DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, DC

MEMORANDUM FOR ALMAJCOM/CE HQ USAFA/CE 27 NOV 2000

FROM: AF/ILE
1260 Air Force Pentagon
Washington DC 20330-1260

SUBJECT: Housing Privatization Policy Update

On 21 Sep 00 we issued a Housing Privatization Policy memorandum. Since this time we have updated the paragraph pertaining to **AAFES/DeCA/MWR Activities and Facilities**. Attached you will find our updated policy regarding these facilities and activities. Please remove the existing page 2 and replace with the attached.

Questions regarding this or any other Air Force housing privatization issues can be addressed to Maj Rits at DSN 664-4028, Lt Col Brian Huizenga at DSN 664-4037 or Mr. Binks Franklin at DSN 664-4222 in AF/ILEIP.

EARNEST O. ROBBINS II
Major General, USAF
The Civil Engineer
DCS/Installations & Logistics

Attachment:
AF Policy and Guidance Update

cc:
AFCEE/CC

a project, and that allowance will be mathematically deducted from the members full BAH to determine the projected rent for the unit type. Calculations will be based on 110% of average utility consumption calculations in determining the utility allowance for each unit type. Estimated consumption will be calculated using energy star or similar methodology. Utility allowances and rents will be re-calculated and re-validated annually incorporating actual consumption data and revised BAH entitlements until a five-year rolling average of actual data can be used in the calculations.

AAFES/DeCA/MWR Activities and Facilities: AAFES, DeCA and Services have the exclusive right to provide resale merchandise, services, and recreational operations or activities on DoD installations. Developers will be precluded from providing resale merchandise, services, and commercial recreational operations or activities as part of their housing privatization projects. Further clarification can be found in SAF/MI and AF/IL policies, dated 2 Mar 99 and 19 Mar 99, respectively.

Occupancy Priority: The priorities for renting to tenants other than referred military families shall be as follows. Variations must be fully justified and meet with AF Executive Steering Group approval.

1. Other Active Duty Military Members
2. Federal Civil Service Employees
3. Retired Military Members/Families
4. Active Guard and Reserve Military Members/Families
5. Retired Federal Civil Service
6. DoD Contractors/Permanent Employees (US Citizens)
7. General Public

Accounts: Typically, use of Capital Replacement Reserve, Reimbursement, and Lockbox accounts are expected in a privatization concept. Additional accounts result in more complex initiatives, additional project costs, and minimal return to the Air Force, thus providing little, if any, value to the project. Therefore, other reserve, maintenance, and performance type accounts shall be kept to a minimum, and include only those accounts necessary to protect Air Force investments and interests.

Unit Based Rents: Each housing unit in a privatization project should be constructed or renovated for a specific grade based on the projected requirements of the installation. Rental income for the project will be based on the total rents from each specific unit. That is, the rent projected for each unit should be calculated as the total BAH for the designated grade for that unit, less the utility allowance for that type unit. Use of member based rents in housing privatization projects is prohibited. Member based rents are those where the rent is dependent by the grade of the member living in the unit, whereby the rent for a particular unit is subject to change depending on who occupies the unit.