



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

AUG 25 2006

MEMORANDUM FOR ALMAJCOM/A7/A7C
10 CES/CC
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FROM: HQ USAF/A7C
1260 Air Force Pentagon
Washington DC 20330-1260

SUBJECT: Final 2006 Air Force Family Housing Master Plan (FHMP)

Enclosed are your respective MAJCOM and Installation FHMPs. The 2006 FHMP is the culmination of Housing Requirements and Market Analyses (HRMAs) and Housing Community Profiles (HCPs) conducted at your installations.

The master plan has been approved by the Secretary of the Air Force and the Air Force Chief of Staff and underpins the AF's MFH program. We will only approve deviations from the 2006 FHMP when changes in housing requirements, the current HCP, or the privatization objectives are clearly defined and documented.

As you are aware, we are in the process of updating the HRMAs and HCPs for all of the installations where the AF will continue to own housing units. These efforts will shape the MFH program as we build the 2008 FHMP.

If you have any questions, our POC is Mr. Robert Moore, HQ AF/A7CH, DSN 604-4470.

A handwritten signature in black ink, appearing to read "Del Eulberg".

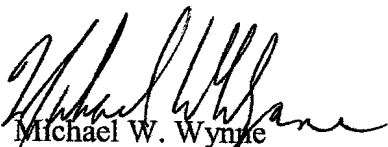
DEL EULBERG, Maj Gen, USAF
The Civil Engineer
DCS/Logistics, Installations & Mission Support



U.S. AIR FORCE

FOREWORD

The foundation of our Air Force is our people. Caring for them and their families remains one of our highest priorities. We are committed to providing our Airmen the quality of housing commensurate with the society they protect. This Family Housing Master Plan aggressively targets inadequate housing through a combination of private sector financing (privatization) and traditional construction funding (MILCON). The Air Force will eliminate inadequate housing at bases in the United States by 2007 and at overseas bases by 2009. We will "keep good houses good" by funding adequate levels of necessary operations and maintenance. This "road map" underpins MAJCOM and base level plans and has the full support of the Major Command Commanders responsible for execution. Together, we will provide access to safe, adequate, and affordable housing for our Airmen so they can focus on the mission while knowing their families have a safe place to live.


Michael W. Wynne
Secretary of the Air Force

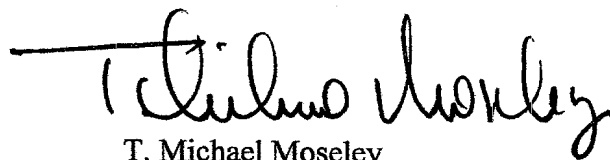

T. Michael Moseley
General, USAF
Chief of Staff

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LIST OF ACRONYMS

AF	Air Force
BAH	Basic Allowance for Housing
BRAC	Base Realignment and Closure
BES	Budget Estimate Submissions
CAM	Condition Assessment Matrix
CDM	Corporate Decision Model
CONUS	Continental United States
FHMP	Family Housing Master Plan
FY	Fiscal Year
FYDP	Future Years Defense Plan
GOQ	General Officers Quarters
HCP	Housing Community Profile
HRMA	Housing Requirements and Market Analysis
IFHMP	Installation Family Housing Master Plan
MAJCOM	Major Command
MFH	Military Family Housing
MILCON	Military Construction
NPV	Net Present Value
O&M	Operations and Maintenance
OMB	Office of Management and Budget
OSD	Office of the Secretary of Defense
PIK	Payment-In-Kind
POM	Program Objective Memoranda
RPM	Real Property Maintenance
RPMA	Real Property Maintenance Activities
RPMC	Real Property Maintenance by Contract
SCP	Special Command Position
SRM	Sustainment, Restoration, and Modernization

EXECUTIVE SUMMARY

This 2006 Hurlburt Field Family Housing Master Plan (FHMP) provides a corporate housing investment and operations and maintenance (O&M) requirement for fiscal years (FY) 2008-2013. This Hurlburt Field FHMP and other Installation FHMPs (IFHMPs) form the basis of the 2006 Air Force (AF) FHMP. The AF FHMP meets the requirement of the Office of the Secretary of Defense (OSD) guidance and completes the AF goal to eliminate inadequate housing at all installations in the United States by FY07 and at overseas installations by FY09.

As we meet AF goals to eliminate inadequate housing we will transition our focus to sustaining and investing in recapitalization to maintain an adequate inventory. This AF FHMP is the first to incorporate the constructs of Sustainment, Restoration, and Modernization (SRM) in describing and underpinning the AF housing program.

A series of tools are used to analyze the housing inventory and to develop investment and O&M requirements for the AF FHMP. The Housing Requirements and Market Analysis (HRMA) provides a five-year projected on-base housing requirement. The Housing Community Profile (HCP) outlines the approach to meet this housing requirement by developing a cost efficient program to build new or improve, replace, retain, or demolish existing housing and to maximize neighborhood efficiency. The Real Property Maintenance (RPM) model generates estimated Real Property Maintenance by Contract (RPMC) sustainment requirements. All operation and sustainment costs, with the exception of RPMC, are based on requirements provided by the MAJCOMs with appropriate revisions as necessary by AF/A7CHO.

The AF FHMP also uses a corporate housing investment strategy that integrates and prioritizes traditional construction funding with private sector financing within a single "road map." Private sector financing is provided through Congressional authorities that allow for privatization of military family housing (MFH).

The data provided by these tools and privatization decisions are the input for the Corporate Decision Model (CDM). The CDM allocates these projects and appropriate O&M funding by fiscal year based on budgetary limits.

The Hurlburt Field housing inventory at the beginning of FY2008 is summarized in Table ES-1 below. The requirement of **825** units in FY2008 is based on the latest HRMA.

Table ES-1 Hurlburt Field MFH Projected Inventory

Type of Unit	Number of Units Beginning FY2008
AF Owned	0
- Adequate	0
- Inadequate	0
Leased	300
Privatized	525

Total Projected AF Owned, Leased, and Privatized	825
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Surplus	0
- Adequate	0
- Inadequate	0

Deficit	0
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INTRODUCTION AND OVERVIEW

PURPOSE AND GOAL

This plan describes the Hurlburt Field portion of the Air Force (AF) Family Housing Master Plan (FHMP). The AF FHMP provides a corporate, requirement-based housing investment strategy that integrates and prioritizes traditional military construction (MILCON) and operations and maintenance (O&M) funding. It identifies the most cost-effective investment option for each installation to meet its military family housing (MFH) requirements consistent with Congressional and Office of the Secretary of Defense (OSD) constraints and directives. The Hurlburt Field FHMP and other Installation FHMPs (IFHMPs) form the basis of the AF FHMP.

The AF has successfully programmed requirements to meet goals to eliminate all inadequate Continental United States (CONUS) MFH units by 2007. This master plan includes requirements to meet the AF and OSD goals to eliminate all inadequate MFH overseas by 2009.

This is the first AF FHMP to incorporate the constructs in building the requirements for the sustainment and recapitalization of an adequate inventory of MFH. Sustainment is either investment-funded as part of improvement projects or O&M-funded [i.e., Real Property Maintenance Activities (RPMA) and Real Property Maintenance by Contract (RPMC)]. Improvement work that is not Sustainment is considered Restoration or Modernization (a.k.a. Recapitalization). Sustainment and Recapitalization are further defined as follows:

- **Sustainment** provides resources for maintenance and repair activities necessary to keep a typical inventory of facilities in good working order over a 50-year service life. It includes regularly scheduled adjustments and inspections, preventive maintenance tasks, and emergency response and service calls for minor repairs. It also includes major repairs or replacement of facility components (usually accomplished by contract) that are expected to occur periodically throughout the facility life cycle. This work includes: regular roof replacement; refinishing wall surfaces; repairing and replacing electrical, heating, and cooling systems; replacing tile and carpeting; and similar types of work. It does not include repairing or replacing non-attached equipment or furniture, or building components that typically last more than 50 years (such as foundations and structural members). Sustainment does not include restoration, modernization, environmental compliance, specialized historical preservation or costs related to acts of God, which are funded elsewhere. Other tasks associated with facilities operations (such as custodial services, grass cutting, landscaping, waste disposal, and the provision of central utilities) are also not included.
- **Recapitalization** is defined by Restoration and Modernization. Restoration includes repair and replacement work to restore facilities that have experienced accelerated deterioration due to a lack of sustainment, excessive age, natural disaster (storm damage), fire, accident, or other causes. Modernization includes alteration of facilities solely to implement new or higher standards (including regulatory changes), to accommodate new functions, or to replace building components that typically last more than 50 years (such as foundation and structural members).

In addition to identifying sustainment and recapitalization requirements, this FHMP includes requirements for operations associated with managing MFH where the housing is owned by the AF and where it has been privatized.

METHODOLOGY AND TOOLS

A standardized methodology and set of tools are used to develop the AF FHMP. Figure 1 depicts the steps taken to generate program requirements.

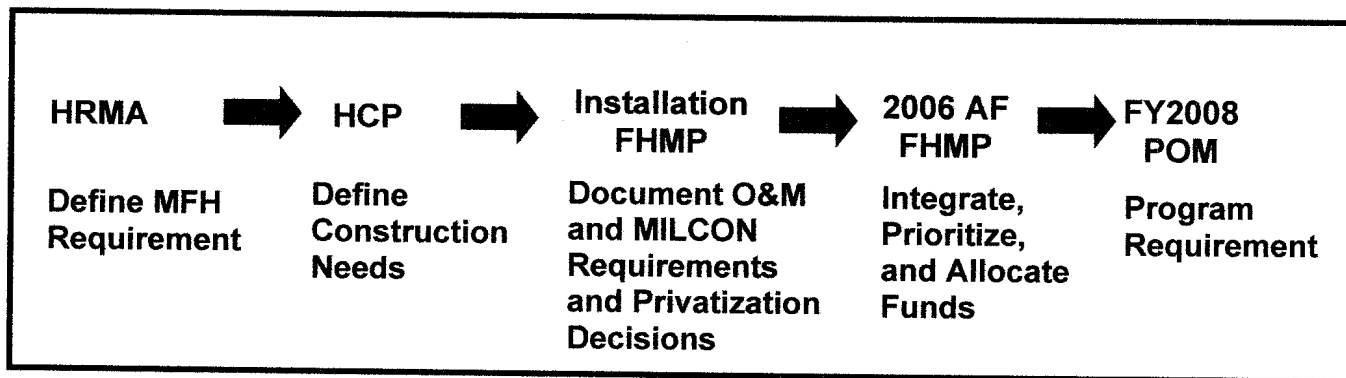


Figure 1 Air Force Family Housing Master Plan Process

The **Housing Requirements and Market Analysis (HRMA)** establishes the total MFH requirement for personnel at each Air Force installation with military families. OSD policies allow for a minimum number of MFH units, the Floor Requirement, at each installation. The installation housing Floor Requirement is based on:

- the need for a military community (typically 10 percent of military families by grade);
- the need to house key and essential personnel;
- preservation of historic housing; and
- providing housing for personnel whose level of Regular Military Compensation is below 50 percent of the median family income in the local area.

The HRMA assesses the ability of the private sector to house military families under the assumption that the only government-controlled housing available in five years is the Floor Requirement. A military market share is computed for each year of the analysis based on competition of only those military and civilian households actively seeking housing during the year and available rental units either turning over or newly constructed in the market.

- The total MFH requirement is determined as the sum of the Floor Requirement plus any shortfall of private sector housing in the fifth year of the analysis.

The AF completed HRMAs for all installations in FY2004. Revised HRMAs were completed in FY2005 for applicable installations impacted by Base Realignment and Closure (BRAC).

The **Housing Community Profile (HCP)** provides a plan for the planning, programming, and design of improvement, replacement, and construction projects for MFH areas based on the installation housing requirement identified in the HRMA, and recommends solutions to correct deficiencies. Specifically, each installation HCP provides:

- a guide for ensuring the entire housing requirement, both individual units and neighborhood areas, are sustained to AF standards;
- identification of all necessary improvements and repairs, including construction costs, for the units and neighborhood areas;
- a programming guide for developing specific projects; and
- an orderly, economical implementation of all proposed construction through the use of a phasing plan that recognizes the priorities of the AF, the variable nature of funding for investment projects, and the local sequence of construction that must be followed.

The **Installation Family Housing Master Plan (IFHMP)** incorporates the data from the HRMA and HCP and adjusts the HCP data to reflect an FY2008 programming start date. This adjustment assumes projects programmed in FY2006 and FY2007 are complete and future investment funding requirements start with FY2008. The IFHMP also documents the O&M funding requirements including Real Property Services and Sustainment. Real Property Services include O&M-funded demolition, privatization support (not otherwise covered under the privatization scored costs), leases, utilities, management, services, furnishings, and other miscellaneous O&M costs. O&M-funded Sustainment includes all costs defined as RPMA and RPMC. All O&M costs, with the exception of RPMC are based on requirements provided by the Major Commands (MAJCOMs) based on a per unit cost with appropriate revisions as necessary by AF/A7CHO.

The sustainment RPMC costs are estimated by the **real property maintenance (RPM) model**. The RPM model uses the results of the **condition assessment matrix (CAM)** inspections conducted in support of the HCP to predict the timing and cost of major repair/replacement for housing components and infrastructure and community systems.

The **Air Force Housing Privatization Proforma Model** is used to analyze data from the IFHMP. The data is used as a baseline to analyze the privatization potential and produce a “scored cost” for installations located in the United States and its territories not yet identified for privatization. The scored cost represents the amount of funding the AF would need to provide a private developer to perform improvement, replacement and deficit construction, as well as demolition of surplus housing, identified in the IFHMP. In addition to the scored costs, a life cycle cost analysis is performed that calculates the cost to maintain government ownership of the units versus privatization of the units.

The data and decisions from the IFHMPs are rolled up into a **Corporate Decision Model (CDM)** used to produce the **AF FHMP**. The CDM prioritizes investment projects and allocates the projects to a fiscal year based on funding limits. These funding limits are established to ensure all investment projects can be completed to meet the AF and OSD goals.

The AF FHMP identifies:

- installation family housing requirements;
- necessary actions, including deficit reduction, and associated costs to bring the required AF housing up to modern standards;
- the most cost-effective means of implementing these actions [i.e., new construction (P-711), improvement (P-713), or privatization (P-727)];

- fiscal years in which these actions are implemented;
- funds to properly operate and sustain housing that remains under AF control;
- surplus housing plan, including disposition of housing, cost of disposition, and year of demolition, as applicable; and
- life cycle cost comparison between government ownership and privatization for candidate privatization projects.

The AF FHMP is used by MAJCOMs and Headquarters Air Force to prepare **Program Objective Memoranda (POM)** and Budget Estimate Submissions (BES). Accordingly, future budget documents are based on and will be consistent with the AF FHMP and supporting installation data.

BUSINESS RULES

A series of business rules are used throughout the AF FHMP process. These business rules ensure all installations develop their inventory, investment (recapitalization and new requirements), sustainment, and operations requirements in a consistent manner. The following section describes the major business rules used in the master planning process.

Guidelines for Determining MFH Revitalization Actions

The appropriate actions necessary to meet revitalization goals are determined using the rules described below.

- The AF FHMP assumes all work underway or funded through budget year FY2007 is complete. Therefore, HCP data is adjusted to reflect completed FY2005 through FY2007 projects.
- Overseas adequate units (those typically having an HCP CAM score of ≥ 3.75 and/or not requiring conversion or suitability corrections) will not be replaced or improved. They will be retained with no construction and sustained using O&M funds. HCP CAM scores range from 1.0 (worst) to 5.0 (best).
- Overseas inadequate housing units (typically those with an HCP CAM score < 3.75 and/or requiring conversion or suitability corrections) are considered to be in unacceptable condition. Accordingly, improvement, replacement, or disposal is required for these units.
- MFH improved between FY2002 and FY2007 is typically assigned an HCP CAM score of 4.00. MFH replaced between FY2002 and FY2007 is typically assigned an HCP CAM score of 5.00.
- When improvement costs within a neighborhood are equal to or exceed 70 percent of the replacement value of the housing units in a neighborhood, the units are programmed for replacement. When improvement costs within a neighborhood are less than 70 percent of the replacement value of the housing units in a neighborhood, the units are programmed for improvement.
- If the requirement for any category of housing exceeds the available inventory, the installation will program new construction up to 90 percent of the total deficit.

- Units in excess of the requirement determined by the HRMA are considered surplus. In some cases, it may be fiscally prudent for the AF to keep surplus housing until the end of its economic life. Good stewardship principles dictate that when there is a valid requirement, surplus housing with useful economic life remaining may be retained. However, surplus housing which is no longer economical to operate should be disposed of according to published guidelines for disposing of surplus property.
- Installations will develop a plan to vacate and dispose of surplus units as the following conditions exist: when the occupancy rate drops below 97 percent; when the units become inadequate; or as units reach the end of their useful life. Adequate surplus units may be disposed of gradually in order to maintain an occupancy rate of 97 percent or higher. All inadequate surplus units are identified and programmed for disposal.

Guidelines for Determining Investment Strategy for Revitalization

Once the total investment requirement is determined for each installation, a MILCON or privatization strategy must be selected. There are three criteria for determining the appropriate investment strategy for revitalization. If all criteria are met, privatization is generally selected. If any one of the three criteria is not met, the use of traditional construction options is generally selected. The three criteria are:

- 1) Installation Location. The installation must be located in the United States or its territories to be eligible for privatization;
- 2) Economic Feasibility – “Scored” Cost. OSD uses the Office of Management and Budget (OMB) “scored” costs as a guiding fiscal criterion in determining privatization feasibility. Generally, the OMB “scored” costs for housing privatization should be one third or less of the estimated MILCON costs (i.e., leverage is greater than three to one) to bring the housing up to modern standards. The “scored” cost is the amount of funds (MILCON) the AF must have available at the time a privatization project is executed; and
- 3) Economic Feasibility – Life Cycle Costs. The AF desires the net present value (NPV) of privatization costs be less than the costs for continued AF ownership and management of MFH. The NPV of privatization costs is calculated based on annual basic allowance for housing (BAH) payments to persons living in units considered for privatization and annual costs for continued management and leases (as applicable). The NPV of government ownership is calculated based on annual costs for management, utilities, services, leases, and maintenance and repair.

Guidelines for Program Integration

The AF FHMP uses the following guidelines for **investment allocation**.

- Project size — To meet aggressive revitalization goals, the AF typically allocated an installation’s MILCON requirement in roughly even amounts between FY2006 and FY2007 for CONUS installations and FY2008 through FY2009 for overseas installations. The AF will eliminate inadequate housing in the CONUS by 2007 and at overseas installations by 2009.

- Privatization projects — To ensure the AF meets established revitalization goals within a constrained budget, the AF increased the number of privatization projects planned for award by FY2008.
- Surplus units — Surplus inadequate units are scheduled for disposal by FY2009. Adequate surplus units may be permanently converted to another use or disposed of gradually in order to maintain an occupancy rate of 97 percent or higher.
- Deficit units — In general, deficit construction will take place when all other investment is complete, beginning in FY2008.

The AF FHMP uses the following guidelines for determining **O&M allocation** (O&M-funded Sustainment and Real Property Services).

- The AF will provide FY-specific cost data for lump sum O&M allocations at each installation.
- All O&M-funded Sustainment and some Real Property Services funding for services such as day-to-day maintenance, change of occupancy maintenance, utilities, etc. is allocated on a **per unit basis**. The total funding is adjusted based on changes in the inventory (either deficit construction adding inventory or disposal of surplus units reducing inventory) on a yearly basis. Funding is eliminated six months after a base is scheduled for privatization. Surplus units are not allocated RPMC funding.

Guidelines for Determining O&M Requirements for Privatized Installations

Once the total number of government owned units are determined for a specific installation, requirements are established for privatized installations in the following manner:

1) Operations Costs:

- a. Management: Requirements are based on the anticipated management requirements for Housing Flights at privatized installations based on the newly developed manpower standard (currently in coordination) which includes civilian personnel and contract support, as well as, standard calculations for supplies, maintenance, overhead, and travel to support a housing management office. Management personnel costs for positions supporting privatization will be segregated from Management (P-721) and realigned to Privatization (P-727).
- b. Services: Since the privatization contractor will be responsible for municipal services, privatized installations will have no requirement for Services funding.
- c. Furnishings: Under privatization, funding for furnishings will only be provided for General Officers Quarters (GOQs), non-GO Installation Commanders quarters, and Special Command Position (SCP) quarters. Each GOQ and non-GO Installation Commanders quarters will be allocated \$4,000 per year. Each SCP will be allocated \$8,000 annually.
- d. Miscellaneous: Privatized installations have no need for miscellaneous funding.

- 2) **Utilities:** No utilities are provided for housing at privatized installations. Utilities are the responsibility of the privatization contractor. Utilities for the MFH office and warehouse will be included under Management.
- 3) **Maintenance:** RPMA and RPMC will not be provided for housing at privatized installations. RPMA and RPMC will be the responsibility of the privatization contractor. Maintenance for the MFH office and warehouse will be included under Management.

HURLBURT FIELD FAMILY HOUSING MASTER PLAN

MFH REQUIREMENTS

Hurlburt Field has a projected MFH requirement of **825** housing units. The entire requirement will be met with privatized and leased housing. Table 1 summarizes the MFH inventory, surplus (adequate and inadequate), and deficit.

Table 1 Hurlburt Field MFH Projected Inventory

Type of Unit	Number of Units Beginning FY2008
AF Owned	0
- Adequate	0
- Inadequate	0
Leased	300
Privatized	525

Total Projected AF Owned, Leased, and Privatized	825
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Surplus	0
- Adequate	0
- Inadequate	0

Deficit	0
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OPERATIONS AND MAINTENANCE

The AF intends to program sufficient funds to properly operate and sustain existing government-owned housing facilities. Appendix A includes the cost for Hurlburt Field O&M activities.

APPENDIX A
MFH Data Summary

MFH SUMMARY

Base Name: Hurlburt Field

Unit Summary

HRMA Requirement (Projection):	825
Current Inventory (Beginning FY08):	825
Government Owned Inventory:	0
Adequate:	0
Inadequate:	0
Surplus Adequate:	0
Surplus Inadequate:	0
Privatized Inventory:	525
Leased Inventory:	300
Deficit Construction:	0

Cost Summary

Item	New Construction Projects	Units	Cost
Unit Replacement		0	\$0
Deficit Construction		0	\$0
	Unit Investment	0	\$0
Standalone Infrastructure			\$0
Land Purchase			\$0
	Infrastructure Investment		\$0
	Surplus Demolition	0	\$0
	New Construction Subtotal		\$0

Item	Improvement Projects	Units	Cost
Unit Improvement		0	
Restoration and Modernization			\$0
Sustainment			\$0
	Unit Investment	0	\$0
Lump Sum Infrastructure			\$0
Standalone Infrastructure			\$0
Restoration and Modernization			\$0
Sustainment			\$0
	Infrastructure Investment		\$0
	Improvement Subtotal		\$0
	O&M Surplus Demolition	0	\$0
	Grand Total		\$0

Item	Privatization Summary	Cost
Development Costs (Including Demo):		\$0
Scored Costs:		\$0
Life Cycle Cost (NPV)		\$0
AF Owned:		\$0
Privatized:		\$0
Difference:		\$0

Data Sources

HRMA Date:	8/6/2003	HRMA Comment:	HCP Comment:
HCP Date:	11/1/1992	Final	

Operations and Management Activities (\$M)

Base Name: Hurlburt Field

O&M Details

Operations and Management Cost Type*

	FY	2008	2009	2010	2011	2012	2013
	Units	0	0	0	0	0	0
P-721.10 Management-Summary Total		\$0.500	\$0.500	\$0.500	\$0.500	\$0.500	\$0.500
P-721.4g Furnishings-GOQ		\$0.016	\$0.016	\$0.016	\$0.016	\$0.016	\$0.016
P-723+ Leases		\$5.025	\$5.025	\$5.025	\$5.025	\$5.025	\$5.025
UTIL-I Utilities - Lump Sum Funding		\$0.005	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005
Total O&M		\$5.545	\$5.545	\$5.545	\$5.545	\$5.545	\$5.545

* "Operations and Management Cost Type" does not include Privatization Support Costs (BPAC 727). Privatization Support Costs will be accounted for in the MAJCOM FHMP.