

United States Department of the Air Force

MAJCOMname

**Air Force Center for
Environmental Excellence
(AFCEE)**



Privatization of Military Family Housing

Basename Air Force Base

Solicitation No. AFCEE-FY-XXXX

REQUEST FOR PROPOSAL

STEP ONE PROPOSALS ARE DUE NO LATER THAN

5:00 P.M. EST Proposaldue date AT:

PSCNAME

PSCaddress

PSCcity

Voice: PSCphone Fax: PSCfax

Email: PSCemail

Web site: PSCwebsite

Key

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Yellow-highlighted text	Specific sectional notes and/or directions that are provided as comments throughout the document

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SECTION 1.0 EXECUTIVE SUMMARY

1.1 AUTHORITY

Pursuant to The National Defense Authorization Act for Fiscal Year (FY) 1996, Public Law (P.L.) 104-106, Title XXVIII, Subtitle A-Military Housing Privatization Initiative (MHPI) (codified at 10 United States Code (U.S.C.) Sections 2871-2885 as amended), the Department of the Air Force is soliciting proposals from qualified entities interested in entering into a business arrangement with the Government.

The Air Force has determined that the legislative authorities listed below will not be used in this transaction.

- Differential Lease Payments (codified at 10 U.S.C. Section 2877 as amended)
- Investments (codified at 10 U.S.C. Section 2875 as amended)

All authorities can be accessed at the following Web site:

<http://www.defenselink.mil/acq/installation/hrso/la.htm>

1.2 HOUSING GOAL

The goal of the Basename Air Force Base (AFB) privatization initiative is to provide its military families access to safe, secure, quality, affordable, well-maintained housing in a military community where they choose to live.

Privatization will accelerate housing improvements, alleviate housing shortages, and reduce waiting times for adequate housing, ultimately improving morale of Air Force personnel. Since traditional Military Construction (MILCON) funds are unavailable to meet this goal in a timely manner, Government officials have determined that the best solution is to use privatization to leverage available resources.

1.3 PROJECT SUMMARY

1.3.1 Project Concept

The project involves a non-Federal Acquisition Regulation (FAR) real estate transaction with the Successful Offeror (SO) under which the Government will convey Convey# existing housing units and certain associated improvements, and lease approximately XXX acres of land divided among Parcelnumber parcels including Parcel A, Parcel B, and Parcel C. The SO shall obtain necessary construction and permanent financing; provide required equity; and plan, design, develop, renovate, demolish, construct, own, operate, maintain, and manage a rental housing development, including all paving and drainage, as well as any utilities conveyed to or constructed by the Offeror, for a minimum of Scope# military families for 50 years.

The Scope# required housing units are referred to as the "privatized units." The privatized units shall consist of the XXX existing units located in Parcel A, the XXX units located in Parcel B, and the XXX units located in Parcel C [add reference to New Land Units if applicable], as described in Section 2.0, Existing Conditions. All privatized units shall be designated for occupancy by pay grade, and Referral Rent shall not exceed the Basic Allowance for Housing (BAH) at the dependent rate for the designated military pay grade, minus an amount sufficient to cover 110% of average estimated utility charges. The SO will be paid rent directly from the military members by allotment retroactively, one month in arrears.

1.3.1.1 Housing Conveyed

At the closing of the transaction, the Government will convey its interest in Convey# family housing units constructed in various phases since 19XX. The homes are located in different neighborhoods. Parcel A and Parcel B are located on the main base, while Parcel C is geographically separated from the main base, as indicated on the General Concept Map (Appendix C). Table 1 below provides a list of the base neighborhoods,

the number of existing units to be conveyed to the SO and final disposition of the existing units.

With respect to historical units, the conveyance shall be subject to the restrictions imposed by the base historical preservation plan. [Verify the appropriate agency.]

Table 1 – Disposition of Existing Housing Areas

EXISTING HOUSING AREA	NUMBER OF UNITS	YEARS BUILT	DISPOSITION
Parcel A	XXX	19XX-XX	Demolish XXX Renovate XXX Construct XXX
Parcel B	XXX	19XX-XX	Demolish XXX Renovate XXX Construct XXX
Parcel C	XXX	19XX-XX	Demolish XXX Renovate XXX Construct XXX
TOTAL	XXX		Demolish XXX Renovate XXX Construct XXX

1.3.1.2 Leased Land

At the closing of the transaction, the Government will lease approximately XXX acres of improved land to the SO. Upon successful completion of demolition and the project construction to the satisfaction of other conditions set forth in this Solicitation and in the controlling documents, XXX parcels containing approximately XXX acres will be returned to the Government and the lease of those parcels will be terminated. One parcel containing approximately XXX acres will continue to be leased by the Government to the SO for up to ten years beyond the transition period. Reference the following table:

Table 2 – Size and Disposition of Land Areas

LAND AREA	APPROXIMATE ACRES	DISPOSITION
Parcel A	XXX	Continue out-Lease (50 years)
Parcel B	XXX	Continue out-Lease (50 years)
Parcel C	XXX	Continue out-Lease (50 years)
TOTAL	XXX	

1.3.1.3 New Land

At the closing of the transaction the Successful Offeror will provide XXX acres of land for the construction of privatized housing units. The SO shall construct XXX units within XX years of the closing of the transaction. [Delete if the SO is not required to provide New Land.]

1.3.1.4 Construction of Privatized Units and Other Improvements

The project requires the construction, Government issuance of its Certificate of Compliance, and occupancy of XXX new units within XX years of the closing of the

transaction, the renovation and Government acceptance and occupancy of XXX units within XX years of closing of the transaction, and the demolition of XXX existing units within XX years of the closing of the transaction. The new units will consist of a mixture of three- and four-bedroom, single-family units and two-, three-, and four-bedroom multiplex units. Most if not all of the new units will be sited on Parcel B. A limited number of the newly constructed units may be sited on Parcel C. Other required improvements to be renovated or constructed by the SO are identified in Section 3.0.

1.3.1.5 Project Development Demographics

The chart below, arranged by military pay grade, reflects the anticipated demand for housing for the development. Project requirements in Section 3.0 are based on these demographics. The SO shall demonstrate in its proposal how to satisfy this demand.

Table 3 – Project Development Demographics

	2 BEDROOM UNITS	3 BEDROOM UNITS	4 BEDROOM UNITS
O-7 to O-10 (General Officer)	XXX	XXX	XXX
O-6 (Senior Officer)	XXX	XXX	XXX
O-5	XXX	XXX	XXX
O-4	XXX	XXX	XXX
O-3	XXX	XXX	XXX
O-2	XXX	XXX	XXX
O-1	XXX	XXX	XXX
E-9	XXX	XXX	XXX
E-8	XXX	XXX	XXX
E-7	XXX	XXX	XXX
E-6	XXX	XXX	XXX
E-5	XXX	XXX	XXX
E-4	XXX	XXX	XXX
E-3	XXX	XXX	XXX
E-2	XXX	XXX	XXX
E-1	XXX	XXX	XXX
TOTAL	XXX	XXX	XXX

1.3.1.6 Operation of Housing Pending Designation and Completion of XXX Units

The SO will be required to operate and maintain all existing units in habitable condition until, if applicable, the units are demolished in accordance with the approved Transition Plan. At the closing of the transaction, all conveyed, occupied units shall have their rents set no higher than the BAH rate of the current occupant, which includes utilities. Vacant units shall have a rent structure established by the SO, but will not exceed the BAH of any referred accompanied military member unless the military member elects (with Government approval) to rent a unit designated for a higher grade at the unit’s associated BAH (except as noted in Section 3.4 herein). Any member who does “rent-up” must sign a statement that they recognize they are renting a unit above their

bedroom or size requirement and are paying an amount out-of-pocket for that reason. This will allow the SO some flexibility in keeping units occupied while meeting the Project Development Demographics. Also during the transition period, the SO should offer excess units (above the XXX minimum), to military members at their respective BAH rate. In addition, all conveyed units, including Parcel A/B/C housing, must be made available to Referral Tenants exclusively during the transition period. Within one year from the closing of the transaction, the SO must install individual electric and natural gas meters on the XXX Parcel A/B/C units. Once those meters are installed, the SO shall establish a fixed rent for those units established at an amount not to exceed the BAH rate minus an amount sufficient to cover 110% of estimated average reasonable utility charges at the dependent rate of the military grade that the unit is designated for, in accordance with the Project Development Demographics. All newly constructed units shall also have individual electric and natural gas meters installed prior to occupancy and have their rent established in the same manner. Until the Parcel A/B/C units are metered, and for all units that are to be demolished, rents will also include natural gas and electricity. Rents will be fixed by unit type and shall not exceed the BAH with dependent rate of the military grade for which the particular unit was designated. After the Parcel A/B/C units are metered, and for all newly constructed units, rental rates will be adjusted to provide a “reasonable utility allowance.”

1.3.1.7 **Additional Housing Requirements**

The parties recognize that the Government may have additional requirements for housing at this base. The Government may satisfy these requirements by privatizing through the SO, existing housing owned by the Government, or by having the SO construct additional privatized housing. Accordingly, the Government may modify its written agreements with the SO to add some or all of the additional housing required at this base, provided the Government and SO are able to negotiate mutually satisfactory terms and conditions. The Government may add these additional requirements, subject to the mutual agreement of the parties, at any time during the term of the initial agreement (as may be extended by mutual agreement of the parties), but is not required to do so.

1.4 **KEY CONTROLLING DOCUMENTS**

Documents governing the project include, but are not limited to, a Lease of Property (Appendix U), with a companion Operating Agreement (Exhibit E of Appendix U), a Quitclaim Deed or Bill of Sale (Appendix V), a Use Agreement (Appendix X), and appropriate financial instruments as discussed in Section 3.0.