

# Privatized Military Housing Reform

## **Background:**

Last year, [Reuters](#) published its investigation into hazardous living conditions in privatized military housing, including servicemembers and their families living in homes with persistent mold blooms, water leaks, and rodent and insect infestations. Today, more than 99 percent of all military housing is privatized, and reform is needed to ensure servicemembers do not continue to face dangerous health, safety and environmental hazards.

The *Reuters* investigation and military advocacy groups report that the companies who operate military housing are often non-responsive, provide only superficial fixes, or blame the servicemember for persistent health, safety and environmental hazards. In some instances, servicemembers have been charged fees associated with the remediation of their own homes, including fees for leaving homes with persistent hazards. A recent [survey](#) conducted by the Military Family Advisory Network from January to February 2019 showed that more than 55 percent of respondents (out of 16,779 respondents) had a negative or very negative experience with privatized military housing,

According to the agreements between the military services and private contractors, the latter must address mold blooms, water leaks and other hazards in a timely manner. Yet, insufficient accountability and oversight mechanisms are in place to ensure that these private companies meet their contractual responsibilities and provide quality housing.

**Bill overview:** The Feinstein-Warner bill would withhold basic allowance for housing payments to contractors until health, safety and environmental hazards are addressed, prohibit contractors from charging certain fees, and require the Secretary of Defense to withhold incentive fees to poorly performing contractors. Additional details include:

- 1) *Basic Allowance for Housing (BAH):* Under this legislation, the installation commander shall withhold payment of a servicemember's BAH until a military housing official has inspected an environmental, safety or health hazard, verified that appropriate remediation has taken place, and the servicemember concurs that the remediation is satisfactory.
  - a. In the case that the hazard requires the servicemember to leave the housing unit, the housing company will pay all relocation costs.
- 2) *Housing Costs:* The bill would prohibit payment of a deposit, and any fee or penalty related to ending a lease early, except for normal wear and tear. The bill also requires contractors to reimburse servicemembers for damage to their private property caused by a hazard.
- 3) *Withholding incentive fees:* The bill would require the Secretary of Defense to withhold incentive fees to any contractor who persistently fails to remedy hazards.
- 4) *Common Credentials:* The bill would create standard credentials for health, safety and environmental inspectors across services, and including contractors, to ensure consistent inspection practices.
- 5) *Additional transparency for servicemembers:* The bill would require the DOD to establish an electronic system so that servicemembers can track and oversee their own work orders.