

MHPI Program Evaluation Plan

Project Fact Sheet Line Instructions

Please note the Project Fact Sheet reflects information regarding project scope and structure. This information is to be submitted to the Office of the Secretary of Defense / Housing & Competitive Sourcing (OSD / H&CS) as a stand-alone document 45 days after each MPHI project transaction closing. Information reported on the Project Fact Sheet should be consistent with information submitted to OSD/H&CS in advance of project award and/or the final transaction documents signed at closing.

Any revisions to the Project Fact Sheet after submission to OSD/H&CS must be addressed during the next PEP reporting cycle in Section 5 of the PEP Project Summary report with a revised PEP Fact Sheet.

Line 1 – Service

Enter the appropriate service branch (Army, Navy, Marine Corps, or Air Force).

Line 2 – Location (City and State)

Enter the city and state where the project is located.

Line 3 – Project Size

Line 3 is a heading – no input is required.

Line 4 – Project Size - Total # of Base Housing Units Before Privatization

Enter the total number of government-owned and/or privatized family housing units included in the base inventory prior to the start of this MHPI project (inventory may include on-base and off-base units).

Line 5 – Project Size - Total # of Units Transferred

Enter the total number of existing base-owned family housing units that will be transferred to the successful bidder as part of this MHPI project.

Line 6 – Project Size - Total # of Units Replaced

Enter the total number of transferred family housing units (as reported on Line 5) that will be demolished and replaced with new units during the initial development phase (IDP) of this MHPI project. Do *not* include any replacement units that may be set aside for

use by the developer's management personnel, which would therefore not be available for use by military personnel.

Line 7 – Project Size - Total # of Units Renovated

Enter the total number of transferred family housing units (as reported on Line 5) that will be substantially renovated during the initial development phase (IDP) of this MHPI project. Substantial renovation will convert inadequate units to adequate units. Do *not* include any privatized units that may be set aside for use by the developer's management personnel, which would therefore not be available for use by military personnel.

Line 8 – Project Size – Total # of Units Transferred with No Initial Work Required (#)

Enter the total number of transferred family housing units (as reported on Line 5) that will not be replaced or substantially renovated during the initial development phase (IDP) of this MHPI project.

Line 9 – Project Size – Deficit Reduction (#)

Enter the total number of deficit reduction units. Deficit reduction units are the total number of housing units counted towards reducing the installation's housing deficit. This number reflects the additional (i.e. newly constructed) family housing units that will become available as a result of this MHPI project. Do not include any privatized units that may be set aside for use by the developer's management personnel, which would therefore not be available for use by military personnel. (If Line 9 is positive, Line 10 must be zero, i.e. there is surplus housing).

Line 10 – Project Size - Total # of Units Demolished or Sold Without Replacement

Enter the total number of transferred family housing units (as reported on Line 5) that will be demolished and/or transferred to a third party without being replaced during the initial development phase (IDP) of this MHPI project. (If Line 10 is positive, Line 9 must be zero).

Line 11 – Project Size - Total # of Units Privatized

Enter the total number of privatized family housing units that will be available, including both on-base and/or off-base units, at the completion of the initial development phase for this MHPI project. This is the sum of Lines 6, 7, 8 and 9. (Do *not* include any privatized units that resulted from previous MHPI projects).

Line 12 – Project Size - Total # of Inadequate Units Eliminated

Enter the total number of units included in the MHPI project scope that have been designated inadequate, as defined by the Service. An inadequate unit is generally defined as "any unit requiring whole-house improvement or replacement as identified by the Service's condition assessments." For this report, this number should equal the total number of units to be demolished and replaced, renovated, and/or demolished

without replacement by the end of the initial construction phase. This should be the sum of lines 6, 7, and 10.

Line 13 – Project Size – Projected Date All Inadequate Units are Eliminated

Enter the projected date that all inadequate family housing units on this installation will be eliminated under the scope of the initial development phase (IDP) for this MHPI project. This projected date is established prior to or at project transaction closing and should *not* be adjusted in future PEP submittals. For verification purposes, this date should correspond with the information presented in the final Award brief and / or the Community Development Management Plan (CDMP).

Line 14 – Project Size - Total # of Base Housing Units After Privatization

Enter the total number of family housing units that will be available at the end of this initial MHPI project development phase. (This may include government-owned units plus previously privatized family housing units). Any units conveyed at transaction closing and scheduled for demolition should *not* be included in this number. This should be the result of lines 4 plus 9 minus 10.

Line 15 – Financial Profile

Line 15 is a heading – no input is required.

Line 16 – Financial Profile - Project Term (Yrs./Mos.)

Enter the term (in years and months) of the contract between the government and the successful bidder. The term recorded is the longest period, exclusive of any options, to which the participants are legally committed. For example, if the project includes a 30-year government guaranteed loan, a 40-year government direct loan, and a 50-year government ground lease, the contract term entered is 50 years.

Line 17 – Financial Profile - Total Development Costs (\$)

Enter the dollar amount of all project development costs, both hard and soft, calculated for the initial development period (IDP) for this MHPI project. These costs include such items as construction, development fees, architectural/engineering, legal, accounting, marketing, and contingency. Since development costs occur over time, the total dollar amount should reflect the sum of each year's costs (undiscounted). For verification purposes, these numbers should be consistent with information reported either in the successful bidder's final proposal or the final Community Development Management Plan (CDMP) award documentation..

Line 18 – Financial Profile - Total MILCON Costs (\$)

Enter the total dollar amount required to develop an identical MHPI family housing project assuming MILCON construction cost estimates. Typically, total MILCON costs will be within 10 percent of the total Development Costs identified on Line 17. For verification purposes, the total MILCON costs number should correspond to information presented in the final certified Economic Analysis (EA) Report.

Line 19 – Financial Profile - Transaction Structure

Enter the project's transaction structure. If the government provided a cash subsidy in the form of real property and/or cash, this should be described. The various transactions structures will include one of the following: 1) whether the land is leased or conveyed by fee simple title to the developer; 2) whether the deal structure is primarily a debt or an equity structure; or 3) if the structure includes a private loan guaranteed by the government. These structures may be combined to form the following six transaction structures:

1. Lease/debt/guarantee
2. Lease/debt
3. Lease/equity
4. Convey/debt/guarantee
5. Convey/debt
6. Convey/equity

Where the government provides both an equity contribution and a direct loan, the transaction structure is considered an equity deal. Also indicate if the transaction structure includes a government limited loan guarantee.

Line 20 – Financial Profile - Budget Score (\$) (Total)

Enter the total project budget score. The Budget Enforcement Act requires the government to recognize the estimated costs to the government and to set aside resources for future losses, or potential losses, at the time of obligation. When an MHPI contract is signed, budgetary resources must be set aside to meet the government's obligations under the contract terms. The amount of this set-aside depends on the project's total development costs and the MHPI authorities used. The total amount set aside (the sum of Lines 21-25 below) represents the budget score. The project budget score should be consistent with the information provided in the final Scoring Report submitted to OSD/H&CS prior to project award.

Line 21 – Financial Profile - Budget Score - Direct Loan Score (\$)

Enter the direct loan budget score amount. This is the amount resulting from a government direct loan to the MHPI project under MHPI Authority Section 2873.

Line 22 – Financial Profile - Budget Score - Limited Guarantee Score (\$)

Enter the limited loan guarantee budget score amount. This is the amount resulting from a government limited loan guarantee to the MHPI project under MHPI Authority Section 2873.

Line 23 – Financial Profile - Budget Score - Investment Score (\$)

Enter the direct government investment budget score amount. This is the amount resulting from a direct government investment in the project under MHPI Authority Section 2875. Government investment may be in the form of acquisition of partnership interests, stocks, bonds, etc.

Line 24 – Financial Profile - Differential Lease Payment (\$)

Enter the differential lease payment budget score amount. This is the amount resulting from a differential lease payment provided to the project under MHPI Authority Section 2877.

Line 25 – Financial Profile - Budget Score - Other (\$)

Enter the total budget score amount resulting from using any other MHPI Authority(ies) not described in lines 21 through 24.

Line 26 – Financial Profile - Life Cycle Costs

Line 26 is a heading – no input is required.

Line 27 – Financial Profile - Life Cycle Costs - Privatization (MHPI) (\$)

Enter the life cycle cost estimate for the MHPI project, assuming the estimated costs to the government over the entire contract term *if constructed/renovated and operated by the successful bidder*. Life cycle costs for an MHPI project include the budget score amount(s) and the net present value of: the stream of basic allowance for housing (BAH) payments to military families, school impact aid, drayage, manpower, etc., through the project's life. This number should be consistent with the privatization life cycle cost estimates reported in the final certified Economic Analysis (EA) Report submitted to OSD/H&CS prior to project award.

Line 28 – Financial Profile - Life Cycle Costs - Identical MILCON Equivalent (\$)

Enter the life cycle cost estimate for the MHPI project, assuming the costs to the government over the entire contract term *if constructed/renovated and operated by the government*. Life cycle costs under MILCON are the present value of the initial development, construction, and renovation costs, as well as the operation, maintenance, and future capital improvement costs expended through the project's life. This number should be consistent with the MILCON life cycle cost estimates reported in the final certified Economic Analysis (EA) Report submitted to OSD/H&CS prior to project award.

Line 29 – Financial Profile - Life Cycle Costs - Difference (\$)

Enter the difference in life cycle costs for privatization and MILCON by subtracting line 27 from line 28. This item compares the life cycle costs of the privatized project (Line 27) to an identical MILCON project (Line 28).

Line 30 – Leveraging of Appropriations (ratio)

Enter the estimated government leverage ratio for the MHPI project, determined by dividing the estimated total MILCON initial development costs for the project (Line 18) by the budget score for the identical privatized project (Line 20). For example, if an MHPI project has estimated MILCON initial development costs of \$40 million and a budget score amount of \$5 million, divide the MILCON initial development costs

(\$40 million) by the scored amount (\$5 million) to calculate the leverage ratio. In this example the ratio would be 8:1. For projects that do not have a government score amount, please input the word “undetermined” in this line item.

Line 31 – Milestones and Timelines

Line 31 is a heading – no input is required.

Line 32 – Milestones and Timelines - OSD/H&CS Concept Brief (Mo./Yr.)

Enter the month and year the Service provided a formal Project Concept Brief to OSD/H&CS. If the Concept Brief was presented more than once to OSD/H&CS, enter the date of the initial presentation.

Line 33 – Milestones and Timelines - OSD/H&CS Concept Approval (Mo./Yr.)

Enter the month and year OSD/H&CS informed the Service of its approval of the MHPI project concept.

Line 34 – Milestones and Timelines - RFP/RFQ Issuance (Mo./Yr.)

Enter the month and year the Request for Proposals or Request for Qualifications was issued to private developers.

Line 35 – Milestones and Timelines - OSD/H&CS Award Approval (Mo./Yr.)

Enter the month and year in the RFP process that OSD/H&CS approved the MHPI project developer and provided approval notification to the Service. In the Army RCI process, enter the date that OSD/H&CS approved the Community Development and Management Plan (CDMP) for the privatized project and notified the Service.

Line 36 – Milestones and Timelines - Selection Award (Mo./Yr.)

Enter the month and year in the RFP process that the Service selected the successful bidder. For the RFQ process, enter the date of acceptance of the Community Development and Management Plan (CDMP).

Line 37 – Milestones and Timelines - Closing (Mo./Yr.)

Enter the transaction closing date for the MHPI project. This is the date when key contractual and project documents are executed to formalize the agreement between the government and the owner/developer of the MHPI project. Under the Army RCI process, record the date of the Community Development and Management Plan (CDMP) Notice to Proceed.

Line 38 – Milestones and Timelines - First Newly Constructed Unit Occupied (Projected Mo./Yr.)

Enter the month and year the successful bidder projects that the first newly constructed unit will be occupied. This is a *projected* date and will not change for future reports, no matter when the first newly constructed units are finally occupied. For this report, renovated units are not newly constructed units. If there is no new construction in the MHPI project, place an “N/A” in this section.

Line 39 – Initial Construction Completed (Projected Mo./Yr.)

Enter the month and year the successful bidder projects that all construction for the MHPI project, both new construction and renovation, will be completed based on the initial development scope. This is a *projected* date and will not change for future reports, no matter when construction is finally completed.

Line 40 – Milestones and Timelines – OSD / H&CS Concept Approval to Closing (Yrs./Mos.)

Enter the number of years and months from the date OSD/H&CS approves the MHPI project concept to the date the transaction closes (reference lines 33 and 37). For this report, do not round up or down – record the entire time period, in years and months.

Line 41 – Milestones and Timelines - Transaction Closing to Commencement of Construction (Projected Yrs./Mos.)

Enter the number of years and months the successful bidder projects from the transaction closing date to the expected construction start date. This is a *projected* time period and will not change for future reports, no matter when construction actually begins.

Line 42 – Milestones and Timelines - Construction Commencement to Construction Completion (Projected Yrs./Mos.)

Enter the number of years and months the successful bidder projects from the date construction will begin to the date construction, both new construction and renovation, will be completed for the initial development phase. This is a *projected* timeline and will not change for future reports, no matter when construction commences or is completed.

Line 43 – Final Date of Loan Execution for Single or Multiple Takeouts (Mo./Yr.)

Enter the month and year projected for final execution of the construction take-out loan, whether there is a single construction loan take-out for the entire project or multiple executions. If there are take-outs for multiple phases of the project, enter the projected date when the entire construction loan has finally been replaced by permanent financing. This is only a *projected* date and is *not* to be replaced by the actual date after the permanent financing is in place.

Line 44 – Government Services and Developer Amenities

Line 44 is a heading – no input is required.

Line 45 – Government Services and Developer Amenities - Fire (Yes/No)

Enter “Yes” if primary fire services are provided by the installation; otherwise enter “No.”

Line 46 – Government Services and Developer Amenities - Police (Yes/No)

Enter “Yes” if primary police services are provided by the installation; otherwise enter “No.”

Line 47 – Government Services and Developer Amenities - Utilities (Yes/No)

Enter “Yes” if any utilities (water, gas, electric, etc.) for the privatized housing areas are physically provided by the installation; otherwise enter “No.” This item is intended to identify installations that are utility service *providers*, not those installations that are currently, or may in the future, pay for the members’ utilities expenses as part of the privatization structure.

Line 48 – Government Services and Developer Amenities - Miscellaneous (Name Any)

Enter any additional services not included in lines 45 – 47 provided by the installation on an ongoing basis. Examples include trash collection, lawn maintenance, snow removal, etc.

Line 49 – Government Services and Developer Amenities - School Impact Aid - (High/Low)

Enter “High” for high-level impact aid or “Low” for low-level impact aid. School Impact Aid represents fees paid by the government to the local educational agency (LEA) to compensate for the impact of military dependent students on the school system, since real estate property taxes are not collected on their residences. Traditionally, high-level impact aid is provided when service members’ children living in an on-base project attend public schools. Low-level impact aid is provided when service members’ children living in an on-base project attend military schools (on-base), or when service members’ children who live in an off-base project attend public schools. If a project includes more than one site, the project could involve both “High” and “Low” School Impact Aid. In this situation, indicate both on this line (i.e. High/Low).

Line 50 – Government Services and Developer Amenities - Amenities Provided by Developer/Contractor (e.g. swimming pool, community centers, playgrounds, etc.)

Enter any residential ancillary support facilities provided by the private developer. Examples of such facilities could include swimming pools, community centers, tennis courts, basketball courts, playgrounds, etc. No commercial venture should be included in this category.

Line 51 – Solicitation Information

Line 51 is a heading – no input is required.

Line 52 – Solicitation Information - Type of Procurement (RFP, RFQ, or Sole Source)

Enter the type of procurement used to select the successful bidder. Typical procurement types include:

- *Request for Proposals (RFP)* – The RFP process selects a proposal that offers the government the best value relative to project requirements and cost.
- *Request for Qualifications (RFQ)* – The RFQ process selects a developer by emphasizing the quality and capabilities of the developer, measured by the developer’s experience and past performance. Project requirements and cost are jointly determined by the Service and the developer.
- *Sole Source* – The sole source process awards the procurement to a developer without a formal RFP or RFQ process when the Service determines there is one preferred source for the required services.

Line 53 – Solicitation Information - Total # of Qualifications Submitted for Solicitation

Enter the total number of development teams that submitted qualifications in response to the installation’s Request for Qualifications (RFQ). If the solicitation invited a Request for Proposal (RFP), enter “N/A” on this line. Do *not* include two-step RFPs on this line.

Line 54 – Solicitation Information - Total # of Proposals Submitted for Solicitation

Enter the total number of development teams that submitted proposals in response to the installation’s Request for Proposal (RFP). If the solicitation invited a Request for Qualifications (RFQ), enter “N/A” on this line. Include two-step RFPs on this line.

Line 55 – Deal Structure

Line 55 is a heading – no input is required.

**Line 56 – Deal Structure - Developer/General Partner
(Name)**

Enter the business name of the successful bidder as found on the executed legal documents. Do not enter the name of a business entity created for this project. If such an entity has been formed, record the name of that entity's parent company or general partner.

Line 57 – Deal Structure - Property Manager (Name)

Enter the name of the project's property manager. This may be the successful bidder or another organization selected by the successful bidder to provide property management services. Do not enter the name of a sole source entity created to provide this service for this project. If such an entity has been formed, record the name of the entity's parent company.

Line 58 – Targeted Tenants by Rank

Enter the rank of service members targeted to live in the privatized family housing project. Targeted personnel could be all enlisted ranks (E1-E9), partial enlisted ranks (E1-E4), all non-flag officer ranks (O1-O6), partial officer ranks (O1-O3), or a combination of both officer and enlisted, depending on the project's design and scope. Enter the abbreviations, as noted above, of all targeted ranks. Do *not* enter the number of units identified for each group of personnel.

**Line 59 – Deal Structure - Private Sector Initial Equity
Contribution (\$)**

Enter the dollar amount of private sector equity contributed. This is the amount of cash or the value of property the developer contributes to the project at transaction closing. The RFP or RFQ typically requires developer equity to be a percentage of total development costs.

Line 60 – Deal Structure - Government Cash Equity (\$)

Enter the dollar value of the government's equity contribution. This is the government's cash equity contribution that provides the Service with partial ownership in the MHPI project, and can take various forms, including a direct cash contribution to a limited partnership or limited liability company, purchase of stock, purchase of bonds, etc. If no government cash equity is contributed toward project ownership, enter "N/A" on Lines 60 and 66.

**Line 61– Deal Structure - Government Improved Property
Contribution (\$)**

Enter the estimated dollar value of the improved property (existing housing units or other real assets) the government contributes to the transaction. This is the estimated value of the units/assets deeded to the MHPI developer. If there is no transfer of unit/real asset ownership to the developer, enter "N/A."

Line 62– Deal Structure – Government Land Contribution (\$)

Enter the estimated dollar value of land the government contributes to the transaction. This is only the value of land for which ownership is transferred to the developer. If the land is leased to the developer or the developer has purchased the necessary land off-base for the project, enter a “N/A.”

Line 63 – Deal Structure – Total Government Equity Contribution (\$)

If no government equity is contributed toward ownership, enter an “N/A” on Lines 60 thru 63.

Line 64– Deal Structure – Other Development Funds (\$)

Enter any other funds (other than equity or debt) contributed to the development of the MHPI project. Net Operating Income (NOI) is the most likely source of other project development funds, however other sources may include interest earned, etc.

Line 65 - Deal Structure – Type of Other Development Funds

For the funds indicated in Item 64 above, indicate the funding source or sources (i.e. NOI, etc.) If an extended explanation is appropriate, include the explanation in the “Notes” section at the end of the Fact Sheet.

Line 66 – Deal Structure - Return on Government Investment (ROI) (%)

Enter the government’s expected Return on Investment (ROI), expressed as a percentage. ROI is the ratio of net profits to the amount invested in a project. For PEP reporting purposes, the ROI is measured on the government’s equity investment, if applicable, in the MHPI transaction. Enter the percentage expected ROI for the full duration of the contract term between the Service and the successful bidder. For a more detailed explanation of ROI and how it is calculated, see instructions for Line 144.

Line 67 – Deal Structure - Ground Rent Provision (Yes/No)

If the government leases the underlying land to the developer and there is a ground rent provision included in the contract, enter “Yes.” If the underlying land is fee simple or there is no ground rent provision included in the contract, enter “No.” Explain any ground rent provisions in the “Notes” section at the end of the Fact Sheet.

Line 68 – Deal Structure - Other Recaptured Revenue (Yes/No)

If the executed documents provide for government recapture of revenue, enter “Yes.” If there are no such provisions, enter “No.” Explain any revenue recapture provisions in the “Notes” section at the end of the Fact Sheet.

Line 69 – Deal Structure - Private Sector Debt

Line 69 is a heading – no input is required.

Line 70 – Deal Structure - Private Sector Debt - Lender

Name

Enter the name of the lender (either financial institution or private entity), if any, providing the first mortgage on the property. If there is no private sector first mortgage, enter “N/A” and leave blank lines 71 through 76.

Line 71 – Deal Structure - Private Sector Debt – Loan

Amount (\$)

Enter the total dollar amount of the private sector first mortgage provided to the successful bidder.

Line 72 – Deal Structure - Private Sector Debt - Term (Yrs.)

Enter the length of time in years of the private sector first mortgage provided to the successful bidder. This term is the length of time payments must be made on the loan, including any timeframe when principal payment may be deferred.

Line 73 – Deal Structure – Private Sector Debt – Interest

Rate (%)

Enter the stated interest rate charged for the private sector first mortgage, normally expressed as an annual percentage. If the interest rate is adjustable enter the rate quoted at transaction closing, indicate that the rate is adjustable, and indicate the basis of the adjustment in the “Special Provisions” section (Line 74).

Line 74– Deal Structure – Private Sector Debt – Special Provisions

Enter any special or unusual provisions, if any, included in the private sector first mortgage documents. These provisions could include interest only payments, deferred principal payments, below-market interest rate, adjustable rate, etc. If any special provision cannot be fully explained in this space, provide a more detailed explanation in the “Notes” section at the end of the Fact Sheet.

Line 75 – Deal Structure – Private Sector Debt – Guaranteed by Government (Yes/No)

If the government has provided a limited loan guarantee on the private sector first mortgage, enter “Yes.” If there is no government guaranteed loan for this project, enter “No.”

Line 76 – Deal Structure – Private Sector Debt – Guaranteed Threshold Event Ratio

A Guaranteed Threshold Event (GTE) is a defined event that may trigger a potential claim on the limited loan guarantee. The GTE may be determined at execution of the

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Guaranty Agreement or at execution of the government's Forward Commitment, and is generally based on a reduction in the number of eligible personnel targeted for the MHPI project. The GTE may vary depending on the individual deal structure; to date, a reduction has been defined as either a percentage reduction of eligible personnel, a percentage reduction during a specific time frame, or a reduction of the ratio of eligible personnel to the number of housing units. Enter the specific GTE definition here. The entry can be expressed as a ratio or a percentage, with additional verbiage to fully describe the defined GTE. If there is no guaranteed loan, enter "N/A."

Line 77 – Deal Structure – Total # of Eligible Military Families

Enter the total number of military families within the targeted tenant ranks (Line Item 58) eligible to live in the development as of the execution of the Government Guarantee Agreement. If the Guarantee is not yet in effect at the time of the PEP reporting, include in the "Notes" section at the end of the Fact Sheet the projected date upon which the Guarantee Agreement is to be executed. If the MHPI project does not have a government guaranteed private loan, enter "N/A."

Line 78 – Deal Structure - Government Debt

Line 78 is a heading – no input is required.

Line 79 – Deal Structure - Government Debt - Direct Loan Amount (\$)

Enter the total dollar amount of the loan if the government has provided direct loan financing for this MHPI project, whether in a first or second mortgage position. If no government direct loan is made, enter "N/A" on each of Lines 74 through 77.

Line 80 – Deal Structure – Government Debt - Direct Loan Term (Yrs.)

Enter the loan's term (in years) if the government has provided direct loan financing for this MHPI project, whether in a first or second mortgage position. The term is the length of time payments must be made on the loan, including any timeframe when payments may be deferred.

Line 81 – Deal Structure – Government Debt – Direct Loan Interest Rate (%)

Enter the annual interest rate charged for the government direct loan provided for this project at transaction closing, normally expressed as an annual percentage. If the government direct loan has a variable interest rate, enter this information in the "Special Provisions" section (Line 77).

Line 82 – Deal Structure – Government Debt – Special Provisions

Enter any special or unusual provisions, if any, included in the government direct loan documents, including interest only payments, deferred principal payments, below-market interest rate, etc. If a full description of any special provision cannot be

provided in this space, enter a more detailed explanation in the “Notes” section at the end of the Fact Sheet.

Line 83 – MHPI Authorities

Line 83 is a heading – no input is required.

In the following sections identify MHPI authorities used as of closing. If additional authorities are used after transaction closing, identify them in Section 6 of the Project Summary report and in the Monitoring Matrix, Line 152 – “Additional MHPI Authorities Implemented.”

Line 84 – MHPI Authorities – Direct Loan – Section 2873

The Direct Loan Authority allows the Military Service to provide a direct first or second mortgage to the successful bidder for a privatized project. Enter a check if the Direct Loan Authority is used, otherwise leave blank.

Line 85 – MHPI Authorities – Loan Guarantee – Section 2873

The Loan Guarantee Authority allows the Military Service to guarantee a private sector permanent loan. The guarantee has been limited to events involving base closure, downsizing, and extended deployment. This authority can only be used in conjunction with a first mortgage private sector loan. Enter a check if the Loan Guarantee Authority is used, otherwise leave blank.

Line 86 – MHPI Authorities – Investments (Acquisition of Partnership Interests, Stocks, Bonds) – Section 2875

The Investments Authority allows the Military Service to provide an equity investment in a privatization project. This equity investment can take various forms, including direct contribution to a limited partnership or limited liability company, purchase of stock, purchase of bonds, etc. Enter a check if the Investments Authority is used, otherwise leave blank.

Line 87 – MHPI Authorities – Differential Lease Payments – Section 2877

The Differential Lease Payments (DLP) Authority allows the Military Service to provide an additional rent payment directly to the project developer. This authority may be used in the initial structure of the privatized project or at a later date. Enter a check if the DLP Authority is used as part of the initial deal structure, otherwise leave blank. If a DLP is provided after closing, do *not* indicate its use in this section - explain its use in Section 6 of the Project Summary report.

Line 88 – MHPI Authorities – Payments by Allotment – Section 2882

The Payments by Allotment Authority allows military service members to assign a designated amount of their paycheck (rent) to be paid periodically (monthly) directly

from DoD to the property management company. Enter a check if the Payments by Allotment Authority is required for all military tenants, otherwise leave blank.

Line 89 – MHPI Authorities – Assignment of Members – Section 2882

The Assignment of Members Authority allows the Military Service to assign individual service members and their families to specific privatized housing. Use of this authority precludes assigned members from choosing other housing. Enter a check if the Assignment of Members Authority is used, otherwise leave blank.

Line 90 – MHPI Authorities – Conveyance of Land – Section 2878

The Conveyance of Land Authority allows the Military Service to transfer by fee simple conveyance ownership of land from the government to a third party. Enter a check if the Conveyance of Land Authority is used, otherwise leave blank.

Line 91 – MHPI Authorities – Conveyance of Units – Section 2878

The Conveyance of Units Authority allows the Military Service to transfer by fee simple conveyance ownership of housing units from the government to a third party. Enter a check if the Conveyance of Units Authority is used, otherwise leave blank.

Line 92 – MHPI Authorities – Lease of Land – Section 2878

The Lease of Land Authority allows the Military Service to transfer to a third party a long-term leasehold interest in land owned by the government. Enter a check if the Lease of Land Authority is used, otherwise leave blank.

Line 93 – MHPI Authorities – Build to Lease – Section 2874

The Build to Lease Authority allows the Military Service to contract with the private sector to build and maintain units for lease to the Service. In such cases the central payment is made by the Military Service rather than by the tenant. Enter a check if the Build to Lease Authority is used, otherwise leave blank.

Line 94 – MHPI Authorities – Rental and Occupancy Guaranties – Section 2876

The Rental and Occupancy Guaranties Authority allows the Military Service to guarantee predetermined levels of rent payment and/or occupancy to the developer. Enter a check if the Rental and Occupancy Guaranties Authority is used, otherwise leave blank.

Line 95 – MHPI Authorities – Interim Leases – Section 2879

The Interim Lease Authority allows the Military Service to lease units for an interim period during the construction of a build-to-lease project (Authority 2874). This authority is used to enable occupancy prior to completion of the entire project. Enter a check if the Interim Lease Authority is used, otherwise leave blank.

Line 96 – MHPI Authorities – Ancillary Support Facilities – Section 2881

The Ancillary Support Facilities Authority authorizes the successful bidder to construct supporting facilities for the privatized development, such as clubhouses, tot lots, jogging trails, swimming pools, tennis courts, etc. No supporting commercial facilities such as convenience stores, food establishments, etc. are included in this authority. Enter a check if the Ancillary Support Facilities Authority is used, otherwise leave blank.

Line 97 – MHPI Authorities – Unit Size and Type – Section 2880

The Unit Size and Type Authority allows the Military Service to build units to local private sector building standards. Enter a check if the Unit Size and Type Authority is used, otherwise leave blank.

Line 98 – Tenant Satisfaction

Line 98 is a heading – no input is required.

Line 99– Tenant Satisfaction – Tenant Choice

If the military member is referred to an MHPI unit and it is his/her choice whether to move into the dwelling, check this item. If the military member is *assigned to* the housing unit (and thus may not choose to live elsewhere) do not check this item.

Line 100– Tenant Satisfaction – Tenant Surveys

A tenant survey is required for an MHPI project. If a tenant survey process is currently in place, check this item. If a tenant survey process is not in place, provide an estimated time when the tenant survey process will begin in the “Notes” section at the end of the Fact Sheet.

Line 101 – Construction Risk

This section is intended to provide information regarding provisions in the contract documents that protect the government from construction risk. Risk factors may include:

- *Not building to specifications* – Failure to build to required specifications.
- *Failed inspections* – Construction not passing required inspections.
- *Project delays* – Events that delay estimated time to complete construction.
- *Developer/contractor default* – Where the developer/contractor fails to adhere to contractual construction parameters, including time and specifications.
- *Local government approvals* – Failure to fulfill local government permit and licensing requirements.

Line 101 is a heading – no input is required.

Line 102 -106 – Construction Risk

For the risks described on Line 101 enter a check next to each of the protections incorporated in transaction documents.

Line 107 – Communications and Problem Resolution

This risk reflects lack of clear communication between the developer / property manager and the Military Service to manage tenant and / or project conflicts.

Line 107 is a heading – no input is required.

Lines 108 -111 – Communications and Problem Resolution

For the risk described on Line 107 enter a check next to each of the protections incorporated in the transaction documents. Some items are unique and may be project-specific by name to a type of legal structure. If other methods not listed here are used, provide additional information in the “Notes” section at the end of the Fact Sheet.

Line 112 – Safeguarding Government’s Interest

To safeguard the government’s interest, various documents, provisions, or approvals may have been included in the transaction documents.

Line 112 is a heading – no input is required.

Lines 113 -120– Safeguarding Government’s Interest

For the action described on Line 112 enter a check next to each of the protections incorporated in transaction documents.

Notes: Any additional information or explanation regarding deal structure and terms may be entered in this section.

MHPI Program Evaluation Plan

Project Monitoring Matrix

Line Instructions

Line 121- Monitoring

Line 121 is a heading – no input is required.

Line 122 – First Newly Constructed Unit Occupied (Mo./Yr.)

Enter the actual month and year that the first newly constructed privatized unit is occupied. If this event has not yet happened, enter “N/A.” The date the first *renovated* privatized unit is occupied should not be placed on this line.

Line 123 – Total New Units On-line (#)

As of the end of this PEP reporting period, enter the total number of newly constructed privatized units either occupied or available for occupancy. Units are available for occupancy when they have been issued either a Certificate of Occupancy by the local government authorities or a Certificate of Completion by the designated military authority. This includes the total number of deficit reduction units plus the number of units replaced to date.

Line 124 –Construction Completed

Line 124 is a heading – no input is required.

Line 125 –Construction Completed - New Construction Completed (#)

Enter the number of new construction units completed as of the end of this PEP reporting period. Units are completed when they have been issued either a Certificate of Occupancy by the local government authorities or a Certificate of Completion by the designated military authority.

Line 126 –Construction Completed - New Construction Scheduled for Completion (#)

Enter the number of new construction units scheduled for completion as projected by the successful bidder in his construction schedule, as of the end of this PEP reporting period. This number may not match the number recorded in Line 125.

Line 127 –Construction Completed - Renovation Completed (#)

Enter the number of renovated units completed as of the end of this PEP reporting period. Units are completed when they have been issued either a Certificate of Occupancy by the local government authorities or a Certificate of Completion by the designated military authority.

Line 128 – Construction Completed - Renovation Scheduled for Completion (#)

Enter the number of renovated units scheduled for completion as projected by the successful bidder in his construction schedule, as of the end of this PEP reporting period. This number may not match the number recorded in Line 127.

Line 129 – Construction Completed (Yrs./Mos.)

Enter the actual month and year that all privatized construction has been completed. This date includes the completion of all new construction and renovation units defined by the scope of the privatization contract. Completion of construction is the date when the final new or renovated unit has been issued either a Certificate of Occupancy by the local government authorities or a Certificate of Completion by the designated military authority. If this event has not yet occurred, enter “N/A.”

Line 130– Transaction Closing to Construction Complete (Yrs./Mos.)

Enter the total number of years and months between the transaction closing date and the final completion of construction. Transaction closing is the date when the key contractual and project documents are executed, formalizing the agreement between the government and the owner/developer. Completion of construction is the date the last newly constructed and/or renovated unit(s) has been issued either a Certificate of Occupancy by the local government authorities or a Certificate of Completion by the designated military authority. If there is more than one construction site within the project, this time frame covers completion of all sites. The number should be rounded to the nearest month.

Line 131 – Unanticipated Revenue (Y/N)

Unanticipated revenue is project cash flow in excess of operating expenses and owner/developer’s agreed upon acceptable rate of return. Enter either a yes (Y) or no (N) to indicate whether this event has occurred during this reporting period. Do *not* carry forward an affirmative answer from a prior reporting period. Explain any unanticipated revenue and the installation’s method of recapture of these funds in Section 6 of PEP Project Summary report.

Line 132– Subsidy Re-estimate (Y/N)

A subsidy re-estimate is the annual comparison of subsidy estimates for each government loan, either direct or guaranteed, to actual cash flows. Enter either a yes (Y) or no (N) to indicate whether this event has occurred during this reporting period. Do *not* carry forward an affirmative or negative answer from a prior reporting period. If a subsidy re-estimate has occurred, provide an explanation of the results in Section 6 of the PEP Project Summary report.

Line 133– Date of Loan Execution

Line 133 is a heading – no input is required.

Line 134– Date of Loan Execution – First (Permanent) Mortgage (Mo./Yr.)

Enter the month and year the first mortgage was closed. If there is no first mortgage or the first mortgage has yet to close, enter “N/A.” If the first mortgage is funded in phases, enter “N/A” until the entire loan has been funded and explain the status of the mortgage in Section 6 of the PEP Project Summary Report.

Line 135– Date of Loan Execution – Second Mortgage (Mo./Yr.)

Enter the month and year the second mortgage was closed. If there is no second mortgage or the second mortgage has yet to close, enter “N/A.” If the second mortgage is funded in phases, enter “N/A” until the entire loan has been funded and explain the status of the mortgage in Section 6 of the PEP Project Summary Report.

Line 136 – Remaining Principal Balance

Line 136 is a heading – no input is required.

Line 137 – Remaining Principal Balance - First (Permanent) Mortgage (\$)

As of the end of this PEP reporting period, enter the unpaid principal balance on the mortgage in the first loan position, whether it is a private sector non-guaranteed loan, a government guaranteed loan, or a government direct loan. This principal balance is available from either the private sector lender or the Defense Financial Accounting Service (DFAS), depending on which organization provided the loan. If the permanent first mortgage has yet to be fully funded, enter “N/A.”

Line 138 – Remaining Principal Balance - Second Mortgage (\$)

As of the end of this PEP reporting period, enter the unpaid principal balance on a government direct mortgage, if any, in the second loan position. The principal balance of this loan is available from DFAS. If the permanent second mortgage has yet to be fully funded, enter “N/A.”

Line 139 – Times Delinquent

Line 139 is a heading – no input is required.

Line 140 – Times Delinquent – First (Permanent) Mortgage (#)

This is the number of times payment on the project’s first mortgage, whether private sector or government loan, has been delinquent during this PEP reporting period. A loan is delinquent if all or part of the required payment is one or more days late. Do *not* carry forward the number of any former delinquencies – this is not a cumulative number. Circumstances surrounding any new or continuing mortgage payment

delinquency should be explained in Section 6 of the Project Summary Report, whether the delinquency is inadvertent or caused by lack of funds.

Line 141 – Times Delinquent - Second Mortgage (#)

This is the number of times payment on the project’s second mortgage has been delinquent during this PEP reporting period. A loan is delinquent if all or part of the required payment is one or more days late. Do *not* carry forward the number of any former delinquencies – this is not a cumulative number. Circumstances surrounding any new or continuing mortgage payment delinquency should be explained in Section 6 of the Project Summary Report, whether the delinquency is inadvertent or caused by lack of funds.

Line 142 – Debt Coverage Ratio, 1ST Mortgage (#)

Debt Coverage Ratio (DCR) is the amount of income an operating project has relative to its first mortgage payment. The DCR is recorded as a decimal and is computed by dividing the project net operating income (NOI) by the debt service payment (principal and interest) attributed to the first mortgage. NOI is income remaining after all project expenses are paid, but before debt service and depreciation. NOI is available from the successful bidder’s Profit and Loss Statements. Enter the average DCR for the first mortgage for the six-month PEP reporting period.

Following is an example of this first mortgage DCR calculation.

Project Gross Income	\$1,000,000
Project Expenses	\$ 600,000
Net Operating Income (NOI)	\$ 400,000
First Mortgage Payment	\$300,000
Second Mortgage Payment	\$35,000
Income (after debt service)	\$65,000
DCR (1st) = \$400,000/\$300,000	1.33

Line 143– Debt Coverage Ratio, First and Second Mortgage (#)

This Debt Coverage Ratio number reflects the amount of income an operating project has relative to its combined first and second mortgage payments. The DCR is recorded as a decimal and is computed by dividing project NOI by the combined debt service payment (principal and interest) of both the first and second mortgages. NOI is income remaining after all project expenses are paid, but before debt service and depreciation. NOI is available from the successful bidder’s Profit and Loss Statements. If applicable, enter the average DCR for the first and second mortgages for the six-month PEP reporting period. If the project has no second mortgage, enter “N/A.”

Following is an example of this first and second mortgage DCR calculation.

Project Gross Income	\$1,000,000
Project Expenses	\$ 600,000
Net Operating Income (NOI)	\$ 400,000
First Mortgage Payment	\$300,000
Second Mortgage Payment	\$35,000
Income (after debt service)	\$65,000
DCR (1st & 2nd) = \$400,000/\$335,000	1.19

Line 144– Government ROI (Return on Investment) (%)

ROI is the ratio of net profits to the amount invested in a project. For PEP reporting purposes, the ROI is measured on the government’s equity investment in the MHPI transaction, if applicable. The government’s equity investment is the cash or value of property contributed into a partnership type (equity) MHPI structure. In an MHPI structure that involves only debt or guaranteeing of debt, there is no equity investment and no ROI. The PEP requires reporting of the government’s actual ROI on an ongoing basis, as appropriate. ROI will always be reported when a release or partial release of the government’s investment obligations has occurred. No entry, other than “N/A,” should be made unless there is a release or partial release of the government’s investment obligation during the current PEP reporting period. If this has occurred, the entry should be a cumulative to date ROI percentage figure including all former releases.

Following is an example of this ROI calculation.

	FACTS/CALCULATIONS	RESULT
Total Equity Investment	Total Government investment	\$10,000,000
Percentage of Investment Obligation Released	25% of the units were sold	25%
Investment Obligation Released	.25 X \$10,000,000	\$2,500,000
Compensation Received for Release	Government portion of sales proceeds	\$3,000,000
Profit on Released Investment	\$3,000,000 – \$2,500,000	\$500,000
Return on Investment (ROI)	\$500,000/\$2,500,000	.2 or 20%
Total Remaining Equity Investment	\$10,000,000 – \$2,500,000	\$7,500,000

If an additional 50% of the original investment obligation was released at a 15% ROI, following is an example of how the cumulative entry would be calculated:

RELEASES	FACTS/CALCULATIONS	ROI
ROI on initial investment release	First Partial Release	20% on \$2,500,000
ROI on current investment release	Second Partial Release	15% on \$5,000,000
ROI on accumulative releases	.2 X 2,500,000 + .15 X 5,000,000/2,500,000 + 5,000,000	.166 or 16.6% on \$7,500,000

Line 145 – Replacement Reserves

Replacement reserves are funds set aside from the periodic cash flow of a project to ensure the replacement of major project parts or systems. The amount of required replacement reserves is quantified in the executed transaction documents. Place a check in the data field only if the replacement reserves were properly funded during the PEP reporting period. Provide a detailed explanation if replacement reserves are not being funded as required, including the variance, in Section 6 of the PEP Project Summary Report.

Line 146 – Occupancy Rate (%)

The occupancy rate for a project is computed by dividing the number of occupied privatized housing units by the total number of units in the privatized housing project. Report the average monthly occupancy rate during this PEP reporting period as a percentage.

Line 147 – Total Eligible Military Families (#)

This is the number of military personnel with families within the targeted tenant ranks (Line 58) eligible to live in the privatized project, as of the end of this PEP reporting period. This number is specifically tracked for projects that carry a limited loan guarantee. As described in the project's guaranty agreement, the number of targeted eligible personnel may be reduced due to a reassignment of base personnel or an extended deployment for a minimum period of 150 days. If the MHPI project does not have a guaranteed loan enter "N/A."

Line 148 – Military Tenants in Project (#)

This is the number of active duty military tenants, both family and/or bachelor, in the project as of the end of this PEP reporting period. This information is available from either the management company or the base housing office.

Line 149 – Military Referrals (#)

This is the total number of military families referred to the project by the base housing office during the six-month reporting period. This number is available from the base housing office.

Line 150– Military Move-ins (#)

This is the total number of military families referred by the base housing office who moved into the available housing units during the six-month PEP reporting period. This number is available from the base housing office.

Line 151– Summary of Physical Assessment Report

Either the Service and/or the private sector lender should conduct a physical assessment of the project at least annually. A single word summarizing physical assessment report(s) should be provided on this line: poor, fair, good, or excellent. If a new physical assessment report has not been conducted since the last PEP reporting period, enter the single word recorded during the last reporting period and the date last physical assessment was conducted. If a single word is insufficient to explain

project conditions, provide additional information in Section 2 of the Project Summary Report.

Line 152– Additional MHPI Authorities Implemented

The MHPI authorities used as of the project transaction closing date are recorded on Line 83 of the Project Fact Sheet. Enter any additional authorities (such as Differential Lease Payment, Payment by Allotment, etc.) implemented after the project transaction closing; provide additional information in Section 6 of the Project Summary report. Include both the authority type and relevant section number (see Project Fact Sheet Line Instructions 84 through 97). Enter “N/A” if no additional authorities have been used.

Line 153 – Additional Budget Score (\$)

Use of selected authorities in an MHPI project may create a budget score. If the additional authorities implemented in Line 152 created an additional budget score, enter the dollar amount. Enter “N/A” if the additional authorities noted in Line 152 did not create an additional budget score or if no additional authorities were implemented.

Line 154 – Additional Privatization Costs – Consultants (\$)

Enter the additional amount the installation has spent on consultants that would have not been spent had the project been built with MILCON. This is a cumulative number – any new consultant costs will increase numbers reported in previous periods.

Line 155 – Project Notifications/Incidence Reports

Line 155 is a heading – no input is required.

Line 156 – Project Notifications/Incidence Reports – Date of Default Notice

Enter the date the borrower/owner is given notice of default. A default may occur due to nonpayment of the project’s mortgage or a failure by the owner and/or property manager to perform in accordance with the terms of the transaction documents. Provide additional detail regarding reasons for default in Section 6 of the Project Summary report.

Line 157 – Project Notifications/Incidence Reports – Date of Change in Project Ownership

Enter the date of any change in project ownership that must be reported to and/or approved by the Service. Provide an explanation of the type of change and the parties affected in Section 6 of the Project Summary report.

Line 158 – Project Notifications/Incidence Reports – Date of Change in Property Management

Enter the date of any change in the property management organization for the privatized project. Provide the name of the new organization and an explanation of the reasons for the change in Section 2 of the Project Summary report.

Line 159 – Project Notifications/Incidence Reports – Date of Loan Modification

Enter the effective date of any loan modification (either direct or guaranteed). Loan modifications may include changes in the loan term or amortization schedule, partial forgiveness of debt, etc. If more than one loan exists on the project (direct and/or guaranteed), and modifications have been made to both loans, enter the last modification date for the loan in first mortgage position. If an individual loan has been modified more than once to date, indicate the date of the most recent modification. Provide additional detail on the specific terms of the current loan modification as well as the dates, terms, and parameters of all previous modifications in Section 6 of the Project Summary report.

Line 160 – Project Notifications/Incidence Reports – Date of Loan Repayment

Enter the effective date of a full project loan repayment (either direct or guaranteed). If more than one loan exists on the project (direct and/or guaranteed), and both loans have been repaid in full, enter the loan pay-off date for the loan in first mortgage position. If both loans have been repaid, provide the date of loan repayment for all outstanding debt in Section 6 of the Project Summary report. Do *not* record the date of any partial loan repayment here.

Line 161– Project Notifications/Incidence Reports – Date Guaranty Claim Filed

Enter the date the guaranteed lender files any guaranteed loan claim with the Service. Detail basic assertions made in the claim in Section 6 of the Project Summary report.

Line 162 – Tenant Surveys – Effective Date of Survey (Mo./Yr.)

Enter the month and year of the most recently completed tenant satisfaction survey.

Line 163 – Tenant Surveys – Number of Tenants Surveyed this Reporting Period

Enter the total number of tenants surveyed and the total number of tenants who completed the survey since the last PEP reporting period. For example, if 500 surveys were delivered to tenants and 60 surveys were completed, the entry should read 500/60.

Line 164 – Tenant Surveys Recommendation for Newly Constructed MHPI Units

Provide the results to the following tenant survey question for newly constructed MHPI units: “Would you recommend privatized housing?” Results should indicate how many tenants responded “Yes,” “No,” or “Don’t Know” to the question, followed by the total responses received. For example, if 100 responses were

received and 50 replied “Yes” to the question, 20 replied “No,” and 30 replied “Don’t Know,” the entry should read 50/20/30/100.

Line 165 – Tenant Surveys – Recommendation for Newly Renovated MHPI Units

Provide the results to the following tenant survey question for newly renovated MHPI units: “Would you recommend privatized housing?” Results should indicate how many tenants responded “Yes,” “No,” or “Don’t Know” to the question, followed by the total responses received. For example, if 150 responses were received and 100 replied “Yes” to the question, 20 replied “No,” and 30 replied “Don’t Know,” the entry should read 100/20/30/150.

Line 166 – Tenant Surveys – Recommendation for MHPI Unrenovated Units

Provide the results to the following tenant survey question for unrenovated MHPI units: “Would you recommend privatized housing?” Results should indicate how many tenants responded “Yes,” “No,” or “Don’t Know” to the question, followed by the total responses received. For example, if 500 responses were received and 450 replied “Yes” to the question, 0 replied “No,” and 50 replied “Don’t Know,” the entry should read 450/0/50/500.