

AIR FORCE

Housing Privatization



Frequently Asked Questions (FAQs) About Living In Privatized Housing

This document provides a sampling of answers to a number of questions raised by Air Force Members and their families regarding privatized housing. The answers are based on current Air Force Policy regarding privatized housing and are, therefore, subject to change based on revised Air Force Policy. In addition, the answers are based on the current version of the generic Air Force housing privatization project documents. As a result, the answers may vary when applied to a particular housing privatization project. Air Force Members and their families should discuss their specific circumstances with the privatization Property Manager and the Installation Housing Management Office (HMO) or Legal Office, as appropriate. In addition, the Tenant Lease Agreement and Tenant Handbook/Privatized Housing Brochure should be reviewed for further information. Finally, this list is not all-inclusive.

Housing Privatization Overview

In 1998, when the AF began housing privatization more than 38 percent of Air Force family housing did not meet modern standards and required either major improvement or replacement. DoD tasked the military Services to upgrade all required, inadequate housing by Fiscal Year (FY) 2010, which was later escalated to 2007. To accomplish this mandate, the Air Force launched into an aggressive program to revitalize all military housing units through a combination of traditional military construction and housing privatization.

The goal is to provide access to quality housing at affordable prices where Service members and their families will choose to live. This program provides private sector business alternatives to traditional military housing construction methods.

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Introductory FAQs

1. How will the military base closure process impact housing privatization?

Each Housing Privatization project takes into consideration the possibility of a draw-down, deployment or mission change. In all of these scenarios, the Project Owner must continue to offer housing to eligible military families

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in accordance with the requirements set forth in the Project Documents. The Project Documents, which are signed by the Air Force and the Project Owner before construction begins, contain all the agreements made between the Air Force and the Project Owner regarding the project. New Housing Requirements Market Analyses (HMRAs) may necessitate amending the project documents to either accommodate additional housing needs or reduce the housing requirement.

2. How will families be impacted by the housing renovations and construction?

The Project Owner provides a construction and renovation plan as part of the proposal the Project Owner submits to the Air Force. These plans are approved by the Air Force and are generally implemented by the Project Owner as written. While circumstances may vary at each installation, demolition and renovation will usually begin on vacant units first, in order to reduce the impact on families in occupied units. Since the renovation and construction for most projects is expected to be major in scope, it is likely that some families will have to move during renovation and/or construction. Typically, the Project Owner's construction/ renovation plans include a phasing plan which describes how, where, and when tenants will be moved from one section of housing to another. If an initial move to accommodate construction is necessary, the Government will pay for that move. The Project Owner will generally pay for any additional moves that may be required. The Government's goal during the construction/renovation phase is that military families will not be required to move more than one time.

3. What are the roles of the Air Force military Member (the tenant) and the Air Force in the management and operations of privatized housing?

The Project Documents set forth the roles and responsibilities of the Air Force, the Project Owner, and the Member. Although each Project may vary, generally, once the Project Documents are executed, the Air Force transfers ownership of the existing housing units to the Project Owner. For the remainder of the Project, the Air Force's primary role is to provide long-term oversight of the Project Owner's performance. The military Member enters into a Tenant Lease Agreement directly with the Project Owner. As with any other private tenant/ landlord relationship, the Property Manager is the Tenant's first point of contact.

HOUSING OPTIONS

4. Do I have to live in privatized housing?

The only time privatized housing is mandatory is if the military Member is considered "key or mission essential," which requires the Member to live on base. Otherwise, military Members may choose to live in privatized housing or not. The military Member makes choices among all private sector housing options, which includes privatized housing.

5. What if I don't like the options provided to me when I am offered privatized housing?

If military Members do not like what is being provided they may choose to live off base in other available private sector housing (except for "key or mission essential" personnel).

6. What are my options for off-base housing

The Housing Management Office (HMO) at the Installation will assist military Members by providing referral

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services regarding local real estate rental property listings and contacts. Keep in mind that privatized housing is a private sector housing option, like other “off-base” options. Other than home ownership, a Tenant Lease Agreement must be signed for all private sector housing choices.

7. Is privatized housing cheaper than houses in the local community?

It depends on the cost of other housing options available in the local community that the Member may select.

8. Can I remain on the base housing wait list for housing that is Government owned, managed, and maintained while living in privatized housing?

Yes. Please visit the Housing Management Office (HMO) for more details.

9. After I live in either base or privatized housing for one year, can I move to the other housing type?

Yes, if military Members live in government housing for one year, they may apply for privatized housing and provide notice to vacate. If Members reside in privatized housing, they may provide notice to vacate in accordance with the provisions of the Tenant Lease Agreement.

HOUSE OFFERINGS

10. Will non-military families be allowed to live in privatized family housing?

It is possible; however, there are established procedures, both in AF policy and in the transaction documents, that govern a “Tenant Waterfall” for use when occupancy declines. If that rate (95%) is reached, the Project Owner may offer vacant housing units to individuals on the priority placement list in order to raise the occupancy rate back to the 95% threshold. The initial Tenant Lease Agreement term for these Tenants will normally be limited to one year. The Project Owner will generally charge such tenants “Market Rent” (which is based on local market rent averages), but the rent for these Tenants will not be lower or more favorable than the rent paid by military Members in the immediate preceding 30 days.

11. In Government family housing, there is Officer housing and Enlisted housing. Are we all going to live in the same housing areas and same types of houses?

Air Force policy requires segregation of housing for officers and enlisted. The project documents require the Project Owner to make every attempt to comply with that same policy. However, this is not required until after the initial construction period known as the Initial Development Period (IDP). It is possible that officers and enlisted will live near or next to each other through most of the IDP and until the housing can be segregated following the IDP through attrition. This is also the way the government re-designated units for officers and enlisted – through attrition. Additionally, the same housing types may exist for both officer and enlisted just as it did when the houses were Government owned. However, the house types are usually only the same at similar rents, so an E-2 would not have the same house type as an O4, but an O4 may have a house similar to an E9.

12. How will unit assignments be determined?

Since this is a private enterprise, where the military Member chooses to live, the Project Owner does not make “unit assignments” like the Housing Management Office (HMO) used to do when the housing was Government-owned. Typically, privatization projects require privatized houses be designated for specific rank (such as Junior NCO, Senior NCO, Company Grade Officer, Field Grade Officer, Senior Officer, and General Officer) and family size. The Project Owner offers houses to Members based on the rank/grade of the Member authorized to

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reside in the house type designation. Members either choose to accept the house and terms of the Tenant Lease Agreement, or choose to live elsewhere.

13. I am an E-3 and there are no E-3 houses available; however, I know there is a vacant senior NCO (E-7 through E-9) house. Can I live there?

The Project Owner offers houses based on the rank/grade of the Member and the house type designation (Junior NCO, Senior NCO, Company Grade Officer, Field Grade Officer, Senior Officer, and General Officer). Typically, privatized houses are designated for a specific rank and family size, referred to as “house-based rent”. Therefore, an E-3 would not typically be eligible to live in a Field Grade house. In some cases the Member may be eligible to “rent up” to another privatized house to obtain additional bedrooms or square footage. In this case, the Member incurs the additional cost of the higher house rent. At the time the Member signs the Tenant Lease Agreement he/she will be required to sign an acknowledgement to this effect. In rare cases a Member may be permitted to “rent down,” but these situations are on a case-by-case basis.

14. How many bedrooms do I qualify for?

Ideally military families are allotted one bedroom per child, up to a maximum of three children per house. Although there may be exceptions, typically no more than two persons are permitted per bedroom. When making offers to a military Member, the Project Owner will adhere to the requirements set forth in the Project Documents and local, state and federal laws.

15. I only have one child. Can I get a 4-bedroom house?

Yes, Members may request to “rent up” in privatized housing as long as the house they wish to rent meets the criteria referred to as “house-based rent.” (See Question: How will unit assignments be determined) When “renting up,” the Member usually incurs the additional cost of the higher rent.

FAMILY

16. Can my child’s nanny live in privatized housing with us?

The answer is dependent upon the Project Owner’s policy, which typically is described in the Tenant Lease Agreement or the Tenant Handbook/Privatized Housing Brochure. However, in the event the Project Owner does permit a permanent live-in nanny, the Member is not necessarily authorized an additional bedroom for the nanny. If the Member wants the nanny to have an additional bedroom, the Member may need to consider “renting up” to a larger house to accommodate the nanny. (See Question: I only have one child. Can I get a 4-bedroom house?)

17. My spouse is disabled and requires a live-in care provider. Will this person be authorized to live in privatized housing with us?

The answer is dependent upon the Project Owner’s policy, which typically is described in the Tenant Lease Agreement or the Tenant Handbook/Privatized Housing Brochure. In the event the Project Owner does permit a permanent live-in care provider to occupy the house, the Member is not necessarily authorized an additional bedroom for the live-in care provider. If the Member wants the live-in care provider to have an additional bedroom, the Member may need to consider “renting up” to a larger house to accommodate the care provider. (See Question: I only have one child. Can I get a 4-bedroom house?)

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18. I am being deployed. As a single parent I would like to send my children to stay with my mother in another state. A) If I decide to put my personal property in storage and vacate the house, will I be able to terminate my Tenant Lease Agreement? B) What if I decide it would be best to keep renting the house and leave it vacant during the deployment?

A) The Air Force's intent is that Members keep privatized housing for the duration of their tour at the installation. Upon moving into privatized housing, the Member will be required to sign a one-year Tenant Lease Agreement. Generally, the Member may not voluntarily terminate privatized housing until after the mandatory one-year lease term has expired. The Member's Lease Agreement may permit early termination for specific reasons. We recommend the Member discuss with the Property Manager and consult with their Legal Office for further assistance. Whatever the Member's circumstances may be, the specific conditions and procedures for terminating the Tenant Lease Agreement will be set forth in the Tenant Lease Agreement, so reading and understanding the Tenant Lease Agreement is essential. The Government will not pay for personal property moves or storage if the military Member voluntarily moves out of privatized housing.

B) The military Member may continue to rent a privatized house even if the house is vacant during the deployment period. However, the Member must make arrangements, at his/her own expense, for the house and property to be maintained in accordance with the Tenant Lease Agreement while the Member is deployed. However, if the Member fails to maintain the property, he/she may be liable for damages that occur in their absence. The Member may not sub-let the house while deployed. The situation and Tenant's options should be discussed with the Property Manager to find mutually acceptable solutions.

19. Will my children be required to change school districts if we are forced to move due to construction?

The answer depends on the local school district policy. Most school districts will allow a student to finish out the current school year, and some may allow the student to attend school outside the district where they reside. This requires approval from the school district, and a tuition fee (per semester) may be required.

20. If my wife is pregnant, when can I move to a larger house?

The answer is dependent upon the Project Owner's policy (which typically is described in the Tenant Handbook or the Privatization Housing Brochure) as well as the Member's eligibility status on the Privatized Housing waiting list. Generally, Members are eligible for placement on the Privatized Housing waiting list for a larger house if their entitlement increases 30 days prior to the baby's projected delivery date. Members may be able to move into a larger house, if available, after the child is born. Any move made voluntarily by the Member due to change in category/entitlement (e.g., change in rank or number of dependents) is at the Member's expense.

21. I am worried about the security for my family?

As a general rule, the Air Force will provide fire, police and other emergency services to housing located within the installation boundaries (proprietary or exclusive federal jurisdiction). When the privatized housing is located outside of the installation's boundaries, the local community provides fire, police and other emergency services.

22. Can just anyone reside in houses on base?

No. See Question: How will unit assignments be determined?

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23. If I go TDY for three months, will my family have to stay in privatized housing?

Upon moving into privatized housing, the Member will be required to sign a one-year Tenant Lease Agreement. Generally, the Tenant Lease Agreement will provide that the Member not voluntarily terminate the Tenant Lease Agreement until after the mandatory one-year lease term has expired. We recommend the Member discuss with the Property Manager and if necessary consult with their Legal Office for further assistance. If the Member is scheduled to PCS after completing their TDY, the Member may terminate their Tenant Lease Agreement in accordance with the “Military Clause” of the Tenant Lease Agreement and move their family to their new duty station. The specific conditions and procedures for lease termination will be set forth in the Tenant Lease Agreement so reading and understanding the Tenant Lease Agreement is essential.

RENT/LEASE/BAH/RENTER’S INSURANCE

24. My spouse and I are both military. My spouse is the senior ranking Member and collects single-rate BAH and I collect with-dependent rate BAH. How is our rent calculated?

Rent is at the with-dependent rate of the senior ranking military Member, less 110 percent of the average actual utilities called the utility allowance. Both Members collect BAH at the appropriate rate (with or without dependents, as applicable). The Members are entitled to retain any BAH funds in excess of the rent and utilities.

25. If two single airmen share a house, how will their rent be determined? Do they each pay half? Do they both receive full BAH?

Unaccompanied Airmen who are not housed in unaccompanied quarters on base receive BAH at the unaccompanied rate, regardless of where they live. If there are no eligible military families on the Waiting List for privatized housing, the Project Owner may rent units to unaccompanied Members. Depending on the terms of the Project Documents, Unaccompanied Members may be eligible to share a house. Rent for the house may be “Market Rent” or something less. While the Property Manager commonly requires both Unaccompanied Airmen to sign the Tenant Lease Agreement, the airmen are permitted to divide payment of the rent as they choose. However, there may be some project-specific variations to these practices.

26. If I PCS to a new location that has a lower BAH and receive approval for my family to stay in privatized housing for several months until the school season ends, how will my rent be calculated? Will I have to pay the difference in BAH amounts? What if I move to a higher BAH area, can I pocket the difference?

Military Members need to consult their military pay office to determine their authorized BAH. Rent for privatized housing is based on the BAH for the area where the privatized housing is located. If the authorized BAH is lower than the rent for the privatized house, the Member usually pays the difference. If the BAH is higher, the Member retains the difference.

27. If I am sent on a remote assignment for a year and my family stays behind in family housing that becomes privatized while I’m away, how will BAH payments be handled?

Prior to departing for a remote assignment, Members need to sign legal documents which grant their spouse three special powers of attorney (POAs) to: (1) enter into a Tenant Lease Agreement on behalf of the Member, (2) make decisions affecting pay (e.g. start/stop BAH), and (3) start an allotment to pay rent directly to the Project Owner. When Military Family Housing (MFH) units are privatized, the Housing Management Office (HMO)

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and Base Legal Office will assist the Member's spouse during the transition to establish the above three items. Per DoD FMR Vol. 7A, BAH is based on the location of the Member's dependents.

28. How are rental rates determined?

All privatized housing units are designated for occupancy by rank. The Member's rent will not exceed the BAH at the dependent rate for the designated military rank, minus an amount sufficient to cover 110% of average estimated/actual utility charges.

29. How will Tenants pay their rent?

Members will prepare an allotment authorizing their rent to be paid directly to the Project Owner as rent. Effective 12 May 06 the AF policy is that rent is paid in advance, just like it is in community housing off base. This policy is subject to the terms of the Project Documents and, if permitted, is then up to the Project Owner. Payment for any portion of the rent owed prior to the allotment start date must be paid directly to the Project Owner by the Member. The Tenant Lease Agreement spells out all relevant rent payment terms and conditions.

30. What does my rent include?

Rent includes refuse collection, water and sewer, common area grounds and facility care. Depending on the specific provisions of the Project Documents, basic renter's insurance and utilities may also be included in the rent. Typically, once the units are metered by the Project Owner, electric and gas will be paid from the member's utility allowance. See "Utilities" section for additional information on the calculation of the member's utility allowance.

31. How is rent calculated for partial months?

The answer is dependent upon the Project Owner's policy (which typically is described in the Tenant Lease Agreement or the Tenant Handbook/Privatization Housing Brochure). Generally, rent is prorated on a daily basis (the monthly BAH divided by 30 days).

32. I want to move into a house in the middle of the month. Is the rent prorated?

Yes, the rent is pro-rated. The method of pro-ration is dependent upon the Project Owner's policy (which typically is described in the Tenant Lease Agreement, or the Tenant Handbook/Privatization Housing Brochure.)

33. Who is responsible for start/stop allotments for rent?

The military Member (or his/her spouse with a POA) is responsible for starting, stopping, or making any changes to the rent allotment. The Housing Management Office (HMO) may assist the Member in completing the initial paperwork to start the allotment at the time the Member occupies privatized housing and will require periodic validation of allotment starts, changes, and stops. Once the AF converts totally to the "My Pay" website the Housing Management Office (HMO) may require copies of these pay transactions from the Tenant.

34. Why do I owe rent when I move out?

In many locations rent for privatized housing is paid in arrears. In this case, Members pay rent after they have occupied a house (instead of paying in advance, as they would if renting off base). Therefore, if a Member vacates a house on a day other than the last day of the month, he/she owes rent from the first of that month to the day they vacate the house, pursuant to the terms of the Tenant Lease Agreement. If a Member stops

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his/her rent allotment effective on the last day of the month prior to vacating the house, then the Member typically would still owe rent from the 1st through the day they vacate the house. For example, if the Member stopped their rent allotment on June 30th but didn't vacate the house until July 15th, then the Member would be responsible for paying rent for 15 days directly to the Project Owner from his/her own funds. At privatized locations where rent is paid in advance, rent is not normally due when a Tenant vacates. If rent is due the military Member the Project Owner will explain when the Member can expect to receive payment of any prepaid balance.

35. Will Military Members who wish to remain in housing that is scheduled for privatization be required to sign a lease?

Yes. Military Members residing in and intending to remain in the Military Family Housing scheduled to be privatized will be required to sign a Tenant Lease Agreement shortly before the Air Force transfers ownership of the housing to the Project Owner. The Tenant Lease Agreement will become effective once ownership of the housing transfers from the Government to the Project Owner. Residents who elect not to sign a Tenant Lease Agreement with the Project Owner will usually be required to vacate their quarters and pursue alternate housing arrangements immediately.

36. Regarding the "Intent to Sign" Agreement, can we read the lease beforehand?

Yes, but we must wait until the Congressional Notification to Award. Once the Highest Ranking Offeror (HRO) is approved as the Apparent Successful Offeror (ASO) and briefed to Congress, we will obtain the draft lease from the ASO to ensure each resident has the full benefit of reviewing the lease prior to signing to be able to make an informed decision. Additionally, it is important for residents to understand, the tenant lease agreement will be approved by the Air Force, including our attorneys, to ensure the requirements and protections are balanced for the tenant and the Project Owner. This cannot be said for tenant leases in the local community.

37. If I cannot find something adequate to relocate to by project closing, do I have to sign a 12-month lease?

Yes, if you are not relocating off base before transaction closing date, you will be required to sign a 12-month lease with the Project Owner. You then have the choice to pay any penalties included in the lease for breaking the lease or relocate now to temporary quarters (i.e., lodging, hotel off base or temporary apartment accommodations) until you locate something more permanent.

38. Will current housing residents have the option to vacate before privatization occurs and before their one year obligation to remain in Military Family Housing expires?

Yes. See the Installation Housing Manager for further information.

39. Under what terms can the Military Member terminate the Tenant Lease Agreement and vacate the house? PCS orders only? What if the Member chooses to purchase a home in the area; will the Tenant Lease Agreements restrict these decisions?

Upon moving into privatized housing, the Member will be required to sign a one-year Tenant Lease Agreement and generally, Members may not voluntarily terminate the Tenant Lease Agreement, but must reside in the house until the Tenant Lease Agreement has expired. However, early termination will be permitted under the "Military Clause" of the Tenant Lease Agreement when specific conditions are met. In addition, the Member's Tenant Lease Agreement may permit early termination for various other reasons. The specific conditions and

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procedures for terminating the Tenant Lease Agreement will be set forth in the Tenant Lease Agreement, so reading and understanding the Lease is essential.

40. If the Installation Commander bars my children from the installation will this enable me to break my Tenant Lease Agreement?

Generally, no, but the Tenant Lease Agreement will typically explain under what conditions the lease can be terminated. The specific procedures for terminating the Tenant Lease Agreement will be set forth in the Tenant Lease Agreement so reading and understanding the lease is essential. In addition, the Project Owner's Tenant Handbook/Housing Brochure should be reviewed for termination procedures. We recommend consulting the Property Management Office for further assistance.

41. Can I break my Tenant Lease Agreement if I decide to buy a home?

See the answer to Question #39: Under what terms can the Military Member terminate the Tenant Lease Agreement and vacate the house? PCS orders only? What if the Member chooses to purchase a home in the area; will the Tenant Lease Agreements restrict these decisions?

42. Is there a military clause in the Tenant Lease Agreement?

Yes. The Member's Tenant Lease Agreement for privatized housing contains a Military Clause.

43. How long is the Tenant Lease Agreement term?

The initial Tenant Lease Agreement term for a privatized house is one year. After the mandatory one-year Tenant Lease Agreement term expires, the Tenant Lease Agreement term may automatically convert to a month-to-month depending on the Tenant Lease Agreement renewal provision in the Tenant Lease Agreement. The Member's Tenant Lease Agreement will set forth the specific conditions and procedures regarding Tenant Lease Agreement renewal.

44. What constitutes "normal wear and tear" for damages? Who works on my behalf if I think that the Project Owner is trying to overcharge me?

First, military Members will need to review the Project Owner's policy (which typically is described in the Tenant Lease Agreement or the Tenant Handbook/Privatized Housing Brochure) for what is excluded as "normal wear and tear" and constitutes damages, how damages are calculated, and the procedures for collection. Members should also attempt to first work out any disputes directly with the Property Manager. However, in the event that both parties cannot come to a mutual agreement, the installation Housing Management Office (HMO) is available to mediate any dispute between the tenant and Property Manager.

45. What would warrant an eviction from the house, and who has the authority to evict me?

In general, the Property Manager may initiate eviction proceedings for failure to comply with provisions of the Tenant Lease Agreement. The installation commander does not have the authority to evict anyone from privatized housing; it is not under control of the Air Force. However, the Installation Commander does have the authority to ensure good order and discipline on the installation and therefore, may bar any person from the installation, even if they are party to a Tenant Lease Agreement.

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46. Are there any out-of-pocket expenses?

A Member may incur out-of-pocket expenses for items such as, though not limited to, his/her decision to obtain additional renter's insurance coverage, consumption of more than 110 percent of the average estimated/actual utilities costs for the house type, damages beyond fair wear and tear, etc..

Moving

47. Who will pay for the move if the Member chooses to vacate privatized housing?

Generally, if a Member chooses to vacate privatized housing it is at the Member's sole expense.

48. Will the Government pay for my move from the local area into privatized housing?

Yes.

49. When the Government moves me I know what services are included (pack-up, move, unpack). Are the same services included if the Project Owner has to move me?

The Project Owner is required to provide the same level of services that the government provided.

50. Will I be required to move more than once?

Although there is a possibility that a Member could move more than once to accommodate renovation and/or construction activities associated with housing privatization, the Government's goal is that no family be moved more than once. The Project Owner is responsible for paying for any moves beyond the initial move, so the Project Owner has a financial incentive to develop a renovation/construction plan that minimizes multiple moves.

51. Can I do a DIY move?

If a move is Government directed, military Members may do a Do It Yourself (DIY) move. If the Project Owner funds a move, it will be up to the Project Owner to determine whether or not a DIY move is an option.

52. Am I authorized PDLA?

When housing is Government owned (MFH), military Members are authorized Partial Dislocation Allowance (PDLA) when the move is also Government directed. The PDLA authorizing legislation precludes payment of PDLA unless the move is either to or from Government owned housing.

53. If, at the end of my Tenant Lease Agreement, I want to move off base, who pays for my move? PDLA?

You do. This type of move does not meet the JFTR criteria for a Government directed move and would therefore not be Government-funded. Since the move is neither Government directed nor from Government owned housing PDLA is not authorized.

54. How many days Temporary Lodging Assistance (TLA) do I receive to move?

None. Military Members are not authorized Temporary Lodging Assistance (TLA) for local moves. The Project Owner will offer Members another house within the development if one is available. The intent will be to move Members to a house that would not require moving them again during their tour at the installation. If Government housing is available (at installations that are not 100% privatized), the Property Manager will notify the Housing Management Office (HMO), who may offer military Members a Government home if one is available.

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55. What is the new move-out cleaning standard?

If a Member moves out before ownership of the housing transfers to the privatization Project Owner, then cleaning standards must comply with Air Force policy as enforced by the Installation Housing Management Office (HMO). If the Member moves after housing has been privatized the Tenant Lease Agreement and Tenant Handbook establish cleaning standards.

56. Will the property owner provide us with a move-in/move-out checklist?

Generally the Tenant Handbook will include move-in/move-out inspection procedures (including sample checklists).

57. If I “rent up” to a higher-ranking house and spend a year in that house, can I go back to my category and get a paid move?

Military Members will need to review the Property Manager’s policy concerning moving within privatized housing units. Whether a Member is required to wait until his/her Tenant Lease Agreement expires would be a matter of policy established by the Project Owner. A voluntary move such as this (at the convenience of the Member), is at the Member’s expense.

Utilities

58. How are utilities paid? Are they a part of my rent?

Initially, the Project Owner collects the Member’s entire BAH and pays the utilities directly to the utility provider until the house is individually metered. This is usually for all or part of what is known as the “Initial Development Period,” while construction is taking place. During the Initial Development Period one of the requirements is for the Project Owner to install gas and electric meters on each house. Once a meter has been installed and the area’s meters activated, the Member’s utility allowance is 110% of the average estimated or actual utility cost. There is a formalized process for collecting the data and establishing the rate, which takes into account such factors as utility rates, house size, construction type, level and type of insulation, etc. The Project Owner recommends the utility allowance to the Government for approval. The utility allowance is recalculated and re-proposed each year until metering goes into effect.

59. In reference to utilities, how is the 110 percent established? How is the meter rate determined?

Initially, the Project Owner collects the Member’s entire BAH and pays the utilities directly to the utility provider until the house is individually metered. Once a meter has been installed, the Member’s utility allowance is 110% of the average estimated/actual utility consumption. Until there is a history of actual usage data, the Project Owner suggests an average estimated amount for utility costs based on all applicable data (including weather trends, utility rates, house size, and construction type). The Property Owner’s suggested average is subject to approval by the Government. Once approved by the Government, the Property Owner’s suggested average will be the established utility allowance until such time as actual usage data is available.

60. How is the utility allowance calculated? Can it be challenged?

The utilities allowance is calculated as 110% of the average utility costs (or 110% average utility consumption for each unit type multiplied by the applicable utility rate. Once there is actual historical data, average consumption is determined by actual utility meter readings. The utility allowance is recalculated annually, reviewed by utilities engineer(s) and approved by the Government. Rates may increase or decrease at that time

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and the 110% monthly utility allowance will be adjusted accordingly. An individual Tenant may not challenge the utilities allowance. They can, however, address their concerns to the Property Manager or the Asset Manager at the Housing Management Office (HMO).

61. What utilities do we pay?

During the Initial Development Period, water, sewer, gas and electric are included in the Member's rent, which is 100% of the BAH. Once units are metered, generally, the Member is responsible for paying electricity and/or gas bills directly to the utility provider. Refer to the Project Documents for further information.

62. How much would my utility bills be each month?

The cost of utilities depends on the amount consumed and the applicable utility rate set by the local utility provider at the time of consumption.

63. Who do I pay for the utilities?

Generally, until meters are installed, the Member pays rent at the full BAH amount which includes the cost of utilities. After meters are installed, the Member pays the appropriate utility provider (gas and/or electric company) directly.

64. Do I have to pay utility deposits when they are metered?

This is determined by the utility provider, not the Air Force or the Project Owner.

65. Who arranges for the turn on/turn off of utilities when metered?

Each Member is responsible for stopping/starting the utilities, just as if they lived in most other community housing.

Pets

66. How many and what kind of pets am I allowed?

The Project Owner establishes the Pet Policy, which will be outlined in either the Tenant Lease Agreement or the Tenant Handbook.

67. What is the weight limit for pets?

If there is a weight limit it will be outlined in either the Tenant Lease Agreement, or in the Tenant Handbook.

68. Do I have to pay a "pet deposit?"

The Project Owner is authorized to charge a pet deposit, but many Project Owners of Air Force projects have chosen to not charge this deposit. Target Tenants who occupied a unit prior to the project closing date will not be required to pay pet deposits so long as they continuously reside in privatized housing at the same installation.

Inspections

69. Does the base inspect your house?

The Government will no longer provide move-in and move-out inspections because the Government no longer

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owns the house. The Project Owner's Property Manager is now responsible for that function.

70. Can the landlord enter our house at any time?

Generally, unless there is an emergency situation, management will be required to provide notice prior to entering a house. Refer to the Tenant Lease Agreement or Tenant Handbook; the policy will be included in one of these documents.

71. When can the manager enter my home?

Generally, unless there is an emergency situation, management will be required to provide notice prior to inspecting a house. Refer to the Tenant Lease Agreement or Tenant Handbook; the policy will be included in one of these documents.

72. Do I have to be present at my final inspection?

Refer to the Tenant Lease Agreement or Tenant Handbook; the move-out policy will be included in one of these documents.

73. Can the Installation Commander or someone with the government conduct yard inspections in privatized housing?

No. Only the Project Owner or the Project Owner's staff may perform yard/area inspections. The Government may provide feedback to the Project Owner regarding concerns they noted during oversight.

Feedback and the Management Review Committee (MRC)

74. What is the Management Review Committee and how do I have input to it?

There is a difference between the Management Review Committee (MRC) for a single installation project and a grouped project. For a single project, the Installation Commander or designee and the Project Owner co-chair the Management Review Committee (MRC). Other Members usually include representatives from the Project Owner's Property Management team and the Asset Manager (Housing Flight Chief). Additional invitees might include other base agency leaders appointed by the Commander (i.e., fire, SFG, etc), and possibly a couple of Tenant Representatives. For grouped projects within a MAJCOM, the Management Review Committee (MRC) is co-chaired by the MAJCOM/CC, which can be delegated to the MAJCOM/A7C, and Project Owner. For grouped projects that contain multiple MAJCOMs or multiple services, the Management Review Committee is co-chaired by AFCEE/CC and the Project Owner.

The Management Review Committee (MRC) serves as a forum to discuss issues related to the privatization project. Where there are Tenant Representatives, other Tenants should contact their representative with any concerns and where appropriate, the Asset Manager. As with any other private tenant/landlord relationship, the Property Manager is the Tenant's first point of contact for issues related to their house, service(s) or the community.

For grouped projects, the installation should conduct Partnering Meetings with the Project Owner's personnel to foster positive relationships and communications as well as to vet project issues in advance of the Management Review Committee (MRC).

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75. Is there a mechanism for me to voice my concerns?

There are several avenues tenants can use to voice their concerns AFTER they have made every attempt to resolve the issue with their landlord, the other legal party to the Tenant Lease Agreement. Where there are Tenant Representatives, tenants should seek their guidance and assistance. The tenant can also seek assistance from the Housing Management Office (HMO). Tenants are also given the opportunity to complete the annual “Tenant Satisfaction Survey”. The results of these surveys – along with data on occupancy rates, financial aspects of the real estate transaction, and reports on construction quality – are monitored throughout the life of the project by both the Asset Manager and Air Force Portfolio Management oversight offices. In turn, those offices provide frequent reports to HQ USAF and OSD. While the Air Force is very involved in ensuring the project is successful AND the military family is satisfied with the services provided, the tenant does need to keep in mind the project owner is a private business entity.

Special Situations

76. My neighbor and I are in a legal battle, and I want to relocate to another privatized house as a hardship situation. I’m afraid if we stay, my neighbor will cause bodily harm to my family Members or me. Will the developer or government pay for my move?

No, just as the move would be at tenant’s expense if they lived off base.

77. Can I run a child care center or other home business from my house?

This is authorized per the mandatory Tenant Lease Agreement clauses, but military Members will need to review the Property Manager’s policy concerning their rules for conducting such a home-based business. At a minimum, approval must be coordinated between the tenant, Property Manager, and Installation. Members must also refer to the Tenant Lease Agreement or Tenant Handbook when determining if other types of home-based businesses are allowed, and Members must follow the approval process set forth in these documents.

78. If I’m Key and Essential, is it the same process to request to live off base, as it was when housing was government owned?

Yes, a waiver is still required from the installation commander to reside off base as this was a condition of employment in the selected position.

Miscellaneous

79. If my spouse (the military Member) dies while on active duty, am I eligible to reside in privatized housing 180 days, rent free, like I could if I lived in government quarters?

No. The 180 day entitlement does not apply once the housing is privatized. However, the Target Tenant’s family members residing in a privatized house on the date of the military Member’s death may elect to either terminate the Tenant Lease Agreement or extend it, at the same rental amount for a maximum of twelve months from the date of death.

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80. I want to have the interior of the house repainted to match my furnishings (e.g., antique chair), what are the procedures?

Regardless of rank, painting at the Project Owner's expense would most likely occur only as needed, and during change-of-occupancy. Refer to the Tenant Lease Agreement or Tenant Handbook for policies and procedures regarding "self-help" painting.

81. Can I do work in my house such as painting the walls red?

Just like off-base housing, refer to the Tenant Lease Agreement or Tenant Handbook for policies and procedures regarding "self-help" painting.

82. Is my house going to be replaced, renovated, or kept as is? Who will provide me with the appropriate information?

The Property Manager has information regarding which units will be replaced, renovated, or kept "as is". This information will not be available until the new Project Owner has been selected and approved by the Government. Generally, the Property Manager will notify tenants of the status of their house after selection approval is complete.

83. Will the walls be thick enough so we won't hear our neighbors?

Walls will be built in accordance with applicable building construction codes.

84. Will there be an additional charge for maintenance?

No, your rent pays for maintenance and repair, just as it does if you rent from someone in the local community. Damage beyond normal wear and tear is charged to the tenant.

85. Maintenance is not being adequately performed in my house. Who do I contact?

The Property Manager should be contacted first. Housing maintenance is the responsibility of the Project Owner. If an issue cannot be resolved with the Property Manager, you should contact the Asset Manager at the Housing Management Office (HMO). The Management Review Committee (MRC) addresses project-wide performance issues that represent non-compliance with the project documents and if the Asset Manager is unable to resolve the issue this would be a suitable subject for discussion.

86. Who maintains the yards of privatized housing?

Refer to the Tenant Lease Agreement or Tenant Handbook. Unless a Project Owner has specifically agreed with the Air Force to perform lawn maintenance for tenants, then tenants are responsible for their own lawn maintenance. In some projects the PO maintains all grounds except those fenced in by the tenant, with the PO's permission, of course.

87. Will the base store my excess furniture that won't fit in the house?

Yes. Non-temporary storage is authorized when the move to privatized housing is a government paid move.

88. How many vehicles can we park on the property?

Refer to the Tenant Lease Agreement or Tenant Handbook.

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89. Will we have designated parking spaces?

Refer to the Tenant Lease Agreement or Tenant Handbook. Generally, each house will have a garage or carport and driveway but rules for additional parking are established by the Property Manager.

90. Can we use the clubhouse for parties?

Not all housing privatization projects include clubhouses. For those that do, rules for their use are established by the Property Manager. Refer to the Tenant Lease Agreement or Tenant Handbook.

91. Will there be tenant functions?

The nature and extent of tenant functions are up to the Property Manager. Most projects do have periodic functions for the families.

92. Are tenants authorized to conduct yard sales?

Refer to the Tenant Lease Agreement or Tenant Handbook.

93. Does the government provide furniture for Allied Exchange Officers? Does AFI 32-6004 still apply to privatized housing?

The Air Force will continue to provide furnishings support as spelled out in AFI 32-6004.

94. How is the rental payment for Coast Guard and Marines, living on an Air Force Base that has privatized housing, handled with Military Assistance Company?

Since Military Assistance Company (MAC) does not have access to either the Coast Guard or Marine Corps system, the Tenant will need to initiate the rent allotment on their own. MAC cannot initiate the BAH transaction, so at conversion those Coast Guard and Marine Corps tenants will need to provide their own finance office with supporting documents to turn that entitlement on. MAC will provide a pre-filled DD Form 2558 that they can use to take to their own finance support entity, or obtain the needed information for starting their allotment online.

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Definition of Terms

The following are definitions for some of the terms used in housing privatization.

Term	Definition
Asset Management	Installation-level oversight of a housing privatization project which encompasses all of the activities relative to the operations, maintenance, and health of the project for the life of the project. Asset Managers work for the Installation Commander or his designated representative and directly interface with the Property Manager and the Air Force's Portfolio Manager. The Asset Manager coordinates day-to-day operations at the installation with the Project Owner (PO) and his property manager.
Basic Allowance for Housing (BAH)	The sum allotted to each Service Member to cover the cost of housing, including utilities and personal property insurance. The respective amount corresponds with the Service Member's rank and dependent status. Refer to Internet Web site http://www.dtic.mil/perdiem/bah.html for additional information.
Eligible Member	All Members of the military Service assigned to the installation, covered by support agreements, or Independent Duty personnel who are commissioned officers, warrant officers, and enlisted personnel on active duty and eligible for BAH at the with-dependent rate, and accompanied by dependents (or will be within 30 days), and military married to military with no dependents. Synonymous with military Member.
Housing Management Office (HMO)	This is the government office that oversees the privatization project and interfaces with the Project Owner on a daily basis.
Housing Requirements Market Analysis	A periodic study required by Air Staff, that determines the number of housing units required to supplement the local housing market in providing housing for installation supported military personnel (those assigned to, tenants, independent duty personnel, etc.) in an area.
Independent Duty (ID) Personnel	A group or a single Member operating and subsisting away from any military concentration areas of the parent Service where a Member could not reasonably expect to be supported by facilities (e.g., FH) of that parent Service.
Installation Commander	The senior commander at an installation responsible for all housing at that installation; referred to as the Commander.
Installation	The military Base on which the privatization project is located.
Key and Essential Personnel	Those Air Force personnel required to reside on the Installation because of military necessity or operational considerations.
Privatization	The process of converting an Air Force-operated enterprise into a publicly or privately owned and operated entity.

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Term	Definition
Privatized Housing (PH)	Housing previously owned and operated by military Services that becomes owned and operated by a public or private entity other than the Service concerned. The authority for PH comes from the National Defense Authorization Act of 1996; Subtitle A, Title XXVIII (Pub. L. 104-106).
Project Documents	The documents issued or executed in connection with the Project, including, but not limited to, the Selected Proposal, Lease of Property, Operating Agreement, Lockbox Agreement, Use Agreement and other agreements.
Project	Collectively, the Project Site and the Improvements thereon.
Project Owner	The business entity awarded the contract to plan, design, develop, renovate, construct, own, operate, maintain, demolish, and/or manage PH at an Air Force installation. Synonymous with Developer.
Project Site	The Land and/or the Leased Premises on which the Project is developed by the Project Owner.
Property Manager	The business entity that manages the leasing, Maintenance and Repair, and customer relations for Privatized Housing. This may be an employee of a Project Owner or a separate company under contract with the Project Owner.
Target Tenant	All Members of the military Service assigned to the installation, covered by support agreements, or Independent Duty personnel who are commissioned officers, warrant officers or enlisted personnel on active duty and eligible for BAH at the with-dependent rate and accompanied by dependents (or will be within 30 days) and military married to military with no dependents, all of which are included in the HRMA requirements for the installation.
Tenant Lease Agreement	The Tenant Lease Agreement must be executed by each tenant prior to occupancy; the lease must be approved by the Government.
Tenant Waterfall	A hierarchy of other categories of potential tenants the PO may allow to reside in privatized housing if enough housing units are not occupied by Target Tenants.
Transaction Documents	Refers collectively to all the documents executed between the Government and the PO concerning the premises on which the PH is located and the ownership, operation, demolition, rehabilitation and construction for the improvements on those premises. Synonymous with "Project Documents"
Utility Allowance Waiting List	110% of estimated average utility consumption per house type multiplied by actual utility rates. A list of qualified personnel that wish to, but cannot, occupy PH at the present due to situations such as begin bound by a current Tenant Lease Agreement, are still inbound to the base, or no PH is available in their specific category at the present time. Waiting lists may be created for other tenant categories in the Tenant Waterfall.

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Acronym List

The following are descriptions for some of the acronyms used in housing privatization

Acronyms	Description
AFB	Air Force Base
AF	Air Force
ASO	Apparent Successful Offeror
BAH	Basic Allowance for Housing
HQ	Headquarters
HRMA	Housing Requirements Market Analysis
HRO	Highest Ranked Offeror
JFTR	Joint Federal Travel Regulations
MAJCOM	Major Command
MFH	Military Family Housing
MRC	Management Review Committee
PCS	Permanent Change of Station
PDLA	Partial Dislocation Allowance
PM	Project Manager
PMO	Project Management Office
PO	Project Owner
POA	Power of Attorney
SCRA	Service Members Civil Relief Act
SO	Successful Offeror
TDY	Temporary Duty
TLA	Temporary Lodging Assistance