

Information Paper (1 Jan 2021)

USAG-Miami / DPW: Leased Key & Essential (K&E) Housing

Leased Housing... Not “privatized” housing, these are individual homes leased by the Army from individual owners/landlords under 10 USC 2828; assigned, occupied and managed as government controlled housing within Army policies and the lease terms.

Special Key & Essential (K&E) Housing Program... Unique Statutory Authority under 10 USC 2828(b)(4) for the Army to lease up to 8 houses in for USSOUTHCOM key and essential (K&E) personnel, for which the aggregate cost of all rent, utilities, operations and maintenance and security enhancements cannot exceed \$745.4K (FY19 threshold).

- *Location Limited to Doral, FL (33172 / 33178)*, consistent with “key and essential for the purpose housing” in terms of proximity to the installation - “positions for which the commander has determined the incumbent must live on the military installation in order to be immediately available on the installation for military necessity or other operational considerations”.

- *Size and Cost*. Statutory threshold is an absolute limit, but we are also limited by DoD/Army policy for GFO housing (minimum of 4BRs and a maximum of 3300 Livable Sq.Ft), fair market rent determinations, market availability and whether or not an owner/landlord is willing to accept Government lease terms (more risk and bureaucracy than local market practice for residential leasing). However, we are still able to get a lot more house than would be affordable with a GFO’s Basic Allowance for Housing. Our existing leased K&E GFOQs average \$50-55K/yr in rent and utilities, while CY21 O7+ BAH with dependents is \$42.5K/year (4BR single family home +2%) or without dependents \$34.3K/year (3BR single family home +1%).

- *Home Owners Associations*. Most acceptable housing in S. Florida is in Home Owners Associations with strict access control (gated communities with security), limited to owners, tenants and their designated representatives. Benefits are most of the HOAs have clubhouses with pools, fitness/recreation facilities, are more secure, etc. Challenges are many require background checks on residents, access for our staff and/or maintenance and repair or other service providers when needed. Owner/landlord is the only entity with a legal relationship with the HOA. Creates some challenges for the Government and third party service providers.

- *Consistency of Service*. Army established lease terms we use are consistent, but in application we have challenges since how each landlord/owner executes their maintenance and repair obligations can vary. Some have property managers, some have home warranty/maintenance service contracts, some have established service providers, etc. If it’s the owner/landlord’s responsibility within the lease to repair/correct something, we have to give them reasonable opportunity to respond and send them a notice before doing it ourselves and deducting it from their rent. If correcting an issue requires a permit, only the owner can obtain a permit (we cannot). Puts us in difficult situations sometimes and is not as responsive as if we were owners.

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- *Swimming Pools*. We cannot lease a home with a swimming pool due to the potential liabilities involved. Similar to the issues with permitting, because the Government (as the legal tenant) would be liable for any damages that resulted from the pool, and would not be able to transfer those liabilities legally to an assigned occupant. Additionally, under existing policy and regulation, we are not permitted to fund pool maintenance (chemicals, cleaning, etc) and there are no provisions under existing policy/regulation to require that from an assigned military occupant. Both USSOUTHCOM SJA and HQ Department of the Army Office of General Counsel have provided legal opinions recommending that we not lease homes with pools.

- *General & Flag Officer Housing*. DoD and all of the services are required to closely manage and report to Congress costs for GFO housing, to include preparing annual Six-Year Plans (SYPs) that are reported to Congress and Quarterly Expense Reports on actual costs; and leased GFOQs in particular have been under intense scrutiny from members of Congress over the past several years. SYPs are better suited for houses that are owned, operated and maintained entirely by the government and preparing them for leased housing is challenging, particularly since they are locked 2-years in advance... for a residence we may no longer lease by then. We use a “standard” distribution of the statutory limit within the SYP format since there are more uncertainties when trying to project the costs for leased houses. This results in SYPs that appear excessive, but ensures the flexibility to make full use of our statutory threshold if necessary.

Other Options... If the incumbent of a designated key and essential position were to decide they did not want to participate in the leased K&E housing program, and the Command grants an exception, we can still assist with housing services to help navigate the complex market here.

Miami-Fort Lauderdale Housing Market. Our Military Housing Area for the purpose of setting BAH rates includes all of Dade (South) and Broward (North) counties, about 3,000 active duty service members (~1200 US Coast Guard, ~1100 USAG Miami, and another ~700 others are split evenly between the services). Doral is almost always 15 (+/-5)-min commute from the installation, but is a relatively higher cost area; the majority of our families live in...

South-West Broward County (Miramar/Pembroke Pines) with 30-60 min commutes, moderate(+) housing costs, better schools (high school in particular), less crime.

Central-West Dade County (Kendall/Richmond areas) with a 45-75 min commutes, moderate(-) housing costs, so-so schools, slightly more crime.

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Miami / Fort Lauderdale Military Housing Area (Broward + Dade County)
USAG Miami (Doral FL 33172) ~ 20-mile/60-minute Commute Area