

DOCUMENT RESUME

06001 - [B1566600]

Is There a Need for Additional Family Housing at Fort Stewart?
CED-78-108; B-133316. June 2, 1978. 3 pp. + appendix (16 pp.).

Report to Rep. George H. Mahon, Chairman, House Committee on Appropriations; by Elmer B. Staats, Comptroller General.

Issue Area: Domestic Housing and Community Development (2100).

Contact: Community and Economic Development Div.

Budget Function: National Defense: Department of Defense - Military (except procurement & contracts) (051).

Organization Concerned: Department of Defense; Department of the Army; Department of the Army: Fort Stewart, GA.

Congressional Relevance: House Committee on Appropriations; House Committee on Armed Services; Senate Committee on Armed Services. Rep. George H. Mahon.

Authority: Housing and Community Development Act of 1977 (P.L. 95-128). Posse Comitatus Act (18 U.S.C. 1385). National Housing Act, title II. P.L. 94-107. P.L. 95-82. P.L. 92-545. P.L. 81-815. P.L. 85-620. O'Callahan v. Parker, 395 U.S. 258 (1969).

An analysis was conducted of the capabilities of the communities near the Army's new one-division base at Fort Stewart/Hunter Army Airfield to support the Army's need for 750 new onbase housing units. These units, authorized in October 1975, were estimated to cost \$44 million. Construction was expected to be completed early in 1978. Findings/Conclusions: Although the Department of Defense's (DOD's) policy has been to rely on communities' local housing market near military installations as the primary source of military family housing, sufficient housing is not available in the communities surrounding Fort Stewart to accommodate the military families moving in. Investors have been reluctant to finance housing in the Fort Stewart area because there has been no investment protection in case the Army reduced its staffing levels at Fort Stewart. Public Law 95-128, enacted in October 1977, provides the Department of Housing and Urban Development with authority to issue mortgage insurance for property located near military installations in federally impacted areas. The influx of military personnel has affected community services and resources such as schools, health and social services, and police and fire protection. (RRS)

6600

REPORT BY THE

Comptroller General

OF THE UNITED STATES

Is There A Need For Additional Family Housing At Fort Stewart?

GAO found that the Department of the Army needs additional onbase housing at Fort Stewart because accommodations in the surrounding communities are insufficient for military families moving to Fort Stewart.



CED-78-108

JUNE 2, 1978



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-133316

The Honorable George H. Mahon, Chairman
Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

On April 20, 1977, you asked that we determine whether the Department of Defense (DOD) had made a thorough analysis of the capabilities of the communities near the Army's new one-division base at Fort Stewart/Hunter Army Airfield to support the Army's stated need for 750 new onbase housing units. These units were authorized by Public Law 94-107, October 7, 1975, and are estimated to cost \$44 million. Construction of these units was expected to be completed early in 1978. We were also asked to analyze the effects the buildup of Fort Stewart to a one-division base created in the communities around Fort Stewart/Hunter and to formulate some lessons that could be learned when DOD decides to significantly increase the military troop strength at an installation (such as Fort Stewart/Hunter) located basically in a rural area.

Our findings are summarized below and discussed in detail in appendix I.

- The Army does need the 750 new onbase housing units authorized in October 1975 because sufficient housing is not available in the surrounding communities to accommodate the military families moving to Fort Stewart. (See p. 5.)
- Investors were reluctant to finance housing in the Fort Stewart area because no investment protection

was available if the Army reduced its personnel levels at Fort Stewart. Such investment protection is now available. Public Law 95-128, October 12, 1977, provides the Department of Housing and Urban Development with the authority to issue mortgage insurance covering property located near military installations in federally impacted areas. For the Department of Housing and Urban Development to provide the insurance, DOD must have certified that it does not intend to curtail the number of personnel assigned to the installation. DOD officials advised us that they will make the required certification for Fort Stewart. Thus, aggressive implementation of the new program by the Department of Housing and Urban Development could alleviate any need to construct additional onbase family housing (beyond the 750 already authorized) at Fort Stewart. The Department of Housing and Urban Development is currently developing instructions and a handbook to carry out the program. (See pp. 14, 15 and 16.) In similar future situations, in which a military installation in a rural area will be expanding, early coordinated planning by the Departments of Defense and Housing and Urban Development will be necessary to stimulate the development of housing in the community to meet the installation's military housing need, thereby eliminating or minimizing the construction of family housing on base. (See p. 16.)

--The influx of military personnel into the communities surrounding Fort Stewart has affected community resources and services such as schools, health and social services, and police and fire protection. The workloads for these services have increased significantly, requiring additional personnel and changing the type of services provided. (See p. 6.)

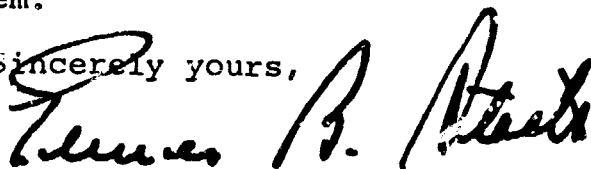
You also asked that we determine whether the 520 new family housing units authorized by Public Law 95-82, October 12, 1977, estimated to cost \$24.6 million, were needed at the Navy's new Trident submarine base at Bangor, Washington. We reported our findings to you in our report entitled

"Analysis of the Need for Additional Family Housing at the Navy's Trident Submarine Base" (CED-78-49, Feb. 9, 1978).

At your request, we did not obtain written agency comments on the matters discussed in this report. However, we did discuss our work with agency officials during the course of our review, and they agreed with our findings.

As arranged with your office, we are sending copies of this report to the House Committee on Armed Services; Senate Committees on Armed Services and Appropriations, Subcommittee on Defense; the Director, Office of Management and Budget; and the Secretaries of Defense, the Army, and Housing and Urban Development. Copies will also be made available to interested parties who request them.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Thomas B. Heath". The signature is written in a cursive style with a large, prominent initial "T".

Comptroller General
of the United States

ANALYSIS OF DOD'S PLANS FOR ADDITIONALONBASE HOUSING AT FORT STEWARTINTRODUCTION

On April 20, 1977, the Chairman, House Committee on Appropriations, asked us to determine whether DOD had made a thorough analysis of the capabilities of the communities near the Army's new one-division base at Fort Stewart/Hunter Army Airfield to support the Army's stated need for 750 new onbase housing units authorized by Public Law 94-107, October 7, 1975, costing \$44 million. We were also asked to analyze the effects the buildup of Fort Stewart to a one-division base created in the communities around Fort Stewart/Hunter and to formulate some lessons that could be learned when DOD decides to significantly increase the military troop strength at an installation (such as Fort Stewart/Hunter) located in a rural area.

On February 8, 1974, the Department of the Army announced plans to significantly increase the assigned military strength of Fort Stewart/Hunter Army Airfield, Georgia. Following this announcement, the Army requested authorizations from the Congress for appropriations to make numerous modifications to the Fort Stewart/Hunter installation, including requests for additional family housing units onbase.

We made our review at Fort Stewart, Georgia and in the surrounding areas, including Hinesville and Liberty County; Glennville, Reidsville, and Tattnall County; Ludowici and Long County; Pembroke and Bryan County; Jesup and Wayne County; and Claxton and Evans County. We also made limited contacts in Richmond Hill and Savannah.

We reviewed several Fort Stewart analyses and documents relating to the buildup and the Fort Stewart Family Housing Survey reports for 1975, 1976, and 1977. We also reviewed several studies of the buildup's impact and reports issued by various Federal, State, and local agencies.

We interviewed many Fort Stewart and local community officials. We also discussed the Fort Stewart impact with the Federal regional office representatives of the Departments of Health, Education, and Welfare (HEW); Housing and Urban Development (HUD); and Veterans Administration (VA).

The population in the Fort Stewart area has increased significantly

Fort Stewart and Hunter Army Airfield are separate installations. Fort Stewart military reservation is located in southeast Georgia, about 41 miles from Savannah. The main area is located in the lower southern portion of the reservation, adjacent to the city of Hinesville. Other towns in the area surrounding the reservation include Glennville, Claxton, Pembroke, Richmond Hill, Ludowici, and Jesup. Fort Stewart is the largest employer in this predominantly rural and undeveloped area.

The total 1970 population of the six counties surrounding Fort Stewart (excluding Chatham County) ^{1/} was about 69,500, and in 1974 it was estimated to be 72,300. Hinesville and Liberty County--the jurisdictions receiving most of the buildup--had a 1970 population of about 17,600 and a 1974 population estimated to be 18,000.

The latest information available from the State of Georgia shows that, in July 1976, the approximate population of the six counties surrounding Fort Stewart was 78,400. Hinesville and Liberty County had increased to approximately 22,800. The increase in the growth rate between 1974 and 1976, as compared with that between 1970 and 1974, shows the impact of the Fort Stewart buildup. Furthermore, a major part of the influx of new troops at Fort Stewart, about 6,000, occurred between July 1976 and October 1977 and is not reflected in the figures above.

Hunter Army Airfield is located in Chatham County and borders the city of Savannah. It is bound primarily by residential and light commercial areas. The airfield is operated as a subpost of Fort Stewart with the installation commander and directorate staff located at Fort Stewart.

Until 1974, Hunter Army Airfield was in a caretaker status. As part of its new role in support of Fort Stewart as a one division installation, Hunter's military population increased from 1,435 in January 1975 to 4,231 as of January 1977, and its projected strength is about 4,500. Due to its location near a major urban area, Fort Stewart officials expected the increase in the demand for housing and services

^{1/}Although Chatham County and Savannah are within 50 miles (one-hour's driving time) of Fort Stewart, they are excluded from the Fort Stewart survey area because they are used as the survey area for Hunter Army Airfield. Separate surveys are made for the two installations.

resulting from Hunter's modest increase to be readily met by the community and therefore did not request new family housing for Hunter. Consequently, we did not review the housing situation or the effect of the buildup in Savannah or Chatham County.

DOD's policy is to rely
on the local communities for housing

The objective of DOD's family housing program is to assure that married members of the Armed Forces and their families are adequately housed. To achieve this, DOD's longstanding policy has been to rely on the communities' local housing market near military installations as the primary source of family housing.

Because of significantly rising costs of constructing and maintaining onbase family housing and the need to assist the economies of communities near military installations, the Congress has indicated to DOD that onbase housing should be constructed only as a last resort, and DOD complies with this. Only when local communities cannot adequately house military families can onbase housing be constructed.

DOD's policy provides that enlisted personnel in grades E-4 through E-9 with dependents and all officers with dependents are eligible for onbase housing. It also provides that families living onbase must forfeit their housing allowance. Although personnel in grades E-1 through E-3 with dependents are not generally eligible for onbase family housing, they may be assigned onbase housing if (1) housing designated as "rental housing" under Public Law 92-545, October 25, 1972, is available or (2) more adequate housing than needed by eligible families is available.

Annual housing surveys determine
whether new housing onbase is needed

Annual family housing surveys are conducted in January at selected military installations to assess available local community housing and to determine whether constructing new onbase housing is necessary. As part of the survey, military families at an installation are statistically sampled and asked to complete a questionnaire to determine their housing needs, which are expressed in the number of bedrooms needed.

More specifically, existing onbase housing, private rental units, and owner-occupant housing will be considered as suitable housing and will be charged against requirements

in all cases where the accommodations are classified as satisfactory by the occupant, and the units are within an hour's drive from the installation's administrative area. If not classified as satisfactory by the occupant, or if vacant, the units generally will be considered suitable if (1) the distance from the installation's administrative area can be traveled by a privately owned automobile in 60 minutes or less during rush hours, (2) the average total monthly housing costs (including utilities) do not exceed a certain prescribed limit, and (3) the units contain certain prescribed features--such as living area, number of bedrooms, etc.--considered suitable for the family size involved.

Responses from completed questionnaires are used to determine the housing needs of all eligible military families at the installation. Housing firmly planned in the community is also identified during the survey. New onbase housing may be requested if not enough housing is available in the community and onbase to meet the 5-year projected needs of 90 percent of the military families eligible for onbase housing at an installation.

Deficiencies in the housing survey
overstate the need for housing onbase

Although the need for the 750 housing units was documented using established DOD annual housing survey procedures, the survey procedures have many deficiencies which could result in an overstatement of the need for new housing onbase. These weaknesses are discussed in our recent report entitled "The Military Services Are Constructing Unneeded Family Housing" (CED-78-8, Dec. 29, 1977).

The survey's major deficiency is the method used to identify housing to be provided through future private construction. DOD's survey procedures ignore the housing-for-sale market and limit the future housing market to rental units which are firmly planned or actually under construction at the time of the survey. Ignoring the available supply of for-sale housing could, according to a memorandum issued in June 1973 by the Assistant Secretary of Defense (Installations and Logistics), result in an overstatement of a need to build onbase housing, particularly at installations where the supply of housing is about equal to demand.

Limiting future construction to units firmly planned or actually under construction assumes that what is currently available or under construction in a community at

the time of the survey will be the only available housing 5 years later. (DOD's survey uses a 5-year projection of housing demand and supply.) Applying this procedure in an area experiencing a steady rise in the supply of housing could significantly distort the need to build housing onbase, because the expected growth of community housing would be ignored. In areas such as Fort Stewart where (1) the current supply of housing was small but adequate to meet normal projected needs and (2) the number of military families moving to the area rapidly increased over a 30-month period, the deficiency would probably not distort the need for housing onbase because the period was too short and the increase in demand was too fast for the housing supply market to properly react.

HOUSING SHORTAGE NECESSITATED NEW HOUSING ON BASE

Despite the deficiencies identified with the housing survey procedures, the Army needed the 750 onbase units authorized in October 1975 because even at the time of our review, sufficient housing was not available in the surrounding communities to accommodate the military families moving to Fort Stewart.

In June 1977, about 4,400 of the 9,800 military personnel assigned to Fort Stewart needed family housing. Of these 4,400 families, 1,113 lived on base and 3,287 lived off base. At the same time, the supply of suitable (determined by DOD criteria) housing in the immediate area was about 1,800 units.

As of June 1977, Fort Stewart's Housing Referral Office listed as suitable housing for military families 1,640 rental units including 788 apartments (21 vacant), 83 homes (9 vacant), and 769 mobile homes (none vacant). Rental rates ranged from less than \$100 for older apartments to \$600 for a four-bedroom, single-family home. The referral office also listed 147 for-sale units in the Fort Stewart commuting area as suitable housing (97 single-family homes, 16 condominiums, and 34 mobile homes). Most of the single-family homes had three bedrooms and were priced between \$30 thousand and \$40 thousand. Other housing was available but it was either unsuitable by DOD criteria or was beyond DOD's 60-minute commuting criteria. (Some of Fort Stewart's families lived in this housing.)

The housing supply has grown somewhat since 1974. As shown in the following table, most of the growth occurred in the mobile home and single-family home categories.

Building Permits

<u>Year</u>	<u>Single-family Houses</u>	<u>Multifamily (apartment) units</u>	<u>Mobile homes (note a)</u>	<u>Total</u>
1974	116	52	581	749
1975	466	55	506	1,027
1976	390	63	827	1,280
1977 (note b)	268	c/153	580	1,001
	<u>1,240</u>	<u>323</u>	<u>2,494</u>	<u>4,067</u>

a/Permits are issued in some jurisdictions for mobile home utility connections and/or tax assessments. Local officials indicated that many mobile homes have been installed without permits.

b/Jan. to June.

c/Does not include the permit for 240 units which were under construction in Oct. 1977.

Local officials said that the future multifamily rental market may be better, since about 326 apartment units are firmly planned for the near future.

THE BUILDUP HAS AFFECTED COMMUNITY
RESOURCES AND SERVICES

The influx of military personnel into the communities surrounding Fort Stewart has affected community resources and services such as schools, public safety, and health and social services. Hinesville and Liberty County received most of the buildup. Community services for these jurisdictions have experienced increased workloads and have added personnel and/or adjusted the type of services provided. Other nearby jurisdictions have experienced minor effects.

School became overcrowded

The Liberty County school system and the Fort Stewart onbase school became overcrowded as a result of the buildup. As Fort Stewart's assigned personnel strength increases, overcrowding will worsen.

Children living onbase in grades kindergarten through 6th attend the Fort Stewart Dependent's School. Children onbase in grades 7 through 12 and all military dependent

children living in Liberty County attend the Liberty County schools.

The design capacity for the Liberty County schools was 3,875 students. As of October 11, 1977, total enrollment was 4,690--an excess of 815 students. Due to the Fort Stewart buildup, in 1976 the State of Georgia allocated \$900,000 to Liberty County for the construction of an additional elementary school with a capacity for 625 students and the addition of four classrooms to an existing school, increasing its capacity by 100 students. This work, which is now underway, will bring the system's capacity to 4,600 students.

HEW's Office of Education administers Fort Stewart's Dependent's School. The school was designed to accommodate a maximum of 750 students. In May 1976, the school's enrollment was 639 and jumped to 1,074 students in October 11, 1977. More students are expected when all of the 750 onbase units are completed. In order to cope with the current overcrowded condition, Fort Stewart officials had postponed demolishing nine temporary buildings and converted them into additional classroom spaces.

In March 1976, the Army requested that HEW construct an additional school onbase and, in May 1976, revised its request asking HEW to construct two schools and modify the existing school. HEW approved one school and the modification work and said that this approval will be included with many other requests for Federal assistance under Public Law 81-815, September 23, 1950, which provides aid for minimum school facilities to school districts in federally impacted areas. Meanwhile, according to Fort Stewart officials, the school situation on base remains critical.

The construction of the additional Fort Stewart school to take care of the children from the 750 new onbase units depends on the amount of funds the Congress appropriates under section 10 of Public Law 81-815 supra, as amended by Public Law 85-620, August 12, 1958.

Public Law 81-815 authorized HEW to provide funds to construct school facilities in federally impacted areas. Section 10 of the law pertains to construction of school facilities on military installations. In fiscal year 1977 the Congress approved a total of \$25 million for all federally assisted school construction projects, of which \$6 million was for section 10 projects. About \$30 million was approved for fiscal year 1978 projects. None of the funds for either fiscal year were earmarked for the Fort Stewart school.

Fort Stewart's request is contained in HEW's backlog of \$200 million for section 10 construction needs. HEW has divided the \$200 million into four priorities as shown below.

Section 10

<u>Priority category</u>	<u>Amount (in millions)</u>
1 and 2	\$ 32
3	131
4	36
	<u>\$200</u>

As can be seen from the above table, the success of Fort Stewart's request depends on how high the school is ranked in priority 3 and the amount of funds the Congress approves for each category.

Other school jurisdictions in the Fort Stewart area reported little or no effect from the Fort Stewart buildup. Although some systems reported minor overcrowding, officials said that normal population increases caused the overcrowding and not the buildup.

Health services increased

As a result of the buildup requests for mental and physical health services have increased significantly in Liberty County. The Liberty County Public Health Department increased its staff, added new services, and rearranged its service priorities in order to meet the community needs as effectively as possible.

Liberty County mental health services are available only on a part-time basis. A report, prepared by the Georgia Department of Human Resources, dated July 1977, on human service needs in the area showed that mental health services provided to Fort Stewart dependents increased significantly (no figures were provided) since the buildup began and that related increases occurred in adult, child and adolescent, alcohol and drug, and psychiatric units at the State regional mental hospital. The report recommended that mental health services should be provided on a full-time basis in order to meet the needs of the Fort Stewart referrals and the increased Liberty County population.

Generally, before using civilian facilities, dependents residing with active duty members living within 40 miles of

a military medical facility must obtain a nonavailability statement from local military hospital officials that the facility is unable to provide the impatient care.

County health officials said that because the onbase medical facilities are small, many military personnel and their dependents use county health services. As a result, the Physical Health Branch had to hire additional staff personnel as shown in the following table.

<u>Position</u>	<u>Number of staff personnel</u>	
	<u>Before the buildup</u>	<u>August 1977</u>
Full-time medical doctor	0	1
Full-time nurses	2	3
Part-time nurses	0	2
Home services aide	0	1
Full-time clerks	N/A	4
Part-time clerks	N/A	1

Note: N/A--not available

Before the buildup, the nurses made home visits. Due to the increased workload, however, a home services aide was hired to make the visits. The medical doctor, a State employee, was also assigned to Liberty County to help with the increased workload.

The Physical Health Branch also added new services due to needs created by the buildup. For example, it started a nutrition program for young children and pregnant women. County health officials said that about 25 percent of the people using these services were military personnel or their dependents.

Because of increased problems with rabies control and animal abandonment, the Environmental Health Services Branch added a full-time rabies control officer for Hinesville and Liberty County. A branch official said these problems increased primarily due to the Fort Stewart buildup. Also, the branch reported increases in requests for inspections of sewer systems, water supplies, and food service establishments.

The buildup had no discernible effect on health services in other counties surrounding Fort Stewart.

Additional social services employees were hired

The buildup significantly increased the need for additional staff and supervisory positions at the Liberty

County's Department of Family and Children's Services. Long County also hired one new employee and started using volunteers to help with its child abuse program.

Before the buildup, Liberty County had one caseworker handling protective services and resources development (adoption and foster homes) cases. In August 1977, Liberty County increased its staff to one full-time resource developer and three full-time protective services caseworkers. One caseworker dealt specially with military families who lived on base or in nearby Long, Bryan, Tattnall, or Evans counties. (A special agreement had been established between Liberty and these counties to permit this arrangement.) The other two caseworkers dealt primarily with local citizens and military families living off base in Liberty County.

Liberty County had assigned one food stamp worker to deal primarily with military families. A County official said that these cases require monthly review because military paychecks fluctuate almost monthly and changes in pay affect the family's food stamp allotment.

The Director for Family and Children's Services said that three additional supervisors--one each for protective services, homemaker services, and food stamp services--are needed. Also the need for a protective services supervisor was directly related to the buildup because of the increase in number and complexity of military protective services cases.

Other jurisdictions in the Fort Stewart area reported no effect on their social services programs as a result of the Fort Stewart buildup.

Law enforcement staffs and facilities became understaffed and overcrowded

As a result of the buildup, the Hinesville and Liberty County law enforcement staffs and facilities had become understaffed and overcrowded. The buildup also affected law enforcement in Long County, the city of Jesup, and Tattnall County. Other jurisdictions reported no effect.

The Liberty County Sheriff's Department reported that felonies and misdemeanors had increased since the buildup. The Sheriff estimated that military personnel or dependents were involved in 50 percent of the felonies and 40 percent of the misdemeanors. To cope with the situation, the Sheriff's Department added one full-time and six part-time deputies. Six additional full-time deputies will be hired as money becomes available.

The Hinesville Police Department grew from a force of 6 officers before the buildup to its current staffing of 14 officers, a dispatcher, and a clerk. Two additional officers were authorized; however, the Chief of Police estimated that Hinesville's population had increased to about 12,000 and that following national guidelines of 2.8 police for each 1,000 persons, Hinesville needed about 20 additional officers.

To compound the Department's shortage, the Fort Stewart military police unit cannot legally assist local police in the performance of their duties, even in situations involving military personnel. The Fort Stewart Staff Judge Advocate said that (1) the Posse Comitatus Act (18 U.S.C. 1385) (1976) prohibits the use of military police to supplement local police and (2) a Supreme Court decision has held that the military has no jurisdiction to prosecute military personnel for off-post offenses which have no direct service connection (O'Callahan vs Parker, 395 U.S. 258 [1969]). For military police to arrest military personnel for off-post offenses would be viewed as assisting the civilian police--a violation of the Posse Comitatus Act. Therefore, the Department has full responsibility for policing both the Hinesville population and the Fort Stewart population whenever they enter Hinesville.

The Hinesville Police Department occupied two offices in the regional jail located in the city. When the facility was built in 1971, local officials expected this arrangement to be adequate for about 25 years. However, with the buildup and the resulting staff increase to 16 persons, the space had become inadequate.

In addition to more officers and space, police officials said that more equipment--cars, radios, etc.--is needed to handle the Fort Stewart buildup. However, revenues had not kept pace with increased expenses so these needs have not been met.

The Long County Sheriff's Department increased its staff from four to five deputies in late 1976 as a result of the buildup. Also, officials in the city of Jesup said that their police department needed four additional officers due to normal population increases and the buildup. The Sheriff of Tattnall County noted population increases in his area, partly due to the buildup, and said that he needed an additional (the sixth) deputy. Officials in other jurisdictions surrounding Fort Stewart said that the buildup had not affected law enforcement activities in their respective areas.

Additional fire protection services were needed

When population and property increased within its area of responsibility, the Hinesville Fire Department had experienced increased calls and needs. The Department provides 24-hour service to all of Liberty County and mutually aids the volunteer fire departments in the county and Fort Stewart. The Fire Department had three full-time positions and 25 volunteers. The Fire Chief said that in his new budget, he requested six additional full-time positions and a new fire truck. He attributed these needs primarily to the Fort Stewart buildup. Also, due to the buildup, Hinesville received a Federal grant for the construction of a new fire station.

Jesup officials also reported inadequate fire protection due to inadequate facilities and equipment and increased fire calls. However, they attributed this partly to normal population increases and partly to the buildup. Officials in other areas near Fort Stewart reported no effect on fire protection.

Insufficient water and sewer systems curtailed housing development

During the initial phases of the Fort Stewart buildup, the need for expanded water and sewer facilities in Hinesville was the most immediate and serious obstacle to housing expansion in the region. This was also a problem in many of the other surrounding areas.

County officials said that the lack of adequate water and sewer capacity curtailed the construction of new homes in Hinesville during the early stages of the Fort Stewart buildup. However, in October 1975 the Economic Development Administration, Department of Commerce, provided a \$2.3 million grant for new water and sewer lines and a 250,000-gallon elevated storage tank for the Hinesville area. Construction on these new facilities was completed at the time of our review.

In Ludowici (Long County) sewer lines were not available in all areas within the city boundaries. Local officials requested a Federal grant for the expansion of the system due to increased needs attributed to the Fort Stewart buildup. Also, a city official in Glennville (Tattnall County) said that, in parts of Glennville, the absence of sewers prevented or severely restricted new construction. We noted that at least two Federal grants had been requested for improvements in sewage facilities in Glennville, partly due to the Fort Stewart buildup. Other

areas also had limited sewer capabilities but were not affected by the buildup.

Other Federal and State agencies have responded to community needs

In addition to the studies and grants made by HUD and HEW, other Federal agencies have been involved in the Fort Stewart impact area. State agencies have also responded to critical community needs.

The VA has been very active in Hinesville and Liberty County in approving lots and subdivisions. By June 1976, VA had approved 1,180 lots and issued over 760 appraisals in the Hinesville area.

In an effort to help with the housing shortage, VA waived its normal requirements and allowed some subdivisions with septic tanks and unpaved streets without gutters, curbs and underground utilities, to develop based on the statement from the Mayor that the City of Hinesville would make these improvements. However, in March 1976, VA rescinded this waiver because none of the improvements had been made.

Hinesville and Liberty County--the areas receiving the greatest buildup impact--received \$3.35 million in Federal grants. A list of Federal agencies making grants and the total amount of grants from each agency is shown in the following table.

<u>Agency</u>	<u>Amount</u>
Department of Housing and Urban Development	\$ 869,750
Economic Development Administration	a/ 2,331,000
Environmental Protection Agency	b/ 5,294,044
Farmers Home Administration	c/ 601,400
Department of Health, Education and Welfare	66,507
Department of Interior	d/ 334,138
Total	<u>\$9,496,839</u>

a/This single grant was for the construction of the Hinesville Water and Sewer system.

b/This amount includes \$5,071,236 in grants to Savannah and Richmond Hill for secondary treatment facilities.

c/Farmers Home Administration had also made over \$1,730,000 in loans. However, only \$78,000 in grants were in Liberty County.

d/None of these grants was in Liberty County.

Beginning in January 1976, State agency activities in the impact area were coordinated primarily through the Georgia Bureau of Community Affairs. By mid-1976, through joint Federal, State, and local efforts, many problems were being addressed or were well on the way to resolution. The most severe remaining problem was housing.

A HUD official said that the State of Georgia authorized the Georgia Residential Financing Authority to issue State bonds up to \$50 million to help low and middle income families obtain home mortgages in the Fort Stewart area.

RECENT FEDERAL LEGISLATION CAN ALLEVIATE
FORT STEWART'S HOUSING PROBLEM

At the outset of the buildup, HUD studied the housing impact in the Fort Stewart area in early 1975 to determine the extent of possibilities for HUD involvement in the area's housing and community development needs. The study pointed out that because the Fort Stewart area had a predominantly military economic base, mortgage bankers, insurers, investors, and developers were reluctant to provide community housing for fear that Fort Stewart's mission may be curtailed in the near future. Also, HUD housing programs were generally precluded in areas where the nonmilitary housing demand was low.

The following excerpts from HUD's policy statements highlight HUD's consideration in military impact area:

"* * * Market Considerations. All considerations respecting the use of Title II in military-impacted areas must recognize that the permanency of the 'permanent' military installation is by no means assured. * * * Current housing needs, therefore, may not provide the basis for long-term support of either the sales or rental market, or both."

"* * * the following considerations will continue to be paramount in determinations with respect to the use of Title II:

(a) The type and mission of the installation, its historical stability and the projected continued necessity for this type of activity or a logical replacement.

(b) Stability in the assigned strength * * * and the prospective maintenance of this strength over a long term."

"* * * in any small community where the demand for housing from military and military connected civilian personnel is clearly predominant, * * * Title II mortgage insurance is not to be utilized in the satisfaction of military-oriented demand."

Public Law 95-128 (Housing and Community Development Act of 1977), approved October 12, 1977, amended the 1974 Act to substantially revise HUD's authority to provide mortgage insurance covering property located near military installations in federally impacted areas. Under the new authority, HUD may insure, under any section of title II of the National Housing Act, a mortgage executed in connection with the construction, repair, rehabilitation, or purchase of property so located, even if conditions in the area are such that one or more of the eligibility requirements for mortgage insurance cannot be met. In exercising this authority, HUD must determine that the benefits involved outweigh the risk of probable cost to the Government. Also, DOD must have certified that there is no reasonable foreseeable intention to substantially curtail the assignment of personnel to the installation.

HUD is currently developing instructions and a handbook implementing the law. DOD housing officials said that the Secretary of Defense supports the law's intent and will certify that there is no reasonable foreseeable intention to substantially curtail personnel assignments at Fort Stewart.

Local confidence that the buildup will be permanent is beginning to grow. Local officials said that because of the amount of construction underway and planned at Fort Stewart--more than \$127 million was planned--the surrounding communities are convinced that the buildup will be permanent. Therefore, the community is starting to react to this. For example, 326 multifamily rental units are planned in the near future. Also at least four franchised businesses have opened in the past 18 months, and two more have taken options on land in Hinesville.

CONCLUSIONS

The drastic increase in military personnel assigned to Fort Stewart has significantly affected the predominantly rural surroundings of Fort Stewart. As military families moved to the Fort Stewart area, a housing shortage became evident. Housing surveys performed in 1975, 1976, and 1977 established and rejustified the need for 750 onbase family housing units. Although we have found deficiencies with the housing survey procedures, the 750 onbase units were needed because the communities near Fort Stewart could

not meet the military's need for family housing.

The housing shortage can be relieved somewhat as a result of the passage of the Housing and Community Development Act of 1977 authorizing HUD to insure home mortgages in federally impacted areas. This new authority should (1) permit increased HUD activity in the Fort Stewart area, (2) provide the investment protection that the surrounding communities seek, and (3) encourage investors to respond to the military's family housing needs at Fort Stewart.

Aggressive implementation of the new program by HUD could alleviate the construction of additional onbase family housing (beyond the 750 already authorized) at Fort Stewart. The Department is currently developing instructions and a handbook to implement the program.

In similar future situations, where there is a major expansion of a military installation in a rural area, early coordinated planning by DOD and HUD will be necessary to stimulate the development of housing in the community. This would meet the installation's military family housing needs, thereby eliminating or minimizing the construction of family housing on base.

A lesson that can be learned from the buildup as it relates to community housing is the reluctance of the community to believe that the buildup would be a long-term situation. Confidence is growing that the buildup will be permanent.

Such community services as schools, health and social services, and police and fire protection have felt the effect of the building. The local communities, through Federal and State grants, have hired additional personnel and have added new services in an attempt to meet the growing demand for community services.

(38105)