



DEPARTMENT OF THE AIR FORCE

OFFICE OF THE CHIEF OF STAFF

WASHINGTON, DC

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MEMORANDUM FOR ALMAJCOM/CC

USAF/CC

**FROM: HQ USAF/CC
1670 Air Force Pentagon
Washington, DC 20330-1670**

SUBJECT: Military Family Housing Privatization

The Air Force Family Housing Master Plan (FHMP) established our corporate road map to eliminate inadequate housing by 2010. The plan was developed using two key criteria: retain existing inventory as long as there is a "demand" and, when economically feasible, privatize housing areas that are geographically separate or severable from the installation. While the FHMP is an excellent tool for guiding investments, we currently project that we will not meet the OSD goal until 2013 unless we significantly increase the amount of MILCON or expand privatization initiatives.

The 2001 update to the FHMP is underway and scheduled for MAJCOM/CC review and approval by Nov 01. You should ensure your installation commanders review and verify their installation plans comply with specific FHMP guidance (atch).

We recognize the housing privatization effort has caused an increased workload at installations and MAJCOMs. Nonetheless, we absolutely must ensure this revision to the FHMP, and especially the identification of privatization candidates, is done "by the numbers." There will be no relief by OSD to meet the 2010 goal. In fact, the Defense Planning Guidance specifies a 2007 goal, but SECAF has received SECDEF relief based on the fact that such an aggressive schedule would force too many families into inadequate community housing during the construction process.

The FHMP is our roadmap for eliminating all inadequate housing by 2010. By achieving this goal we will leave a telling legacy for our members and their families. I appreciate your assistance.



JOHN P. JUMPER
General, USAF
Chief of Staff

**Attachment:
Privatization Guidelines**

CSAF GUIDANCE
ON
FAMILY HOUSING MASTER PLAN

- The Air Force will produce a Family Housing Master Plan (FHMP) integrating traditional MILCON, privatization and O&M requirements into an investment "roadmap."
- The FHMP will document how the Air Force will comply with OSD guidance to revitalize, divest through privatization or demolish all inadequate housing by 2010
- The Air Force FHMP will be produced by integrating data from individually developed installation housing master plans that are approved by the installation commander
- On-base housing requirements will be determined by using the Air Force interpretation of OSD housing policy to rely on the local community for housing
 - Adequate (safe, affordable, acceptable) housing in the community will be considered only if it is within 30 minutes commuting time
 - Other factors determining on-base requirement include availability of housing in local community, housing for key and essential personnel, keeping our historic units, maintaining a viable community, document demand for housing (housing occupancy rate) and upward adjustment for high cost living areas
- Where there is a surplus of on-base houses as determined by the housing requirements and validated by measuring housing occupancy, (AF standard 98% percent occupancy rate) the Air Force will divest these units
- The Air Force will use, in addition to MILCON and O&M funding, a measured approach to privatization to accelerate housing revitalization
 - CSAF will approve all privatization initiatives prior to seeking OSD concept approval
 - Non-housing assets will not be conveyed (AAFES, DECA, MWR, etc), however, they may be located in the severable housing area. Privatization initiatives will not provide any revenue generating activities that can compete with AAFES, DECA, and MWR)
 - Housing areas geographically separated from an installation or areas severable from operational mission areas of the installation will be privatized if economically feasible
 - Severable is defined as being able to place a fence around a MFH area and to obtain access to the area from a public road (fence or access to be provided only if housing is severed in the future, not immediately upon privatization)
 - If housing must be severed in the future, access must be obtained without entering the operational portion of the installation
 - Where housing is severable and financially feasible, the MAJCOM must provide strong justification for not pursuing privatization
- Comparable to MILCON projects, privatization projects should be awarded in the year of appropriation
 - The Air Force Center for Housing Excellence has awarded multiple privatization support contracts to expedite project awards as a means to minimize delays
 - The Air Force Civil Engineer will establish a management control process to provide oversight and ensure these projects remain on published schedules