

Secretary under this section may not exceed an amount equal to 45 percent of the capital cost (as determined by the Secretary) of the project or projects that the eligible entity proposes to carry out under this section with the investment.

(3) In this subsection, the term “capital cost”, with respect to a project for the acquisition or construction of housing, means the total amount of the costs included in the basis of the housing for Federal income tax purposes.

(d) COLLATERAL INCENTIVE AGREEMENTS.—The Secretary concerned shall enter into collateral incentive agreements with eligible entities in which the Secretary makes an investment under this section to ensure that a suitable preference will be afforded members of the armed forces and their dependents in the lease or purchase, as the case may be, of a reasonable number of the housing units covered by the investment.

(Added Pub. L. 104-106, div. B, title XXVIII, §2801(a)(1), Feb. 10, 1996, 110 Stat. 546; amended Pub. L. 105-85, div. B, title XXVIII, §2805, Nov. 18, 1997, 111 Stat. 1991; Pub. L. 106-65, div. B, title XXVIII, §2803(d), (h)(1), Oct. 5, 1999, 113 Stat. 849; Pub. L. 108-136, div. A, title X, §1031(a)(50), Nov. 24, 2003, 117 Stat. 1602; Pub. L. 113-66, div. B, title XXVIII, §2805, Dec. 26, 2013, 127 Stat. 1008.)

Editorial Notes

AMENDMENTS

2013—Subsec. (e). Pub. L. 113-66 struck out subsec. (e). Text read as follows: “Amounts in the Department of Defense Family Housing Improvement Fund or the Department of Defense Military Unaccompanied Housing Improvement Fund may be used to make a cash investment under this section in an eligible entity only after the end of the 30-day period beginning on the date the Secretary of Defense submits written notice of, and justification for, the investment to the appropriate committees of Congress or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notice and justification is provided in an electronic medium pursuant to section 480 of this title.”

2003—Subsec. (e). Pub. L. 108-136 inserted before period at end “or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notice and justification is provided in an electronic medium pursuant to section 480 of this title”.

1999—Pub. L. 106-65, §2803(h)(1), struck out “in nongovernmental entities” after “Investments” in section catchline.

Subsec. (a). Pub. L. 106-65, §2803(d)(1), substituted “an eligible entity” for “nongovernmental entities”.

Subsec. (c). Pub. L. 106-65, §2803(d)(2), substituted “an eligible entity” for “a nongovernmental entity” in pars. (1) and (2) and “the eligible entity” for “the entity” wherever appearing in pars. (1) and (2).

Subsec. (d). Pub. L. 106-65, §2803(d)(3), substituted “eligible” for “nongovernmental”.

Subsec. (e). Pub. L. 106-65, §2803(d)(4), substituted “an eligible entity” for “a nongovernmental entity”.

1997—Subsec. (e). Pub. L. 105-85 added subsec. (e).

§ 2876. Rental guarantees

The Secretary concerned may enter into agreements with eligible entities that acquire or construct military family housing units or military unaccompanied housing units under this subchapter in order to assure—

(1) the occupancy of such units at levels specified in the agreements; or

(2) rental income derived from rental of such units at levels specified in the agreements.

(Added Pub. L. 104-106, div. B, title XXVIII, §2801(a)(1), Feb. 10, 1996, 110 Stat. 546; amended Pub. L. 106-65, div. B, title XXVIII, §2803(e), Oct. 5, 1999, 113 Stat. 849.)

Editorial Notes

AMENDMENTS

1999—Pub. L. 106-65 substituted “eligible entities” for “private persons” in introductory provisions.

§ 2877. Differential lease payments

Pursuant to an agreement entered into by the Secretary concerned and a lessor of military family housing or military unaccompanied housing to members of the armed forces, the Secretary may pay the lessor an amount in addition to the rental payments for the housing made by the members as the Secretary determines appropriate to encourage the lessor to make the housing available to members of the armed forces as military family housing or as military unaccompanied housing.

(Added Pub. L. 104-106, div. B, title XXVIII, §2801(a)(1), Feb. 10, 1996, 110 Stat. 547; amended Pub. L. 106-65, div. B, title XXVIII, §2803(f), Oct. 5, 1999, 113 Stat. 849.)

Editorial Notes

AMENDMENTS

1999—Pub. L. 106-65 substituted “a lessor” for “a private lessor”.

§ 2878. Conveyance or lease of existing property and facilities

(a) CONVEYANCE OR LEASE AUTHORIZED.—The Secretary concerned may convey or lease property or facilities (including ancillary supporting facilities) to eligible entities for purposes of using the proceeds of such conveyance or lease to carry out activities under this subchapter.

(b) INAPPLICABILITY TO PROPERTY AT INSTALLATION APPROVED FOR CLOSURE.—The authority of this section does not apply to property or facilities located on or near a military installation approved for closure under a base closure law.

(c) COMPETITIVE PROCESS.—The Secretary concerned shall ensure that the time, method, and terms and conditions of the reconveyance or lease of property or facilities under this section from the eligible entity permit full and free competition consistent with the value and nature of the property or facilities involved.

(d) TERMS AND CONDITIONS.—(1) The conveyance or lease of property or facilities under this section shall be for such consideration and upon such terms and conditions as the Secretary concerned considers appropriate for the purposes of this subchapter and to protect the interests of the United States.

(2) As part or all of the consideration for a conveyance or lease under this section, the purchaser or lessor (as the case may be) shall enter into an agreement with the Secretary to ensure that a suitable preference will be afforded members of the armed forces and their dependents in the lease or sublease of a reasonable number of the housing units covered by the conveyance or lease, as the case may be, or in the lease of

other suitable housing units made available by the purchaser or lessee.

(e) **INAPPLICABILITY OF CERTAIN PROPERTY MANAGEMENT LAWS.**—The conveyance or lease of property or facilities under this section shall not be subject to the following provisions of law:

- (1) Section 2667 of this title.
- (2) Subtitle I of title 40 and division C (except sections 3302, 3501(b), 3509, 3906, 4710, and 4711) of subtitle I of title 41.
- (3) Section 1302 of title 40.
- (4) Section 501 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11411).

(f) **NOTICE OF LEASE EXTENSIONS.**—(1) The Secretary concerned shall provide to the congressional defense committees notice in writing and a briefing—

(A) not later than 60 days after beginning negotiations with a lessor for the extension of the term of any ground lease of property or facilities under this section; and

(B) not later than 90 days before extending the term of any ground lease of property or facilities under this section.

(2) A notice and briefing required under paragraph (1) shall include each of the following:

(A) A description of any material differences between the extended ground lease and the original ground lease, including with respect to—

- (i) the length of the term of the lease, as extended; and
- (ii) any new provisions that materially affect the rights and responsibilities of the ground lessor or the ground lessee under the original ground lease.

(B) The number of housing units or facilities subject to the ground lease that, during the lease extension, are to be—

- (i) constructed;
- (ii) demolished; or
- (iii) renovated.

(C) The source of any additional financing the lessor has obtained, or intends to obtain, during the term of the ground lease extension that will be used for the development of the property or facilities subject to the ground lease.

(D) The following information, displayed annually, for the five-year period preceding the date of the notice and briefing:

- (i) The debt-to-net operating income ratio for the property or facility subject to the ground lease.
- (ii) The occupancy rates for the housing units subject to the ground lease.
- (iii) A report on maintenance response times and completion of maintenance requests for the housing units subject to the ground lease.
- (iv) The occupancy rates and debt-to-net operating income ratios of any other military privatized housing initiative projects managed by a company that controls, or that is under common control with, the ground lessee entering into the lease extension.

(E) An assessment of compliance by the lessor with the Military Housing Privatization

Initiative Tenant Bill of Rights developed under section 2890 of this title.

(Added Pub. L. 104-106, div. B, title XXVIII, §2801(a)(1), Feb. 10, 1996, 110 Stat. 547; amended Pub. L. 105-85, div. A, title X, §1073(a)(60), Nov. 18, 1997, 111 Stat. 1903; Pub. L. 106-65, div. B, title XXVIII, §2803(g), Oct. 5, 1999, 113 Stat. 849; Pub. L. 107-107, div. A, title X, §1048(d)(1), Dec. 28, 2001, 115 Stat. 1227; Pub. L. 107-217, §3(b)(23), Aug. 21, 2002, 116 Stat. 1297; Pub. L. 110-417, div. B, title XXVIII, §2805(d), Oct. 14, 2008, 122 Stat. 4723; Pub. L. 111-350, §5(b)(50), Jan. 4, 2011, 124 Stat. 3846; Pub. L. 117-263, div. B, title XXVIII, §2822, Dec. 23, 2022, 136 Stat. 3000; Pub. L. 118-31, div. A, title XVIII, §1801(a)(24), div. B, title XXVIII, §2822(a), Dec. 22, 2023, 137 Stat. 684, 751.)

Editorial Notes

AMENDMENTS

2023—Subsec. (f)(2)(D)(iii). Pub. L. 118-31, §1801(a)(24), substituted “A report” for “An report”.

Subsec. (f)(2)(E). Pub. L. 118-31, §2822(a), added subpar. (E).

2022—Subsec. (f). Pub. L. 117-263 added subsec. (f).

2011—Subsec. (e)(2). Pub. L. 111-350, which directed substitution of “division C (except sections 3302, 3501(b), 3509, 3906, 4710, and 4711) of subtitle I of title 41” for “title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.)” in subsec. (d)(2), was executed by making the substitution in subsec. (e)(2) to reflect the probable intent of Congress and the amendment by Pub. L. 110-417. See 2008 Amendment note below.

2008—Subsecs. (c) to (e). Pub. L. 110-417 added subsec. (c) and redesignated former subsecs. (c) and (d) as (d) and (e), respectively.

2002—Subsec. (d)(2). Pub. L. 107-217, §3(b)(23)(A), substituted “Subtitle I of title 40 and title III of the” for “The” and “(41 U.S.C. 251 et seq.)” for “(40 U.S.C. 471 et seq.)”.

Subsec. (d)(3). Pub. L. 107-217, §3(b)(23)(B), substituted “Section 1302 of title 40” for “Section 321 of the Act of June 30, 1932 (commonly known as the Economy Act) (40 U.S.C. 303b)”.

2001—Subsec. (d)(4). Pub. L. 107-107 substituted “McKinney-Vento Homeless Assistance Act” for “Stewart B. McKinney Homeless Assistance Act”.

1999—Subsec. (a). Pub. L. 106-65 substituted “eligible entities” for “private persons”.

1997—Subsec. (d)(4). Pub. L. 105-85 substituted “11411” for “11401”.

[§ 2879. Renumbered § 2857]

Editorial Notes

PRIOR PROVISIONS

A prior section 2879, added Pub. L. 104-106, div. B, title XXVIII, §2801(a)(1), Feb. 10, 1996, 110 Stat. 547, related to interim leases of completed units pending completion of a project to acquire or construct military family housing units or military unaccompanied housing units, prior to repeal by Pub. L. 107-314, div. B, title XXVIII, §2802(c)(1), Dec. 2, 2002, 116 Stat. 2703.

§ 2880. Unit size and type

(a) **CONFORMITY WITH SIMILAR HOUSING UNITS IN LOCALE.**—The Secretary concerned shall ensure that the room patterns and floor areas of military family housing units and military unaccompanied housing units acquired or constructed under this subchapter are generally comparable to the room patterns and floor areas of similar housing units in the locality concerned.