



# **ARMY PRESENTATION TO ACHP: PROGRAM COMMENT FOR PRE-1919 ARMY HOUSING**

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### **I. Introduction**

- Thank you Chair Bronin for the opportunity to address the Council regarding the Army's proposed Program Comment for pre-1919 housing.
- The need for this Program Comment is driven by the Army's obligation to provide safe, healthy, quality housing to Soldiers and their families. It is also needed due the **unique Section 106 compliance challenge** the Army has among federal agencies for our large inventory of intensively used historic homes.
- The Army **built**, owns, manages, and actively occupies 30,000 historic homes. Over 29,000 of those homes are already successfully operating under ACHP approved Program Comments like this one.
- We're proposing this Program Comment for pre-1919 housing because it is clear to us that we need a different approach from the way this housing is currently addressed under installation specific Section 106 Programmatic Agreements (PAs).
- The operation of pre-1919 Army homes was privatized at Army installations 15-20 years ago. Currently, Section 106 compliance follows the PAs that were executed between each installation and their respective SHPO at the time of privatization. Those installation PAs require project-by-project reviews by SHPOs and others of each individual action including all repair, maintenance, and rehabilitation of this housing.
- The PA project-by-project review process is not sustainable in the long term. It has impacted military families and **ironically**, has led to negative effects on the overall condition of the housing. **Overly restrictive standards** requiring the use of high cost historic and in-kind building materials and specialized

craftsmen have been applied to this housing during the PA project-by-project reviews.

- This has resulted in our **inability** to fully implement scopes of work where those high-cost materials are involved. We provided a list of examples of this. Lengthy project-by-project reviews also directly impact military families since they delay the ability of families to move into their homes.
- After 20 years of operating under the installation PAs, much of our pre-1919 housing remains in a failing condition with obsolete mechanical systems, structural issues, lead-based paint and asbestos, non-functional floorplans, and a backlog of deferred maintenance and improvements.
- This program comment is the Army's section 106 compliance solution to help address these and other issues.
- It implements a proven process that is cost effective, beneficial to preservation and provides a higher standard of care than is currently occurring for pre-1919 NHL homes.
- In 2020, the ACHP approved the Army's Program Comment for Inter-War Era housing built between 1919-1940. The Army is managing that inventory of over 3,000 homes following a similar approach as proposed here for pre-1919 homes. This approach has saved millions of dollars in rehabilitation costs for Inter-War Era homes, those savings have been re-invested into the homes to reduce the backlog of deferred maintenance, climate resiliency and energy efficiency has been enhanced, and it has reduced the impacts to families from project review delays.
- The Army needs a similar efficient and effective Program Comment solution to manage our pre-1919 homes.

## **II. During our stakeholder consultations with SHPOs, tribes, the NCSHPO, the National Trust and others we addressed a number of important comments and questions.**

1. Stakeholders asked us to clarify the role qualified professionals have in this PC:
  - Preservation professionals that meet qualification standards will provide installations technical assistance and **will monitor** Program Comment implementation.

- This includes on-call technical support and on-site assistance visits and on-site monitoring of implementation.
- The experts will support implementation of the Secretary's Standards and the building materials selection process, use of the preservation guidelines, and will monitor and report annually on activities under this program comment.

2. Regarding annual reports, those reports are currently proposed for 5 years. This period has been approved by ACHP in other program comments for Army housing, Army can relook at that reporting period.

3. Regarding stakeholder concerns for the use of **substitute materials on NHLs** and any potential for loss of integrity:

- The Secretary of the Interior's Standards for Rehabilitation which we follow in this PC allow for the use of substitute materials and those standards apply to NHLs.
- The potential for loss of integrity is mitigated in this Program Comment by several actions. The process for repair or replacement of building materials requires **preservation of existing historic building materials as the first consideration**. Only when that is not possible, are in-kind and substitute building materials considered through a systematic step-by-step process. The materials selection process addresses economic and technical feasibility as required by the Secretary's Standards. That process also includes consideration of preservation tax credits. Detailed preservation planning guidelines are also incorporated into the program comment to help guide the materials selection process.
- Additionally, the support of qualified professionals will help ensure that the historic integrity of pre-1919 NHL housing is maintained. Finally, and importantly, **substitute building materials are reversible** and can be replaced with in-kind materials at any point, mitigating any potential loss of integrity.

4. Regarding SHPO requests for a list of properties covered by the PC, comprehensive lists of the properties were already provided to SHPOs. The lists are included in the installation PAs executed with each SHPO. To avoid duplication of effort, the Program Comment summarizes those lists and provides the types and numbers of pre-1919 housing at each installation.

5. Stakeholders asked that we refine the definition of lease, transfer, and conveyance.

- Lease, transfer, and conveyance activities under this PC only occur between housing partners and the Army. They are only for the purposes of management of the housing as housing. The PC does not cover any real property transactions outside of those parameters.
- **Since Army is a partner in the LLC** created with our housing partners at each installation, federal oversight and involvement continues, the operation, maintenance and repair of homes remain subject to the Army's oversight and all major real property related decisions of housing partners must be approved by the Army. No housing can leave government oversight and ownership under the program comment.

6. Some stakeholders are concerned that this Program Comment would remove SHPO project-by-project review of undertakings.

- As the Council's regulation indicates and as ACHP staff stated, Program Comments were designed and are intended to operate "*in lieu of*" individual project-by-project review of undertakings by SHPOs. The Army is currently successfully implementing Program Comments **in lieu of** SHPO project by project reviews for over 29,000 of our 30,000 historic homes.

7. Stakeholders asked why don't we just amend the installation PAs instead of doing a Program Comment?

- The Army would be faced with amending PAs for 19 different installations. And would still end up with 19 different agreements with different and variable requirements, continued project-by-project reviews, and would still be subject to overly restrictive standards and delays. The Program Comment will provide consistent treatment across all 19 installations.

8. Stakeholders asked for detailed information on the costs associated with pre-1919 housing.

- We have provided detailed financial information on the Program Comment website. That information states that

- Army homes turn over every 2-3 years as soldiers and their families are reassigned. The Army's historic homes require additional funds for both maintenance and turn-over of between 20 to 100%, and an additional 30 to 40% in capital improvement funds when compared to non-historic homes.
- Detailed financial information for Ft Leavenworth pre-1919 NHL homes is also provided covering the last six years. Fort Leavenworth's pre-1919 NHL homes have a negative cash flow after debt service of over \$1.5 million to over \$2 million per year. This situation is not financially sustainable.
- High-cost historic and in-kind building materials and specialized craftsmen contribute to high capital costs. The total capital requirement for rehabilitation of Fort Leavenworth's 269 pre-1919 NHL homes is \$92 million based on current PA driven requirements. The use of substitute building materials following this Program Comment is estimated to reduce that requirement by \$14 million, allowing \$14 million more dollars to be reinvested into rehabilitation and to address the backlog of deferred maintenance.
- Fort Leavenworth's **non-historic homes** cost less to maintain and improve, replacement parts and materials are less costly, easier to obtain and install, and no abatement of lead-based paint or asbestos is needed.
- Due to lower operating costs, non-historic homes at Leavenworth have a positive cash flow after debt service, but that is offset by the large negative cash flow of the pre-1919 homes -- they draw resources away from needed improvements to the non-historic homes where the majority of Army families live.
- The financial statement provided is detailed, correct, and accurately relates the challenging financial situation for Ft Leavenworth's pre-1919 NHL housing. Similar financial situations are found across the Army's pre-1919 housing portfolio.

9. Some stakeholders have said the Army's rehabilitation of several pre-1919 homes at Ft McNair is gold plated because it includes sprinkler systems and four season rear porches.

- There is a DoD-wide requirement for inclusion of sprinkler systems in such rehabilitations. This is a life safety measure that cannot be avoided. The

porches are being transitioned from two season to four season porches as a quality-of-life improvement for the occupants, this cost is relatively small in consideration of the entire scope of the rehabilitation. Quality of life, health, and safety of residents are critical factors that must be considered in rehabilitation of pre-1919 housing.

10. Stakeholders have indicated that the Army's pre-1919 National Historic Landmark (NHL) housing should be held to the highest preservation standards, citing Independence Hall, a NPS building museum, as an example.

- We understand that some believe that each one of these homes should be individually curated as if they were house museums. The Army's pre-1919 homes are not museums; they are actively used and occupied military assets located on restricted access military installations. Highly restrictive standards are not compatible with intensely used military housing, nor are they effective for long-term preservation of this inventory of housing.
- The Army also understands the significance of the NHL status of these homes, which is one of the reasons we are proposing this program comment. This program comment in its entirety demonstrates the Army's planning to minimize and avoid harm to NHLs and will manage pre-1919 NHL housing to a higher standard of care than is currently occurring under installation PAs. The program comment will help eliminate the backlog of deferred maintenance and support additional rehabilitation of NHLs.

In summary, the current Section 106 process has been tried for 20 years; it has not worked well for the Army's unique historic housing situation.

We are requesting your approval of this Program Comment because this approach has proven to be very effective and has enhanced preservation outcomes.

This proposed Program Comment is in compliance with all requirements, and it provides a better long-term solution for the Army's historic housing.

This Program comment is the right thing to do.

Madam Chair, that concludes our remarks, thank you for the opportunity to address the council on this critically important program comment.