

Headquarters U.S. Air Force

Integrity - Service - Excellence

Air Force Housing Opportunities



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AF/A7CHM**



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Agenda

- **The AF Housing Challenge**
- **Current Program**
- **Upcoming Opportunities**
- **Wrap-up**



Elmendorf AFB



Robins AFB



Dyess AFB



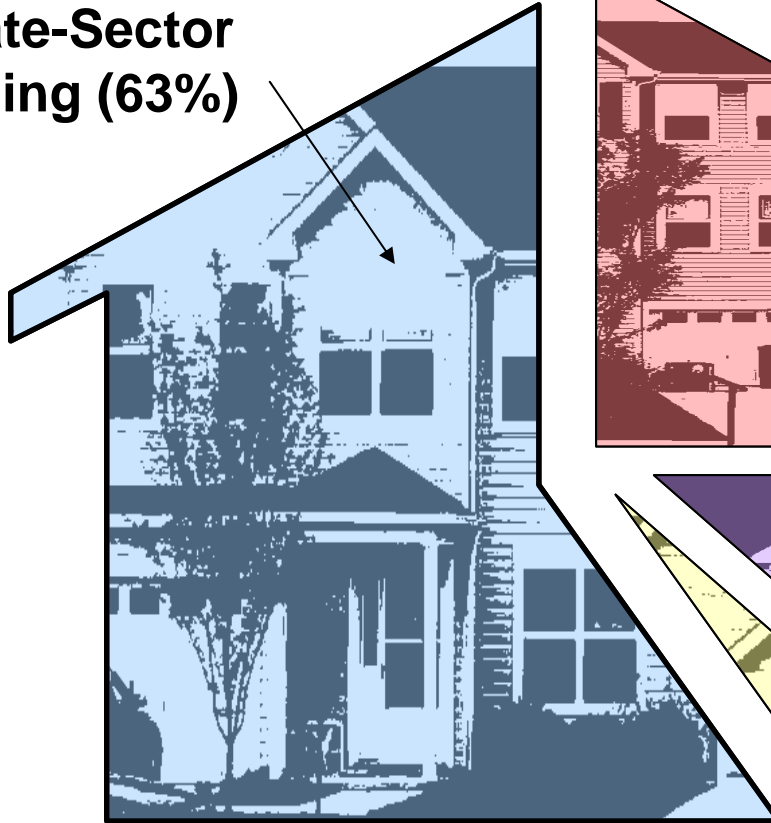
Wright-Patterson AFB



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Housing Privatization Where Families Live Now

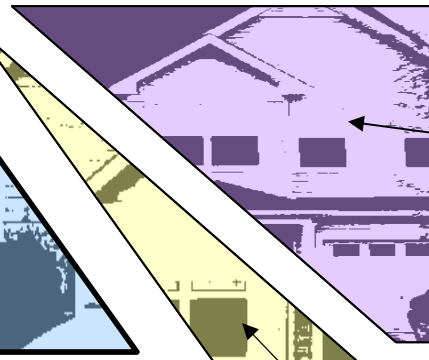
Private-Sector
Housing (63%)



Privatized
Housing (24%)



Government
Housing
(10%)



Leased Housing (3%)

OSD Data, FY07



The AF Housing Challenge

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- **2002 Air Force Family Housing Master Plan (FHMP) reported about 104,000 units in AF inventory**
 - **Approximately 40% of AF families lived on-base**
 - **More than 40,000 inadequate units**
 - **Average age of housing units was 32 years**
 - **Time to fix was 12 years with existing funding and without privatization**
- **2006 FHMP MILCON cost to fix is \$7.6B**
- **Tools to fix inadequate units**
 - **PRIVATIZATION**
 - **MILCON**



“A non-traditional approach to MFH revitalization was required!”



The Privatization Timeline

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1. Feasibility/ Identification

- SAF/IEI & Executive Steering Group (ESG)
- AF IPT (Base, MAJCOM, AFCEE, Air Staff, Legal, Finance, Contracting/Acquisition, Real Property., Environmental)
- Privatization & Real Estate Support Services (PRESS) contractors

2. Concept/Definition

- OSD approval
- SAF/IEI & ESG approval
- AF IPT
- PRESS

3. Acquisition/ Solicitation

- Congressional Notification
- SAF/IEI & FMB
- ESG & AF IPT
- AFCEE Program Execution Office
- PRESS

4. Submission & Selection

- Developer Proposals
- Congressional Notification of Selection
- OMB Approval of Government Loan
- OSD Approval of Selection
- OSD Notification to Congress of Transfer of Funds
- SAF/IEI Source Selection Decision
- AF IPT
- PRESS

5. Project Management

- SAF/IEI & ESG oversight
- AF IPT
- AFCEE Program Execution Office
- Portfolio Manager (AFCEE)
- Asset Manager (Base)





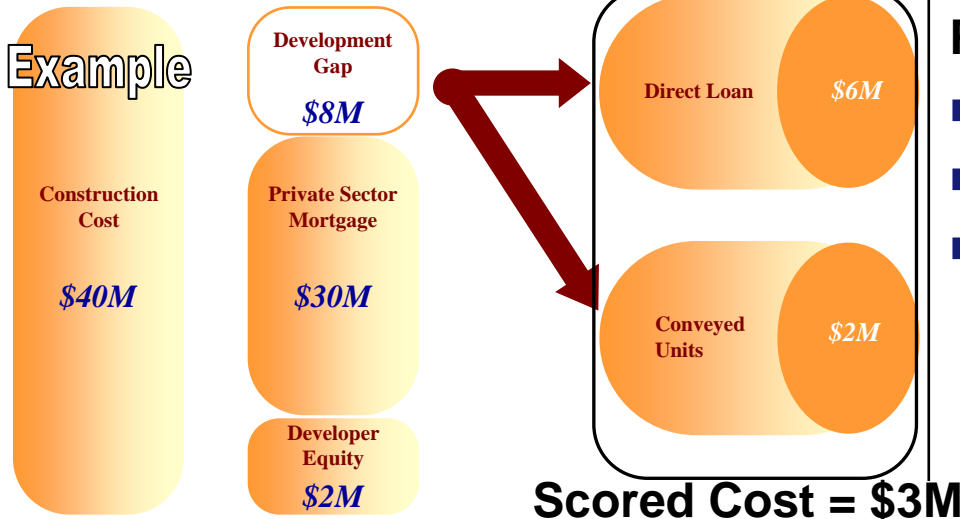
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Housing Privatization Air Force Model

- 50 Year Lease
- Government *May* Provide Direct Loan or Equity Investment
- Basic Allowance for Housing minus Utility allowance is basis for rent
- Member not required to live there



Why investment funds are needed



Privatization projects criteria:

- 3:1 Leverage
- Government Loan < Private Loan
- Privatization lifecycle cost < MILCON

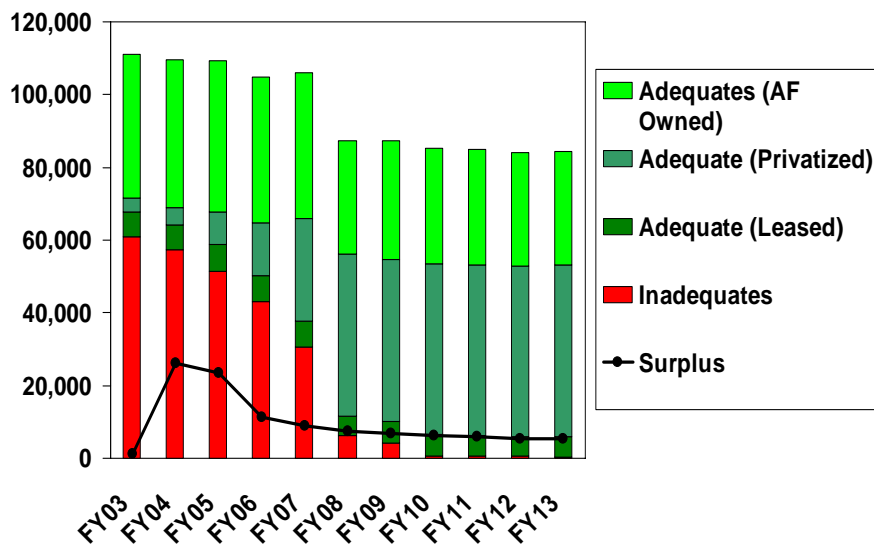
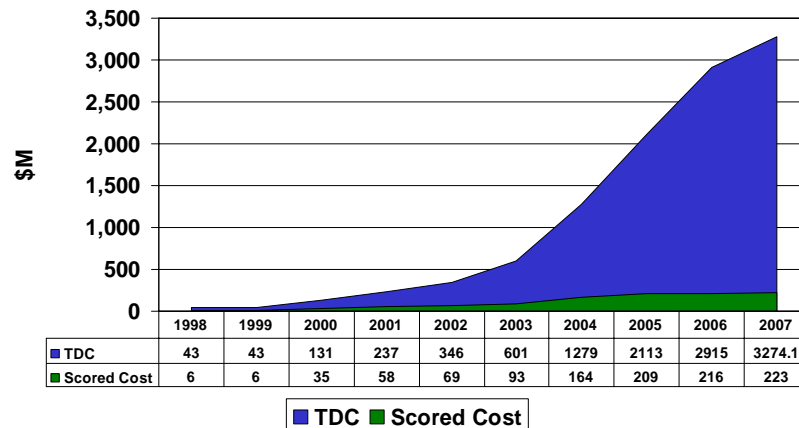


This is Transformation!

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Financially:

- Leveraged Gov't Funds Increases Scope
- Exceeds MILCON Timeline
- Results:
 - Increased War Fighting Capability
 - Families in Quality Homes Faster



Culturally:

- Focus on Community Housing
- New Policies and Procedures
 - Paying Rent and Utilities
 - Pet Deposits
- Business Decisions v. Funding Decisions
- Management Oversight
- Conflict Resolution



Current Program

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- **Completed Projects: 4,934 units**
 - Dyess, Elmendorf I, Kirtland, Lackland I, Robins I, Wright-Patterson I
- **Awarded/Under Construction: 17,411 units**
 - Buckley, Dover, Elmendorf II, Hanscom, Moody, Hill, Little Rock, McGuire/Fort Dix, Hickam I, Nellis, Offutt, Patrick, Scott, AETC Group I,
- **Developer Selected/Congress Notified: 9,998 units**
 - Peterson/Los Angeles/Schreiber, Andrews/MacDill, Barksdale/Langley/Bolling, USAF Academy, Davis-Monthan/Holloman, Lackland II
- **In Acquisition: 11,123 units**
 - AETC Group II, Fairchild/McChord/Tinker/Travis, FE Warren, Hickam II, Robins II, Vandenberg, Wright-Patterson II, Beale
- **In Concept Development: 2,155 units**
 - Cannon, Eglin/Hurlburt, Shaw
- **Assessing Feasibility**
 - All Installations Not Yet Privatized



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Current Program 20 Awarded Projects



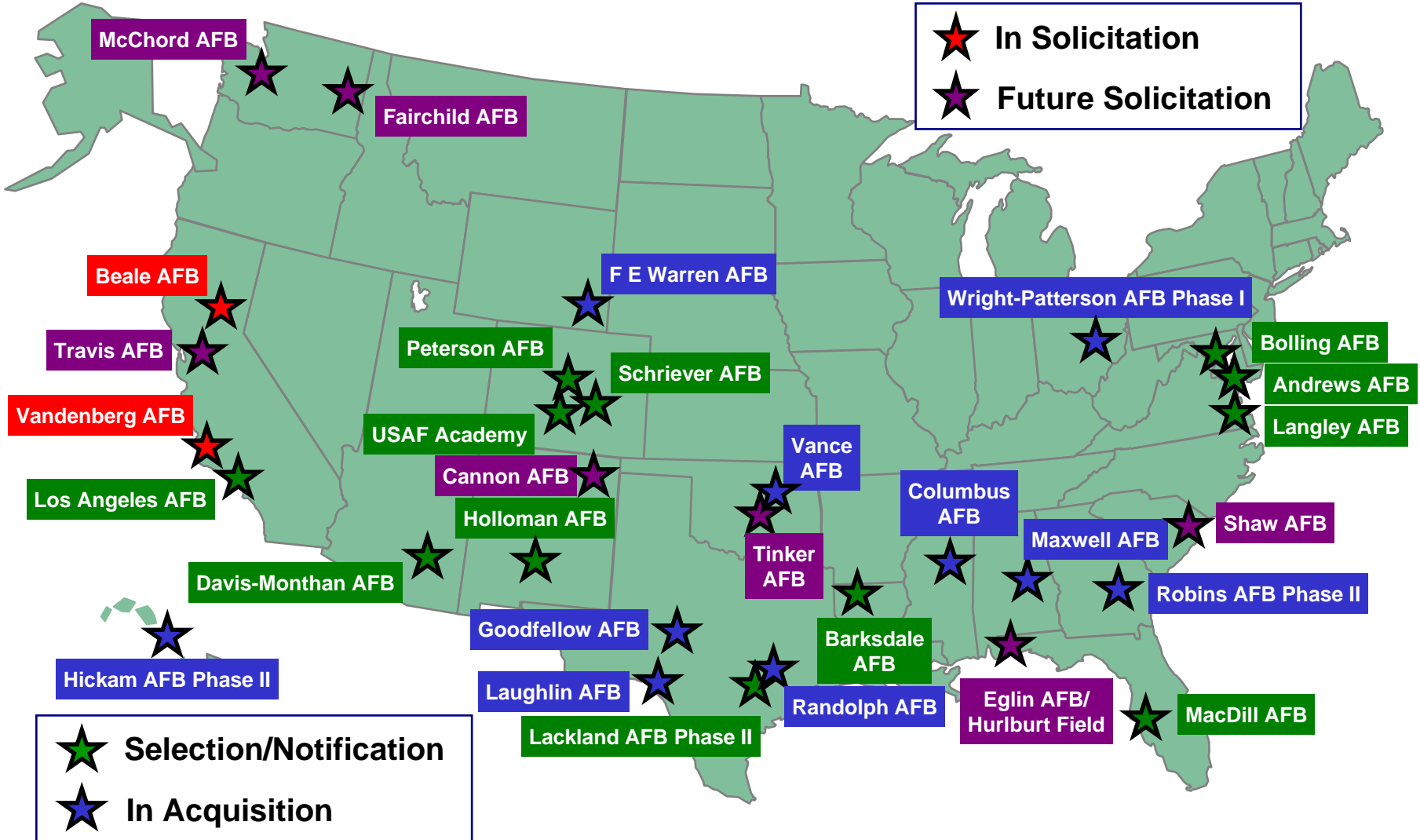
- ★ Construction Complete
- ★ In Initial Development Period

- 22,345 homes privatized
- \$3.4B in total development for \$222M AF investment: ~15:1 leverage!



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Housing Privatization Upcoming Opportunities



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Traditional Military Construction (MILCON) Opportunities

<u>Base</u>	<u>Location</u>	<u>Scope</u>
Dyess AFB	Abilene, TX	Replace 199
Minot AFB	Minot, N.D.	Replace 575
Minot AFB	Minot, N.D.	Improve 156
Mountain Home AFB	Mountain Home, ID	Replace 457
Seymour Johnson AFB	Goldsboro, N.C.	Repl/Demo 56
Seymour Johnson AFB	Goldsboro, N.C.	Improve 134
Whiteman AFB	Knob Noster, MO	Improve 59
Whiteman AFB	Knob Noster, MO	Replace 116
Arnold AFB	Manchester, TN	Improve 20
Malmstrom AFB	Great Falls, MT	Replace 493



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Summary

- Support Our Airmen With Quality Homes
- Privatization Is The Future
- Plenty Of Work Ahead



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Back-Up Slides

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Current Program

AF Projects Awarded To Date (20)

<i>Installation</i>	<i>Scope</i>	<i>Award Date</i>	<i>Developer</i>	<i>Scored Cost (\$M)</i>	<i>Direct Loan (\$M)</i>	<i>Private Loan (\$M)</i>	<i>Total Dev. Cost (\$M)</i>	<i>Loan Guarantee</i>
Lackland I	420	Aug-98	Faulkner	6.2	10.5	29.4	42.6	Yes
Robins I	670	Sep-00	Hunt	12.6	22.3	25.6	56.5	Yes
Dyess	402	Sep-00	Hunt	16.3	28.9	0.0	36.8	No
Elmendorf I	828	Mar-01	Aurora/Hunt	23.3	48.0	48.0	106.1	Yes
Wright-Patterson I	1,536	Aug-02	Miller-Valentine/Hunt	10.8	22.0	64.6	97.5	Yes
Kirtland	1,078	Apr-03	Hunt	24.2	58.6	74.0	156.0	Yes
Patrick	552	Oct-03	CEI/Shaw	0.0	0.0	75.4	110.8	No
Moody	606	Feb-04	CEI	9.7	23.0	29.6	57.3	No
Little Rock	1,200	Jul-04	CEI/Shaw	6.1	24.5	65.4	121.5	No
Buckley	351	Aug-04	IBI/Hunt	17.6	31.7	31.8	78.0	No
Elmendorf II	1,194	Sep-04	Aurora/Hunt	41.5	86.4	106.7	227.3	No
Hanscom	784	Sep-04	CEI/Shaw	0.0	0.0	168.2	202.5	No
Hickam I	1,356	Feb-05	Actus Lend Lease	4.2	51.8	212.0	298.0	No
Offutt	1,640	Sep-05	America First	12.6	72.6	131.3	245.1	No
Hill	1,018	Sep-05	Boyer Hill	11.3	33.6	41.0	89.2	No
Dover	980	Sep-05	Hunt	12.4	49.5	96.3	194.8	No
Scott	1,593	Dec-05	Hunt	0.0	24.3	166.0	254.0	No
Nellis	1,178	May-06	Hunt	1.8	50.4	126.3	230.7	No
McGuire/Ft Dix	2,084	Sep-06	United Communities	5.3	46.7	256.7	359.8	No
AETC Group I	2,875	Feb-07	GMH	6.3	64.5	263.2	396	No
Total	22,345			222.2	749.3	2011.5	3360.5	