the annual surveys conducted by the installations we reviewed. When viewed collectively, they contributed significantly, we believe, to the questionable reliability of the survey results.

1. At a number of the installations reviewed, we found weaknesses in the computation of the projected number of personnel entitled to occupy adequate on-post family housing.

- a. Marital percentage factors are applied to the total planned permanent party officer and enlisted strengths to arrive at the number of married persons eligible for housing. Generally, the factors are based upon the average dependency rate experienced at the installation for a period of 3 years or more. Servicewide marital percentage factors may be used when experience data are lacking.

Use of an incorrect marital percentage factor will obviously distort the gross requirement, the figure against which the on-post housing assets and community support are applied to arrive at the net housing deficit. We found several instances of overstated gross requirements resulting from use of incorrect marital percentage factors.

- b. In computing the fiscal year 1968 family housing requirements in the Norfolk complex, Navy officials gave, in our opinion, inadequate recognition to data available as to the proportion of enlisted personnel who would be eligible for family housing. As a result, as shown below, the reported requirements were of questionable validity.

NAVFAC's family housing survey for fiscal year 1967, completed in September 1965, showed a housing deficit of about 1,700 units. Of these, 1,500 were for enlisted personnel, based on a gross need of about 27,300 eligible personnel. Included in the fiscal year 1966 program were 400 units. NAVFAC proposed that an additional 900 units, for a total of 1,300 units, be constructed in fiscal years 1968 and 1969.

However, the fiscal year 1968 study, conducted as of March 31, 1966, the one we reviewed, showed a decrease of total eligibility from 27,300 enlisted personnel to 24,100, or a reduction of 3,200. According to the Commandant, Fifth Naval District, this change was primarily due to the demand for higher rated skilled personnel for the Southeast Asia theatre of operation. He believed that, with the return of permanent party strength of eligible enlisted personnel to a normal posture (approximately 55 percent of enlisted personnel as opposed to the 35 percent experienced in the 1968 survey), a deficit of housing would again be shown. Accordingly, he recommended that 1,300 units still be programmed for construction.

We doubt that, when the permanent party strength returns to "normalcy," a significant deficit in family housing will still exist. Although we agree that there was a sharp decline in enlisted personnel, their return to the Norfolk area should not substantially increase family housing requirements. We observed that the sizable decrease in enlisted personnel apparently took place as a result of deployment of bachelors. This group declined from a 4-year average of 16,100 personnel to about 7,600. On the other hand, eligible enlisted personnel with families have remained fairly constant, varying from 23,000 to 25,000 over a 4-year period. Thus the 24,100 gross eligible requirement reported in the fiscal year 1968 study is, in our opinion, closer to "normalcy" than the 27,300 reported in

the fiscal year 1967 study, We therefore are inclined to believe that NAVFAC's proposed construction program of 1,300 units is based on overstated gross requirements.

2. Most of the installations failed to obtain from eligible military personnel the required percentage of questionnaires which, according to DOD instructions, are necessary to ensure valid survey results. As part of the annual survey, service members are requested to submit questionnaires which provide information on marital status, eligibility for Government quarters, type of housing preferred, and suitability of off-post housing presently occupied. The information on suitability of off-post housing is used in arriving at the total number of housing units occupied by military families in the community considered suitable.

The instructions specify that completed questionnaires are to be obtained from **& personnel** occupying military-controlled housing and from at least 85 percent of all other married personnel not living in such housing. Among other things, the information on the questionnaires received from occupants of private housing is essential in determining the number of persons adequately housed. Understatement of such assets results in a corresponding overstatement of requirements.

Examples of inadequate percentage of return of questionnaires from occupants of private housing were 28 percent, 35 percent, and 57 percent. In many such cases, thousands of military personnel were involved. Although the results, in most instances, were projected to approximately account for the total eligible personnel, there was no assurance that they were representative of the conditions found in the areas covered. This was because the projection was based merely on the questionnaires returned without regard to whether they reflected typical conditions.

3. At some installations we found little or no coordination between the number of the personnel eligible to receive basic allowance for quarters and the number to whom the questionnaires were distributed. Thus, there was no assurance that all eligible personnel had an opportunity to complete the questionnaires.

We found no consistency in the methods of distribution. In some cases, the forms were simply distributed on the basis of personal knowledge of the persons assigned the task of collecting the information. Often no record was kept of those receiving the forms; thus, there was little assurance that all were returned or that those received were typical or representative.

4. Some installations did not properly edit the questionnaires received to correct errors made by respondents. Also changes were made to the information received that were not authorized by DOD instructions. Certain of the changes had the effect of showing a greater need for housing than could be supported by the questionnaires.

For example, at one location about 90 respondents incorrectly classified their quarters as inadequate even though the information given showed the quarters to be adequate in terms of the factors of adequacy, such as distance and cost. The editors, however, did not reclassify the units as adequate. According to DOD instructions, they should have done so under the circumstances.

At another installation, about 50 private units were classified as inadequate even though the respondents stated on their questionnaires that the units were adequate in all respects.

5. Most installations were not complying fully with the DOD instructions covering inspection of private housing units considered inadequate by the military personnel occupying them. To ensure proper classification of adequate units, the instructions specify

that a certain percentage of off-post units reported inadequate by the occupant for reasons of substandard features, excessive distance, or excessive cost be inspected. For example, a 25-percent coverage is required in 100 or less reported cases, a 20-percent coverage in 100 to 250 reported cases, a 17-percent coverage in 250 to 500 reported cases, and so on.

At some of the installations we reviewed, no inspections had been made, while at most, some inspections had been made but not in the required percentages. Additionally, we found weaknesses in (1) documentation of inspections made, (2) selection of units inspected to ensure representative coverage, and (3) correction of questionnaires to show that the units inspected were, in fact, adequate and not inadequate as reported by the occupant.

For example, with respect to documentation of inspections, in some cases the basis for confirming or reversing the respondent's classification of quarters as inadequate was not given by the inspector and thereby precluded adequate supervisory review. Though classifying the quarters as adequate, the inspector did not delete the specific points of inadequacy reported by the occupant or otherwise show the basis for his disagreement with the occupant's opinion.

6. At two of the installations we reviewed, housing **officials** improperly excluded as assets housing units leased by the Government for service members and their families. DOD instructions require that such housing must be considered as assets when computing housing requirements.

At one installation, about 78 Government-leased units were improperly excluded as assets. Installation officials stated that they had initially reported such units as adequate but were orally advised by higher echelons to delete them. At another installation, 160 leased quarters for officers were

not included as assets on the basis that the leasing was a temporary arrangement until funds became available for construction of houses.

7. A revised family housing survey report for a base was completed by its headquarters command on September 1, 1966. The command did not identify the source documents for the long-range personnel strength figures of 708 officers and 2,642 enlisted personnel shown in its report. We noticed, however, that these figures were substantially higher than the 617 officers and 2,307 enlisted personnel strength figures provided the base by the command itself the following month for the base's use in calculating barracks and BOQ space requirements. The base did, in fact, use the lower strength figures in its separate calculation of BOQ and barracks requirements in December 1966. However, the command did not use the more current strength figures when revising the base's report on family housing requirements. Had they done so, the report figures would have shown a net requirement of about 2,180 families, or about 470 fewer units than reported.

Conclusions

The military installations we reviewed generally did not properly study the capability of nearby communities to meet family housing needs, even though required to do so by DOD instructions. In our opinion, this fact, coupled with other questionable practices we found were used in determining requirements, made the survey results unreliable.

If the DOD policy that community support will be relied upon as a primary source of family housing is to be effective, then stronger adherence to it by installation officials must be required. Also greater efforts in conducting the surveys must be exerted on the part of installations to reduce to a minimum the other questionable practices we found.

Without an appropriate consideration of community support and the other factors required in determining family

housing, there can be no assurance on the part of DOD that the needs for housing have been properly stated. Lack of such assurance precludes appropriate establishment of priorities of need among the installations, required because of the limited funds available. Also there is always a strong possibility that unnecessary construction can take place.

Recommendations

In the interest of helping to ensure adequate consideration of community support and to preclude recurrence of the other weaknesses we found in determining requirements for family housing, we recommend to the Secretary of Defense that:

1. Current procedures be revised to specifically provide for more comprehensive studies of the availability, both current and prospective, of private housing in the community. This would include greater emphasis on periodic meetings and discussions with local authorities, including civic organizations, realtors, developers of private housing, and Federal Housing Administration officials.
2. The military departments be required to establish a program for training key personnel at the various installations and command levels in the policies, procedures, and practices to be followed in performing the family housing surveys and giving full recognition to the fact that determining availability of community housing to meet day-to-day needs is a full-time job.

Agency action taken or planned

The Assistant Secretary of Defense (Installations and Logistics) furnished us with his comments to our draft report by letter dated June 4, 1968. A copy appears as appendix 11. He stated that the Deputy Assistant Secretaries of Defense for Properties and Installations and for Family Housing and the appropriate offices in the military departments were in general agreement with our conclusion that survey techniques were susceptible of improvement and that our suggestions would be used to help accomplish that objective. Comments on the above recommendations follow:

With respect to the first recommendation, DOD has stated that it is presently undertaking a comprehensive study of improvements. Consideration will be given to recommendations contained in a study by

Battelle Memorial Institute of Columbus, Ohio, under a Navy contract, and other recommendations will be provided by the Office of the Assistant Secretary of Defense for Manpower and Reserve Affairs. Emphasis on consideration of prospective private housing will be required in the next revision to DOD instructions on Military Family Housing Requirements Program; this **will** occur before any new procedures resulting from the present study are established.

As for the second recommendation involving a training program, DOD has stated that it has established a 5-day course in Family Housing Management at the Army Management School, Fort Belvoir, Virginia; 4 hours are devoted to a lecture on survey criteria and techniques and to a panel session on the philosophy underlying survey procedures and also considerable workshop time is devoted to this subject. In addition, each military department conducts headquarters and/or regional seminars or workshops for orientation and training in survey procedures.

The above corrective measures taken or planned appear to be responsive to the weaknesses we found and, if properly implemented, should significantly improve the determination of family housing requirements.

The Assistant Secretary also stated that DOD was not able to agree with our conclusion that surveys to support requests for new facilities in the fiscal year 1968 program were of questionable validity and therefore, by inference, projects approved for construction were questionable.

Although we were unable, principally because of the lack of availability of data, to reconstruct what the family housing survey results of the installations we reviewed should have been, our findings show, we believe, that weaknesses in the procedures and practices were significant enough to materially distort the results. (See pp. 8 to 20.)

Moreover, we believe that the locations we selected are fairly representative of the conditions one could expect to

find throughout the DOD structure at the time of our review, because DOD has centralized control over the family housing program and the services are governed by uniform policies and procedures. Since these data serve to provide a basis for selecting the locations and the number of houses to be built at each location, correction of the deficiencies we noted should provide a better basis for assigning priorities to the projects proposed for construction. Priorities must be established, of course, because funds for new construction are limited.

Although agreeing that there was an opportunity for improvement of the surveys, the Assistant Secretary felt, nevertheless, that confirmation of the need by FHA provided reliable evidence that the overall determinations resulting from the surveys were valid.

Pursuant to legislative provisions, FHA is required to review the annual military family housing program recommended to the Congress by DOD for construction at specific military bases. This review requires an expression of judgment by the cognizant FHA field offices that either (1) the need for the construction is clear, if the need is substantiated by the available information and knowledge of the market in the locality involved, or (2) the need is doubtful.

Instructions to the field offices state that, in evaluating the need for a proposed project, the effect upon the market as a whole must be considered. FHA officials in Washington have advised us that FHA usually relies on the validity of the backup data accompanying the list of proposed projects that DOD submits to FHA. These include project justification schedules and installation summaries of the questionnaires. The justification includes, in addition to gross needs, an analysis of suitable private housing occupied by military personnel, as well as unsuitable private housing in terms of excess distance, substandard dwellings, and excess cost.

We have shown that community support was not properly determined at certain locations by military agency

personnel and that there were other weaknesses regarding the methods used in computing requirements. Under such circumstances, FHA's concurrence in DOD's stated need for a project cannot necessarily be taken as a confirmation of the need for additional military housing, though it may well be that the community cannot provide the requested number of housing units.

COMPLEX AND COSTLY FAMILY HOUSING SURVEYS SHOULD BE SIMPLIFIED

In our opinion, the family housing studies generally conducted each year are unnecessarily complex. A considerable amount of time and effort is devoted to the accumulation of data which, at best, can provide only an approximate idea of the long-range needs for family housing at a given base. Hundreds of military and civilian personnel are engaged annually in developing information on (1) the long-range needs of housing military personnel assigned to a given installation, (2) the housing currently occupied by military personnel in nearby communities, and (3) the capability of communities to meet needs. Simplification of the process should result in substantial savings to the Government. More important, it would make manpower available for such other housing duties as assisting all military personnel in locating satisfactory quarters in the community.

Procedures for determining housing needs

Under the present system, the activities responsible for preparing the family housing studies at a base or military complex are required to obtain information regarding the total number of military personnel, by rank, who are eligible for housing, number of dependents, and so on. We found that accumulating this information is time consuming and involves numerous individuals and several levels of commands.

For example, at the Norfolk complex, NAVFAC was responsible for performing the study. It requested the commanding officer of each installation to submit a report containing the necessary information. Each installation in turn delegated the responsibility for accumulating this data to an individual who in turn requested the personnel office of all units assigned to the base to furnish the information. This included notification of aircraft squadrons and vessels that were deployed at the time.

The individual units obtained the required data from a variety of sources, such as service records, personal knowledge, status boards, and duty rosters. Still others reported an estimated count. The data thus obtained were

then reported by unit to the installation and by installation to NAVFAC which, after making certain adjustments, recorded the complex total on the family housing survey report.

DOD instructions require that the questionnaires used in the annual family housing surveys must be obtained from each family head occupying military-controlled housing and from at least 85 percent of other personnel eligible for on-post adequate quarters.

To ensure that the questionnaires are filled out accurately and completely, DOD instructions provide for monitors who are responsible for the distribution, receipt, and review of each form. The completed forms are then forwarded to an editor who further reviews them for completeness and accuracy.

The questionnaires contain information on the suitability of housing occupied by military families in the community. Adequate units are considered "community assets" and are applied against the gross need for housing. A selected number of questionnaires for units considered by the occupant to be inadequate because of substandard features, excessive cost, or excessive distance are then chosen for inspection,

The inspector is required to physically inspect the units to ensure that adequate units have not been improperly classified as substandard. As explained previously, where less than 100 questionnaires report substandard housing, a 25-percent inspection coverage is required; 100 to 250, a 20-percent coverage; and so on to 2,000 or more where the requirement is a 7-percent coverage.

The entire system for determining requirements involves thousands of military and civilian personnel. For instance, Navy-wide statistics as of March 31, 1966, showed that over 259,000 Navy personnel were eligible for family housing. If the required number of questionnaires was prepared for the fiscal year 1968 survey, at least 220,000 persons would have submitted forms. More than 32,000 forms were prepared for the Norfolk complex alone, and over 1,200 monitors,

editors, and inspectors were involved in the verification process for this complex.

In the other two services, about 330,000 Army and 440,000 Air Force personnel were eligible for family housing as of March 31, 1966. Assuming an 85 percent return, submission of the required number of questionnaires would have amounted to about 654,450 completed forms for both services.

Conclusions

As we see it, the basic hard-core problem with respect to the current need for family housing at a given installation is (1) an identification of eligible military personnel living in the community who are, in fact, justifiably dissatisfied with their accommodations and (2) an appraisal of community capabilities, both current and prospective, to meet valid needs before construction of additional on-base housing. This includes appropriate consideration of prospective changes in levels of personnel and their effect on future housing needs. The fact that, under DOD policy, the only off-post housing units to be inspected are those where the respondent expresses dissatisfaction with his quarters, supports our belief that the primary concern is, or should be, with these categories.

We therefore believe that the emphasis, at installation level, should be on resolving these problems, and the efforts of housing personnel should be directed to this purpose instead of requiring them to accumulate data of questionable usefulness or relevance.

For example, we see little value in requiring personnel living on post to submit questionnaires. A good portion of the information sought, such as marital status and number of dependents, is readily available from central sources in the Army, Navy, and Air Force where data on officer and enlisted personnel are accumulated.

Information as to the adequacy or inadequacy of on-post housing is already available in billeting office records. Also the preference of an occupant of adequate on-post housing to reside in the community is academic since he is

already adequately housed. In most cases, those who prefer to reside in the community can exercise this option upon arrival at the post. Since, at most locations, a substantial number of married personnel occupy on-post housing, and at many installations this can mean several thousand persons, eliminating the need for such personnel to complete questionnaires would enable monitors, reviewers, and editors to devote more time to solving the problems of the inadequately housed persons in the community.

Recommendation

We recommend that, to simplify the family housing surveys, the Secretary of Defense have the current survey instructions revised so that only the military personnel dissatisfied with their housing in the community be requested to complete questionnaires. Use of this approach should greatly reduce the number of questionnaires to be processed and should permit more time to properly assess the hard-core military need and the current and future availability of housing in the community to meet such need.

Agency action taken or planned

DOD agreed that adoption of our recommendation would greatly reduce the number of questionnaires to be processed but that the survey serves other purposes than just identifying those personnel who are dissatisfied with their housing and that the present survey approach should be continued.

We believe that most of the information obtained through the survey can best be obtained from personnel records. In any event, the Assistant Secretary stated that DOD was considering adoption of a Battelle Memorial Institute proposal that the family housing survey be conducted by personal interview of individual respondents selected on a random sample basis. He believes that, if properly conducted, such a system could result in substantial savings in manpower and thus provide more time for evaluation of community support and determination of available vacancies.

We believe that this approach may be an acceptable alternative to our proposal **since it is directed toward** achieving the same objectives contemplated in our recommendation.

INTERNAL AUDITS NOT PERFORMED

Military audit agencies and installation internal review groups were generally not conducting independent audits and checks of the Military Family Housing Requirements Program at the installations we reviewed.

In our opinion, there is a continuing need for audit of installations' determinations of community support. The surveys conducted by installations form the basis for annual requests to the Congress for authorization and funds to build family and bachelor housing, usually involving millions of dollars. Moreover, there has been a continuing concern, on the part of both the Congress and DOD, to provide adequate housing for military personnel.

Since funds cannot be provided for all military needs, priorities must be established. It is essential, therefore, that the data produced in support of categories of need be complete, accurate, and reliable if a meaningful selection is to be made. Periodic internal audits and reviews of the Military Family Housing Requirements Program should help ensure that reported requirements for housing are valid.

Recommendation

We recommend that the Secretary of Defense require that the Military Family Housing Requirements Program be audited periodically by the appropriate military audit agencies to ensure the validity of the requests submitted to DOD for approval.

Agency action taken or planned

DOD advised us that audit programs for comprehensive installation audits now provide for review of the administration of the Family Housing Program and that audits would include an evaluation of the processes used in determining requirements.

We believe that taking the planned corrective action should produce more reliable family housing requirements data submitted to DOD for consideration.

NEED FOR IMPROVEMENT IN DETERMINATION
OF REQUIREMENTS FOR BACHELOR QUARTERS

Lack of coordination of needs for barracks in a naval complex precluded appropriate consideration of available facilities at a base other than the one requesting additional barracks. A contributing factor was the lack of meaningful data reported to higher echelons as to the condition of existing barracks, which preclude, in our opinion, the establishment of necessary priorities of the relative need of installations for additional barracks and/or rehabilitation of existing structures.

Also, at one installation we reviewed, the capability of the community to meet the housing needs for bachelor officers was not considered. With establishment of a more liberal policy of permitting bachelor personnel to reside in the community (see p.7), this factor, as in the case of family housing, should have been given careful consideration before requesting additional on-base bachelor quarters. Finally, we noted instances of overstated gross requirements for bachelor quarters.

Questionable need for additional
barracks at Navy base

During our review, the Naval Air Station, Oceana, was planning to award a contract for construction of a 252-man barracks and was requesting approval for an additional 504-man barracks in the fiscal year 1968 military construction program. We observed that, at the U.S. Fleet Anti-Air Warfare Training Center (FAAWTC), Dam Neck, just 4 miles away, there were about 450 available enlisted barracks spaces that we believed could be used to meet the housing requirements at Oceana and could free the funds for barracks at other locations having a more critical need for accommodations.

In view of the imminence of the award of the contract, we submitted our findings to the Secretary of Defense on June 29, 1967. Copies of our letter to the Secretary were furnished to appropriate congressional committees.

By letter dated September 11, 1967, the Deputy Comptroller of the Navy transmitted a reply on behalf of the Secretary of Defense. The Navy concurred, in general, with our findings, but thought it advisable, in view of the long-range projections, to continue the planned construction program rather than disrupt the orderly schedule and attempt to gain reauthorization for substitute construction at other locations. Funds were not appropriated by the Congress for the 504-man barracks requested in the Fiscal Year 1968 Military Construction Program.

However, the project was included in the Fiscal Year 1969 Military Construction Program and was justified on the basis of transfers of additional units to FAAWTC, Dam Neck, since our review.

In the foregoing example, the responsibility for determining needs for NAS, Oceana, was that of the Naval Air Systems Command, while the needs for FAAWTC, Dam Neck, was vested in the Bureau of Personnel. There was no provision for coordinating the determination of requirements for bachelor housing among these and other naval commands.

Questionable classification of condition of barracks

There is a lack of meaningful data on the condition and suitability of existing facilities appearing on justification documents submitted to higher echelons, which preclude a proper determination of additional barracks needed to meet the requirement at a given base. This weakness is discussed below in terms of the Oceana barracks requirement.

After computing the number of bachelors requiring housing, the installations determine the number of assets available to satisfy these needs and arrive at either a surplus or a deficit in bachelor quarters. This information is summarized on DOD form DD 1391, Military Construction Line Item Data, for submission through channels, to the Office of the Assistant Secretary of Defense (Installations and Logistics). Generally, these forms accompany the

DOD military construction program for new construction of bachelor quarters submitted to the Congress for approval.

In the Norfolk area, we observed at the four installations we visited that, of approximately 11,100 enlisted men's barracks spaces reported on the DD 1391, over 8,000, or 78 percent, were classified as unsuitable. As shown below, three of the installations reported that they had no adequate assets and considered all of their barracks sub-standard.

| <u>Installation</u> | <u>Month and year DD 1391 prepared</u> | <u>Basic requirement</u> | <u>Assets</u> | | | <u>Deficiency</u> |
|--|--|--------------------------|-----------------|---------------------|--------------|-------------------|
| | | | <u>Adequate</u> | <u>Sub-standard</u> | <u>Total</u> | |
| Naval Air Station, Norfolk | Oct. 1966 | 4,726 | | 3,011 | 3,011 | 4,726 |
| Naval Air Station, Oceana | Dec. 1965 | 8,589 | - | 1,546 | 1,546 | 4,589 |
| Naval Amphibious Base, Little Creek | Sept. 1966 | 4,278 | 2,469 | 1,574 | 4,043 | 1,809 |
| Fleet Anti-Air Warfare Training Center, Dam Neck | Mar. 1966 | 2,329 | | 2,494 | 2,494 | 2,329 |

NAS, Oceana, had nine enlisted men's barracks buildings that were built between 1954 and 1958. Dam Neck had 13 enlisted men's barracks buildings that were constructed between 1952 and 1965. Summarized below is the reported capacity of the 22 barracks at these installations, accumulated by the year that the barracks were constructed.

| <u>Year</u> | <u>Number of barracks</u> | <u>Capacity</u> | | <u>Total</u> |
|-------------|---------------------------|-----------------|---------------|--------------|
| | | <u>Dam Neck</u> | <u>Oceana</u> | |
| 1952 | 6 | 609 | - | 609 |
| 1954 | 4 | 109 | 408 | 517 |
| 1955 | 5 | - | 680 | 680 |
| 1958 | 2 | 111 | 458 | 569 |
| 1961 | 3 | 337 | - | 337 |
| 1964 | 1 | 664 | - | 664 |
| 1965 | <u>1</u> | <u>664</u> | <u>-</u> | <u>664</u> |
| Total | <u>22</u> | <u>2,494</u> | <u>1,546</u> | <u>4,040</u> |

As shown above, seven barracks having a capacity of about 2,200, or more than half, were less than 10 years old. Construction on two of these facilities having reported spaces totaling about 1,300 was completed within

2 years of the date that requirement determinations were reported. Moreover, all the above structures are permanent-type buildings.

We found that the substandard classification of reasonably good assets came about because of upward revisions to the Navy's habitability and occupancy criteria for bachelor housing in August 1965. These criteria provided for a minimum and maximum space allowance for each enlisted man. They provided also that all barracks have certain other features, such as lobbies, televisions, and day rooms. If existing facilities did not meet these new criteria, even though recently built, they were generally considered substandard.

We also observed that, as a result of wanting to determine available barracks spaces in terms of the latest space criteria, the capacity figures of the enlisted men's barracks were revised downward without changing the classification of the barracks to adequate. For example, the design capacity of the 22 buildings at Dam Neck and Oceana totaled about 4,540, whereas the reported capacity on the DD 1391's for these structures, even though classified substandard, was 4,040. The decrease of about 500 spaces was attributable to the installations' recalculating their assets to meet new space allowance criteria. In this regard, requirements were prepared to support requests for funds to conduct the renovations needed to bring the barracks up to new Navy standards. At the time of our study, the proposed renovations were not approved.

In our opinion, the lack of full disclosure as to age and condition of barracks made it difficult for higher echelons to determine the relative condition of barracks facilities among the installations and, therefore, consistent with need, the priority which should be given construction or preferably, where economically feasible, rehabilitation instead of new construction. For example, the enlisted men's barracks at the NAS, Norfolk, classified as substandard, were all constructed prior to 1945. Similar conditions existed at the Naval Amphibious Base, Little Creek. On the other hand, as shown above, the barracks at Dam Neck

and Oceana were built later, some quite recently, and were **all** permanent-type structures, but they were also reported as substandard quarters.

Capability of community to meet housing needs for bachelor officers at an Air Force base not properly considered

At Mather Air Force Base, Sacramento, we questioned the requirement to construct two increments of bachelor officer quarters--460 units estimated to cost \$3.4 million--because there appeared to be a large number of vacancies in private housing in the nearby community that could have taken care of at least part of the need. We believe that community housing should have been considered for at least some of the bachelor officers, as in the case of family housing, in view of the then-recently established DOD policy to permit greater numbers of bachelor officers and higher grade enlisted personnel to reside in the community. In view of the imminence of the award of the contract for the first increment, we informally advised cognizant DOD and Air Force officials in April 1967 of our findings and requested that they carefully reconsider the need for the project before making a final decision to proceed with the construction.

A summary of our findings and the action taken or planned follows:

Mather is adjacent to the metropolitan area of Sacramento, California. The primary mission of the base is to provide undergraduate and advanced navigator training under the command of the 3535th Navigator Training Wing. At the time of our review in April 1967, about 1,100 officer students were attending navigator courses. BOQs on base had the capacity to house 288 men. Two additional BOQs to accommodate 460 men were separately authorized prior to 1967; one was to be constructed in fiscal year 1966, but was deferred and later rescheduled for April 1967; the other was authorized for construction in fiscal year 1967. According to the authorizing documents, these additional BOQs were required to provide housing for the bachelor officers assigned to Mather and to support the navigator training mission.

The Office of the Secretary of Defense, in a letter dated December 12, 1966, to the various military

departments, set forth new criteria to be used in determining the need for quarters for bachelor officers and for higher grade noncommissioned bachelor personnel. Among other things, the letter pointed out that, beginning in fiscal year 1968, all bachelor officers--rather than just those in grades O-4 and above--would be permitted to live off base when certain conditions were met. The apparent reason for this change in policy, as stated in the letter, was that:

"Our studies have shown that a high percent of officer and career enlisted personnel are not required to live on-base for mission essential reasons, and would prefer to live off-base."

To some extent, this change in policy conflicted with one of the justifications previously given by the Air Force for constructing this project. The authorizing document (DD 1391) for one of the BOQs stated that, if this project was not accomplished, the officers then would have to be authorized to live off base in the city of Sacramento. Although these documents were prepared in January 1965, about 1 year before issuance of the more liberal DOD policy of permitting bachelor officers to reside in the community, the award of the contract for the first increment had not yet taken place at the time of our examination in April 1967.

According to information obtained from the FHA, 5,512 of the 41,692 apartments surveyed in the Sacramento area in 1965 were vacant. This represented an apartment vacancy rate of 13.2 percent. According to Mather officials, there were from 410 to 450 bachelor officers then living in non-Government housing in the Sacramento area, and these officers (or their replacements) would move on base when the BOQs were constructed. On January 26, 1967, at the time of our review, an FHA official informed us that there were still many vacant apartment units in the area, and he estimated the present apartment vacancy rate at about 8 percent. This official also told us that FHA owned, through default, a 565-unit apartment complex in Sacramento. He said that these apartments ranged in size

from one to three bedrooms and in rent from \$95 to \$150 a month.

Subsequently, a DOD official informally advised us that the need for the 460 BOQs had been reexamined and a decision had been made to provide quarters for student officers only. The size of the project was accordingly reduced from 460 units to 288, a reduction of 172 units.

Installations overstated requirements for bachelor quarters

There were instances where installation bachelor quarters studies used to justify construction overstated the personnel strength figures and, consequently, overstated the need for bachelor quarters.

We attempted to reconcile the personnel strength figures used in the bachelor quarters studies with those used in the family housing surveys but were not able to find an explanation for the significant differences noted, as shown below. On the basis of our review of the procedures followed and documentation required, we believe that the strength figures shown in family housing surveys were generally the more accurate of the two.

NAS, Oceana

As of March 31, 1966, the cut-off date of the family housing survey, NAS, Oceana, the long-range enlisted strength for the base was 5,100. Long-range family housing requirements for a military installation are to be calculated on a basis of the personnel strength level to be sustained over the longest predictable period of time (not less than 5 years) without regarding temporary increases or decreases from that level. According to this study, about 1,700 of these personnel were entitled to family housing, leaving a balance of about 3,400 requiring bachelor quarters.

As part of this family housing study, NAS, Oceana, was required to determine the current enlisted strength as of March 31, 1966, through a count of personnel.

The count showed that, at the time, there were about 5,700 enlisted personnel stationed there, of which 2,100 were entitled to family housing; the remainder, or 3,600, would need bachelor quarters.

A bachelor quarters requirement study made a few months earlier, in December 1965, showed that approximately 6,700 enlisted personnel would be stationed at this base through June 30, 1969; of these, about 4,600 enlisted personnel would require bachelor quarters. The study showed also that increases in enlisted strength of only 100 were planned for the period March 31, 1966, the cut-off date of the family housing survey, through June 30, 1969. Assuming that **all** of these personnel required bachelor quarters, there would still be a difference in the long-range requirement of about 1,100 less spaces according to the family housing study than were reported in the bachelor study as shown in the table below.

| | Family housing study as of March 31, 1966 | | Bachelor housing study (as of December 1965) |
|--|--|-------------------|---|
| | <u>Actual count</u> | <u>Long range</u> | |
| Gross | 5,700 | 5,100 | 6,700 |
| Married | <u>2,100</u> | <u>1,700</u> | <u>2,100</u> |
| Bachelors | <u>3,600</u> | 3,400 | 4,600 |
| Add--assumed increase through June 30, 1969 | | <u>100</u> | <u>3,500</u> |
| Apparent overstatement of required additional spaces | | | <u>1,100</u> |

FAAWTC, Dam Neck

As of March 31, 1966, FAAWTC, Dam Neck, determined that about 1,900 enlisted personnel were stationed at the installation, of which 1,000 were eligible for family housing. Thus, the balance, or 900, would be entitled to bachelor quarters.

However, the bachelor quarters requirement determinations made in March 1966 showed that 2,300 enlisted personnel were entitled to bachelor quarters. Dam Neck officials were unable to explain the basis for this figure. It was sent to them by their headquarters command on July 27, 1964, and, until our study, it was used in all bachelor quarters requirement determinations. The two determinations made during the same month showed a difference of 1,400 enlisted personnel requiring barracks, the higher figure being used in the barracks report.

Our test of the results of the Dam Neck personnel count made for the family housing study showed that it was reasonably accurate. It appeared, therefore, that the barracks study requirements figure was overstated.

Presidio of San Francisco

In July 1966, the Presidio of San Francisco completed its reports on family housing requirements and, on November 15, 1966, prepared a separate tabulation of total housing requirements. This included a long-range requirement for 304 BOQs and a current requirement for 246. As shown in this tabulation, total housing requirements were based on the recently completed 1966 family housing survey. On November 4, 1966, the Presidio had prepared its request for BOQs, but, since the November 15 tabulation of requirements had not yet been completed at that date, the request was prepared using the previous year's tabulation of requirements. The prior year's BOQ requirement had been based on the 1965 family housing survey. This showed a long-range requirement for 401 BOQs and a current requirement for 713 units. As a result of using the outdated information, the November 4 request overstated the long-range requirements and the current requirements by about 100 BOQs and 450 BOQs, respectively.

Conclusions

In our opinion, the foregoing deficiencies point **up** the need to strengthen management control over the practices that military departments are following to determine the requirements for bachelor officers' quarters and enlisted barracks. With respect to the lack of coordination between family housing and bachelor quarters needs, a contributing factor may have been, we believe, the lack of appropriate recognition at the policy level that the need for family quarters and the need for bachelor quarters are interrelated. The total of these categories make up the total housing requirements of the personnel assigned to a base or military complex.

In apparent recognition of the interrelationship of the needs for all categories of housing, DOD recently combined under one office--the Deputy Assistant Secretary of Defense (Family Housing)--the complete responsibility for the housing of all military personnel, both on base and in the community. This is an important step toward accomplishing the coordination necessary to produce valid requirements for all categories of housing. This change, however, will not automatically produce the desired results unless the appropriate policies and procedures are clearly prescribed and strictly enforced,

Recommendations

We recommend that, in determining the needs for bachelor quarters, the Secretary of Defense institute procedures which would ensure that:

1. Requirements and available military assets are considered on a military complex basis, where appropriate, and in terms of both intraservice and interservice needs and assets. Also, that full disclosure of the condition of bachelor quarters accompanies requests for additional structures, including estimates of the number of adequate spaces which can result from rehabilitation and modernization, where practicable.

2. Appropriate consideration is given to both available and prospective community support before undertaking new construction.

Agency action taken or planned

DOD stated that the review and analysis of bachelor housing program requirements, as all other military construction line items, are subject to intensive review at all levels of command. The procedures governing this review require, among other things, a thorough screening of active, excess, or otherwise available installations and facilities under the control of DOD. Additionally, requests for new or replacement structures must take into consideration any existing construction which could be utilized whether in its present form or with suitable modifications. DOD agreed, however, that the prescribed screening process was not sufficiently rigorous in the case of NAS, Oceana,

With respect to consideration of community support, DOD stated that the more liberal policy of permitting bachelors to reside off base was promulgated only recently and that, therefore, procedures for evaluating community support for bachelors were still in the formulative stage. Certain inherent limitations have been already recognized by DOD. One involves the desirability of providing quarters on base for students irrespective of the availability of housing because residence on base is necessary for training, mission, or military effectiveness. This principle was applied in the case of Mather Air Force Base (see p. 36).

We believe that effective reviews, however exhaustive, cannot be properly made at the approval levels when the data upon which decisions are to be made are not accurate, complete, or reliable. Our findings show, we believe, a need for a significant improvement in the policies, procedures, and practices for determining bachelor housing needs and in the management controls to ensure that they are followed. As to community support, we recognize that consideration of available private housing may not be appropriate in all circumstances but particular vigilance is needed if full advantage of this available source of housing is to be taken.

We believe, however, that centralization at the DOD level of requirements determinations for all categories of housing should strengthen overall review procedures in developing more compatible and reliable data for bachelor quarters. Periodic reviews of requirements determinations by **the** internal audit agencies should help ensure compliance with DQD policies and procedures governing the determination of housing requirements and also strengthen production of accurate, complete, and reliable data.

INTERNAL AUDITS NOT PERFORMED

As in the case of the Military Family Housing Requirements Program, military audit agencies and internal review groups were not generally conducting independent audits and checks of installations' computations of requirements for bachelor quarters. We inquired of the Office of the Secretary of Defense whether the plans to include an evaluation of the processes used in determining requirements for family housing (see p. 30) would extend to bachelor officer quarters and enlisted barracks as well.

We were advised that the Department of the Army plans to expand its audit of housing requirements to include bachelor officer quarters and enlisted barracks. The Air Force has advised its field audit units that reviews of requirements determinations for bachelor housing appear to be desirable and could be made on their initiative as time becomes available. The Navy does not plan to make specific reviews of installations' computations of requirements for bachelor housing, nor does the DOD Office of the Deputy Comptroller (Internal Audit).

We believe that, as in the case of family housing, there is a continuing need for audit of installations' determinations of requirements for bachelor officers' quarters and enlisted men's barracks. Since funds cannot be provided for all military needs, priorities for such facilities must be established as they must for family housing. We recognize, of course, that priorities on audits of DOD activities must also be established since DOD's internal audit capabilities are limited. We believe, however, that the magnitude of the bachelor quarters inventory and the substantial construction program of about 50,000 additional units each year, for the next several years, which seems indicated by the reported deficits in assets, coupled with the deficiencies we noted, call for greater audit emphasis in this area of activity.

Recommendation

We recommend, therefore, that the Secretary of Defense ensure that the military audit agencies and internal review groups give appropriate attention to the requirements

computations made by installations for bachelor officer quarters and enlisted barracks. This should help ensure the validity of the requests for additional quarters submitted to DOD for approval.

SCOPE OF SURVEY

Our survey was directed to an examination of the policies, procedures, and practices of the Department of Defense relating to the determination of requirements for family housing, bachelor officer quarters, and barracks.

The principal installations visited during our survey **follow:**

Army :

Fort Devens
Presidio of San Francisco, including Sixth Army
Headquarters

Navy :

Twelfth Naval District Headquarters, San Francisco
Naval Air Station, Alameda
Naval Supply Center, Oakland
Naval Hospital, Oakland
Naval Air Station, Oceana
Naval Air Station, Norfolk
Amphibious Base, Little Creek
Fleet Anti-Air Warfare Training Center, Dam Neck
U.S. Naval Base, Newport

Air Force:

Beale Air Force Base, Marysville
Mather Air Force Base, Sacramento

We examined in detail most of the family housing surveys conducted or coordinated at these installations as of March 31, 1966. Our efforts were primarily directed toward determining the effectiveness of the housing surveys and the accuracy of their results. We interviewed responsible housing office officials and other military officials and examined pertinent documents, records, and reports related to the March 31, 1966, family housing survey. We discussed the status of available housing in nearby communities with local officials, including realtors, and viewed private and Government-owned housing. Also we examined requests for enlisted men's barracks and bachelor officers' quarters.

In addition, we looked into whether the family housing surveys could be simplified and made inquiries as to the extent of audits and checks of requirements for military family housing and bachelor quarters by military audit agencies and internal review groups.

APPENDIXES

PRINCIPAL OFFICIALS
OF THE DEPARTMENT OF DEFENSE AND THE
MILITARY DEPARTMENTS
RESPONSIBLE FOR THE HOUSING PROGRAMS
DISCUSSED IN THIS REPORT
(AS AT 1-20-69)

| <u>Tenure of office</u> | |
|-------------------------|-----------|
| <u>From</u> | <u>To</u> |

DEPARTMENT OF DEFENSE

SECRETARY OF DEFENSE:

| | | |
|--------------------|-----------|-----------|
| Robert S. McNamara | Jan. 1961 | Feb. 1968 |
| Clark Clifford | Mar. 1968 | Present |

ASSISTANT SECRETARY OF DEFENSE
(INSTALLATIONS AND LOGISTICS) :

| | | |
|------------------|------------|-----------|
| Paul R. Ignatius | Dec. 1964 | Aug. 1967 |
| Thomas D. Morris | Sept. 1967 | Present |

DEPUTY ASSISTANT SECRETARY OF
DEFENSE (PROPERTIES AND IN-
STALLATIONS) :

| | | |
|--------------------|-----------|---------|
| Edward J. Sheridan | Jan. 1961 | Present |
|--------------------|-----------|---------|

DEPUTY ASSISTANT SECRETARY OF
DEFENSE (FAMILY HOUSING):

| | | |
|--------------|-----------|---------|
| John J. Reed | Dec. 1961 | Present |
|--------------|-----------|---------|

DEPARTMENT OF THE ARMY

SECRETARY OF THE ARMY:

| | | |
|------------------|-----------|---------|
| Stanley R. Resor | July 1965 | Present |
|------------------|-----------|---------|

ASSISTANT SECRETARY OF THE ARMY
(INSTALLATIONS AND LOGISTICS) :

| | | |
|----------------------|-----------|---------|
| Dr. Robert A. Brooks | Oct. 1965 | Present |
|----------------------|-----------|---------|

PRINCIPAL OFFICIALS
OF THE DEPARTMENT OF DEFENSE AND THE
MILITARY DEPARTMENTS
RESPONSIBLE FOR **THE** HOUSING PROGRAMS
DISCUSSED IN THIS REPORT
(AS AT 1-20-69) (**continued**)

| | <u>Tenure of office</u> | |
|--|-------------------------|----------------|
| | <u>From</u> | <u>To</u> |
| <u>DEPARTMENT OF THE AIR FORCE</u> | | |
| SECRETARY OF THE AIR FORCE: | | |
| Dr. Harold Brown | Oct. 1965 | Present |
| ASSISTANT SECRETARY OF THE AIR FORCE (INSTALLATIONS AND LOGISTICS) : | | |
| Robert H. Charles | Nov. 1963 | Present |
| <u>DEPARTMENT OF THE NAVY</u> | | |
| SECRETARY OF THE NAVY: | | |
| Paul R. Ignatius | Sept. 1967 | Present |
| ASSISTANT SECRETARY OF THE NAVY (INSTALLATIONS AND LOGISTICS) : | | |
| Graeme C. Bannerman | Feb. 1965 | Feb. 1968 |
| Vacant | Mar. 1968 | |
| Barry J. Shillito | Apr. 1968 | Present |



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

4 JAN 1968

FP
INSTALLATIONS AND LOGISTICS

Mr. William H. Newman, Jr.
Director, Defense Division
United States General Accounting Office
Washington, D. C. 20548

Dear Mr. Newman:

This is in response to your letter of March 18, 1968 to the Secretary of Defense which forwarded copies of a draft of a proposed report to the Congress on "Survey of Policies, Procedures and Practices Used in Determining Requirements for Military Family Housing and Bachelor Officer and Enlisted Quarters" (OSD Case #2743).

As indicated in your letter and draft report, the determination of housing requirements is a complex and difficult task. This is particularly true for family housing because so many factors are involved, including the concern of the individual serviceman not only for his own welfare but more importantly for that of his family, as well as the ability of the local housing market to meet the military need and the ability of the serviceman to find and pay for suitable private accommodations. Moreover, the recent liberalization of policy on off-base residence by single military personnel has substantially expanded this problem.

For many years, the policy of the Department of Defense has been to rely on nearby communities to provide family housing for military personnel. Over the years we have developed techniques for assessing the capacity of the local housing market to provide suitable rental housing for military families at no serious financial hardship to them. Although these techniques have been improved continuously, we have recognized that market assessment is not an exact science, particularly when made by military personnel who are in the area for only a few years, or civilian personnel who cannot devote full-time to this effort.

In view of this, and because assessing the future capacity of the market involves additional factors with which Defense personnel are not familiar, we have relied on the Federal Housing Administration, which has the greatest experience in this field, to confirm our findings on the need for building additional military housing. While there have been occasional differences of opinion, we have always reached agreement with FHA, and even though our authorizing legislation provides for overriding any opposition by FHA, we have not built a project in which that Agency has not fully concurred.

Your draft report has been reviewed very carefully by the Deputy Assistant Secretaries of Defense for Properties and Installations and Family Housing and by appropriate offices in the Military Departments. We are in general agreement with the conclusion that survey techniques are susceptible of improvement, and we appreciate and will use your suggestions in our continuing effort to realize improvement. However, we are unable to agree with the conclusion that surveys to support requests for new facilities in the Fiscal Year 1968 program were of questionable validity and therefore, by inference, projects approved for construction were questionable. With respect to family housing, while agreeing that there was opportunity for improvement of the surveys, we feel nonetheless that confirmation of the need by HA provides reliable evidence that our overall determinations resulting from the surveys were valid. With respect to bachelor housing, the need was validated by exhaustive review at high echelons in the Military Departments, by the Office of the Secretary of Defense, and by the Congress.

The following comments are provided regarding specific recommendations contained in your draft report. For convenience, the material on family housing is separated from that on bachelor housing.

FAMILY HOUSING

The principal conclusion of the report appears to be that the military installations reviewed generally did not properly study the capability of nearby communities to meet family housing needs as prescribed by DoD procedures and that current procedures do not require sufficient emphasis on prospective community support. This led to the recommendations that (1) procedures be revised to provide for more comprehensive studies of the availability, both current and prospective, of private housing in the community, and (2) the Military Departments be required to establish a program for training key personnel at various levels in the policies, procedures and practices to be followed in family housing surveys.

With respect to revising procedures, as indicated above, we maintain a continuing review to develop improved techniques. We are presently undertaking a comprehensive study of possible improvements, including recommendations resulting from a study under a Navy contract by Battelle Memorial Institute of Columbus, Ohio. Our study will also include other recommendations provided by the Office of the Assistant Secretary of Defense for Manpower and Reserve affairs. In addition, the operation of an effective Housing Referral Service at major U. S. installations will place increased emphasis on the availability of private community housing. It is anticipated that these actions will result in improved procedures. Your recommendations are very timely and will be given full consideration in this current study.

We are pleased to note your emphasis on the need for training key personnel in the policies, procedures and practices to be followed in family housing surveys, confirming our decision in February 1967 to establish a Family Housing Management Course at the Army Management School, Fort Belvoir, Virginia. Four hours in the course are devoted to a lecture on survey criteria and techniques and a panel session on the policy and philosophy underlying survey procedures; also considerable workshop time is used on this subject. To date over 530 military and civilian personnel from the services have attended. About 19 percent has been military and 81 percent civilian; service representation has been Army - 51 percent, Navy - 26 percent, and Air Force - 21 percent. In addition, Army has held regional seminars on survey and automation procedures and this year will conduct a headquarters seminar which will be followed by command and regional conferences for installation personnel; Navy has conducted regional seminars to train installation personnel in survey procedure; and Air Force follows a continuing practice of holding workshops at Washington headquarters to orient command representatives in survey procedures and at command headquarters to train installation personnel.

We note your statement that determining the availability of community housing is a full-time job. We agree that in the past the task of identifying suitable vacancies and potential assets under construction has not been given sufficient attention at many installations. This condition must be corrected, and our instructions stress that this continuing effort must include periodic consultation with community officials and groups familiar with local housing market conditions. It should be noted also that most large installations in urban and metropolitan areas already have established housing referral offices staffed by competent personnel who devote full time to these activities. Similar services will be provided all U. S. installations with 500 or more military personnel in accordance with the directive of the Secretary of Defense in July 1967.

The report recommends that to simplify family housing surveys, DoD instructions should be revised so that only military personnel dissatisfied with their housing in the community would be required to complete questionnaires. We agree that this should greatly reduce the number of questionnaires to be processed and permit more time to properly assess the hard-core military need and the current and future availability of housing in the community to meet such need. However, the survey serves other purposes than just identifying those personnel who are dissatisfied with their housing. It determines whether dissatisfaction is justified and also provides information on (1) overall family composition (necessary to determine requirements by bedroom count), (2) individual preference for living on base or off base (a suggestion by GAO representatives some years ago), and (3) size of suitable private

APPENDIX II

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housing units (necessary to determine what size units should be built). Since such information obtained only from those dissatisfied with their housing would not be representative of all personnel with families, we feel that our present survey approach should be continued.

We agree, however, that current survey procedures are susceptible of improvement, and that suggestions for reducing workload should be fully explored. For this reason, the survey questionnaire was revised some time ago to achieve maximum utilization of automatic data processing. While this reduced manpower requirements for tabulation, it required more manpower for editing and thus partly negated the gain. More recently, our survey procedures were reviewed by Battelle Memorial Institute, working under a Navy contract. BMI proposed that the survey be conducted by personal interview of individual respondents selected on a random sample basis. Although valid results in such a system would depend on rigid adherence to prescribed sampling procedures, it could produce substantial savings in manpower, thus providing more time for evaluation of community support and determination of available vacancies. Moreover, use of trained interviewers would insure more complete and accurate responses on questionnaires and eliminate the need for subsequent editing. We believe that this proposal has much merit and plan to use it at a number of installations to further test its validity and feasibility.

We concur in the recommendation that the Military Family Housing Requirements Program be audited periodically by appropriate military audit agencies. The audit programs for comprehensive installation audits now provide for review of the administration of the Family Housing Program, and audits will include an evaluation of the processes used in determining requirements. We believe that periodic audit of installation actions and records may result in closer adherence to prescribed procedures and thereby produce more reliable survey results in the long run. *

BACHELOR HOUSING

The report made no recommendation in this area because steps recently initiated to strengthen the correlation between family housing and bachelor housing requirements should result in an improved appraisal of need. However, the report did suggest that (1) requirements and military assets be considered on a military complex basis, both intraservice and interservice, (2) requests for additional structures be supported by full disclosure of the condition of existing quarters, and (3) appropriate consideration be given to both available and prospective community support before undertaking new construction.

Since the early 1950's the review and analysis of bachelor housing program requirements, as all other military construction line items, are subject to intensive review at all levels of command. As programs

are finalized for presentation to the Congress, both for authorization and funding, line items for each installation are reviewed under five-year planning procedures against the missions and strengths of the activities scheduled to occupy the base. Requirements for each proposed facility are analyzed scrupulously, among other considerations, as to conformance with other authorized criteria, cost, and availability of existing or already authorized and funded facilities in the general geographic area. The procedures governing this review are outlined in DoD Instruction 7040.4, among which is the requirement to make a thorough screening of active, excess or otherwise available installations and facilities under the control of the Department of Defense. Additionally, requests for new or replacement structures must take into consideration any existing construction which could be utilized, whether in its present form or with suitable modifications.

As indicated from the above, requirements and assets for bachelor housing are analyzed on an "installation-complex" basis, although admittedly, the screening process was not sufficiently rigorous in the case of NAS Oceana. However, as you know, steps have already been taken in coordination with your staff to assure that all of the facilities covered by your report on NAS Oceana are fully utilized.

It should be noted, however, that the possibilities for applying the "complex" approach are subject to certain obvious limitations, among which are transportation and other logistical costs, availability of support facilities necessary to complement new housing, such as mess halls, and, more importantly, such factors as unit integrity and mission responsiveness.

A more liberal policy on permitting bachelors to reside off base was promulgated only recently and, therefore, procedures for evaluating community support for bachelors are still in the formulative stage. Although definitive procedures have not yet been developed, we have recognized that there are inherent limitations. For example, it has been demonstrated that military training is generally more effective when the students reside on base. Therefore, where it is determined that residence on base is necessary for training, mission, or military effectiveness, availability of community support has no bearing on military construction requirements.

This principle applied in the case of the Mather AFB bachelor housing project cited in your report. As the result of further study after the new off-base policy for bachelors was announced, the Air Force reduced the net requirement for new construction from 460 to 350 units. This revised requirement was, in turn, reduced by the Deputy Assistant Secretary of Defense for Properties and Installations to 288 units of new construction by a more stringent application of criteria and to insure against the possibility of over-building.

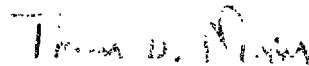
Last year, in developing the FY 1969 program for bachelor quarters, the Military Departments were required to provide for each installation special supplementary reports for officers and enlisted men showing total requirements, number expected to live with dependents (checked against family housing survey reports, if available), adequate assets (Military and private), and substandard military quarters. These reports were quite effective, and this year they should be even more effective because (1) experience in preparing last year's reports should produce improved accuracy, (2) a standard form (rather than a format) has been prescribed which presents data in more logical sequence, and (3) more precise criteria have been prescribed for evaluation of existing military facilities.

Although experience will probably indicate a need for further improvement, these new reports, which can be consolidated to assess requirements for any given complex, should improve reporting accuracy. The effectiveness of having one office review requirements for both the family housing and bachelor housing programs was indicated last year, and it is expected that procedures will continue to improve over the next few years.

Your report has been quite helpful in calling our attention to several opportunities for improvement in survey techniques at installation level. Appropriate corrective action has or will be taken promptly. As was noted earlier, the determination of housing requirements is a complex and difficult task.

The opportunity to review and comment upon this report is appreciated.

Sincerely,



THOMAS D. MORRIS
Assistant Secretary of Defense
(Installations and Logistics)