



# **RCI, PAL and Army Housing Training**

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**RCI, PAL and AFH Policy Updates**





# RCI & PAL Utility and Services Reimbursement Policy Update

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- **ASAIEE updated Policy for Utility and Services Reimbursement on 26 Nov 12**
- **Updates instructions on calculating amount owed by RCI and PAL projects to Army for provision of utilities and services pursuant to 10 U.S.C. Section 2872a**
  - Reimbursements are obtained pursuant to executed Municipal Services Agreements (MSAs) which will be periodically updated
  - Agreements entered into before 26 Nov 12 shall be modified to comply effective next computation cycle
  - Reimbursements shall consist of (i) actual commodity usage costs and (ii) any incremental costs for maintenance and system sustainment directly resulting from providing utilities to RCI and PAL projects
    - Necessary capital investments within Army's area of responsibility (per RCI/PAL points of utility demarcation) will be centrally funded by HQDA to include (i) Project costs to correct system deficiencies, and (ii) Repair and Restoration upgrades to accomplish periodic life-cycle infrastructure replacement – these costs will not be billed to RCI and PAL projects
- **Policy also provides an expedited process for dispute resolution**



# RCI & PAL Emergency Services Reimbursement Policy

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- **Provides instructions to calculate the amount owed by RCI and PAL projects to the Army for Firefighting and Fire Protection Services, and Police Protection Services**
- **Army provides these services pursuant to Title 10, U.S.C. 2872a**
  - Allows Secretary of the Army to provide utilities and services to RCI and PAL partnerships
  - Mandates that Army is reimbursed for utilities and services provided
- **Reimbursements are obtained pursuant to terms of RCI / PAL project's Municipal Services Agreement**
- **Projects reimburse the Army for the “Incremental Cost” incurred by Army in providing or acquiring Emergency Services**
- **Use of ES Calculation Template is not required if the incremental costs associated with providing ES to RCI / PAL projects are mutually agreed to by Garrison Commander (GC) and Partner**



# RCI Major Decision Policy Update

- **ASAIEE updated Policy for Major Decision Authority on 5 Feb 13**
- **Policy identifies tiered approval authorities for Major Decisions (MDs) – approval agency depends on nature of request** (Updates in red font)
  - Local Authority MD requiring IMCOM GC approval
    - Approval of Performance Incentive Fee Awards
    - Resolution of day-to-day Property Management / Operations issues
  - Higher Authority MD requiring ACSIM approval
    - **Decisions where financial impact is lesser of:**
      - Between 5-10% of annual Operating or Development Budgets;
      - More than \$250k from annual Operating or Development Budgets; or
      - Unbudgeted/unplanned development costs greater than \$25k per home or greater than \$50k for non-housing projects (with exceptions for health and safety issues)
    - Use of funds for installation force protection initiatives
    - Change to Property Management Incentive Fee Program Metrics
    - Review and approval of Projects' annual Operating Budgets
    - Change to funding to lockbox accounts for any accumulated amount up to \$2.5M



# RCI Major Decisions Policy Update

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- Higher Authority MD requiring ASAIEE approval – delegated to DASA (IH&P)
  - Decisions where financial impact is greater than 10% of annual Operating or Development Budgets
  - Increase/decrease in Project debt/equity and associated changes to IDP scope
  - **Movement of funds between Projects using integrated LLC structures**
  - Loans from Project funds
  - Merger or consolidation of Partnership
  - Acquisition and disposition of real property
  - Removal or change of primary Partners
  - Change to IDP or ODP scope or annual budget which directly affects end-state housing inventory, renovation vs. replacement, or grade designation of housing
  - **Review and approval of Out-Year Development Plans**
  - Removal or change of affiliated contractor for Property / Asset Management, Construction Management or Development Management
  - Use of funds for schools or other ancillary facilities not in approved CDMP
  - **Use of any Reinvestment Account funds for unprogrammed / unbudgeted expenses**
    - **Use of Reinvestment Acct funds cannot be submitted as part of annual operating/CRR budgets**



# RCI Major Decisions Policy Update

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- Higher Authority MD requiring ASAIEE – i.e. DASA (IH&P)) – approval *(continued)*
  - Deviation from current RCI Construction Standards Policy
  - Permanent change to end-state unit designation schedule that changes annual operating revenue by +/- 5%
  - Action requiring change to Project Ground Lease
  - Change to funding to lockbox accounts for any accumulated amount over \$2.5M
  - Unbudgeted/unplanned development costs greater than \$25k per home or greater than \$50k for non-housing projects (with exceptions for health and safety issues)
  - Exception to Army policy that set rents for military Families equal to installation BAH
  - Use of funds greater than \$500k from the approved development budget
  - Review and approval of annual Development Budget – items which meet criteria for a Major Decision may not be approved as part of the annual Development Budget without separately obtaining approval through the MD approval process
  - Approval of changes to aggregate fee amounts and percentages



# RCI Major Decisions Policy Update

- **Policy also details GC responsibilities** *(Refer to RCI MD policy for exact language)*
  - GCs are expected to possess sufficient knowledge of RCI Project’s finances, operational goals and development plans to act as the Secretary of the Army’s representative for the identified Local Authority Major Decisions
  - GCs retain inherent authority to regulate Installation activities to the extent necessary to maintain good order and discipline
  - However, the RCI Partner has the responsibility for overall Project management to include housing management functions and maintaining the financial health of the Project
  - Accordingly, GCs shall not:
    - Authorize, direct or permit Army representatives to initiate Health and Welfare Inspections of RCI housing. This does not limit GC’s authority to authorize searches of RCI housing based upon a determination of “probable cause” to believe criminal conduct or activity is occurring within RCI housing
    - Participate in RCI Project eviction decisions. However, GCs retain their authority to bar or otherwise restrict an individual’s access to the Installation to maintain order
    - Influence the housing assignment process, including directing or holding homes for specific personnel. This does not preclude Installation from working with the RCI Partner to establish/review home designations in the event of significant changes to the military requirement
- **MD Process steps are outlined in the policy and covered in PAM Handbook 7**



# PAL Major Decision Policy

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- **ASAIEE published Policy for Major Decision Authority on 7 May 12**
- **Like the RCI MD policy, a PAL Major Decision is requested via a signed Concept Paper by the Installation GC, the OACSIM (ISP), and/or the PAL Lessee**
- **Unlike the RCI MD policy, all PAL MD requests are reviewed by ODASA (IH&P) for decision approval by DASA (IH&P)**
  - Policy identifies 25 distinct PAL MD categories *(Refer to PAL MD policy for exact language)*
    - Application of future DoD regulations / policies with PAL project impacts
    - Increase/decrease in government cash and non-cash contributions
    - Approval of IDP Close-out
    - Actions/decisions with potential scoring impacts
    - GAO/OSD/OMB/Congressional reports/briefings/approvals
    - Changes to conditions in the PAL Lease, including Condition 11 (Prohibited Uses and Limitations); Condition 15 (Transfers, Assignments, Changes of Corporate Structure, Sales of Assets, or Sub-Leases); Condition 17 and Exhibit O (changes to primary parties, revisions to existing [or additions of new] PAL Project agreements); and Condition 18 and Exhibit J (Performance of Lessee's Hotel Operations)
    - Approval of Installation-specific Development Plans and Out-year Development Plans





# PAL Major Decision Policy

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- Policy identifies 25 distinct PAL MD categories *(continued)* *(Refer to PAL MD policy for exact language)*
  - Approval of Major Work and certain related Change Orders
  - Approval of Independent Construction Consultants and associated scope of work
  - DB Manager Work or Construction Change Orders where individual cost > \$500k or cumulative cost exceeds \$15M over IDP
  - Revisions to the PAL Lease in accordance with Condition 22.I (changes affecting end-state room counts; use of PAL Project funds or resources on non-PAL assets/facilities; scope of work modifications; and changes to providers of letters of credit, debt service reserve surety bonds, credit enhancement, or guaranteed investment contracts)
  - Exceptions to PAL Lease Condition 24 (Rates and Prices)
  - Exceptions to PAL Lease Condition 25 (Occupancy Requirements and Rights)
  - Variances above established threshold amounts for selected line items in the Lessee's Operating, Construction and Development Budgets, and decisions having a >10% impact on annual budgets
  - Approval of Lessee's Operating Budget when it is accompanied by a Notice By Lessee to Lessor of negative effects on end state, development scope or timing, branding, or Hotel Mgmt Agmt Services
  - Approval of Mortgages, Liens and Encumbrances, including changes to the Project's debt/equity
  - Approval of substantive changes to insurance policies and coverages
  - Changes to the PAL Lease Condition 34 regarding processing and use of moneys received
  - Approval of process and decision concerning Non-Compliance, Default, Termination Default, etc.



# PAL Major Decision Policy

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- **Policy details GC responsibilities** *(Refer to PAL MD policy for exact language)*
  - GCs are expected to possess sufficient knowledge of RCI Project’s finances, operational goals and development plans to provide PAL MD requests to OACSIM (ISP) for processing in accordance with the PAL MD policy
  - GCs retain inherent authority to regulate Installation activities to the extent necessary to protect life and safety, to maintain good order and discipline, and to sustain anti-terrorism force protection requirements
  - GCs retain their authority to bar or otherwise restrict an individual’s access to the Installation to maintain good order and discipline
  - However, the private-sector PAL Lessee has the responsibility for overall PAL management to include development, lodging and property management, and maintaining the financial health of the Project
  - Accordingly, GCs shall not:
    - Authorize, direct or permit Army representatives to initiate Health and Welfare Inspections of PAL facilities. This does not limit GC’s authority to authorize searches of lodging facilities based upon a determination of “probable cause” to believe criminal conduct or activity is occurring within PAL facilities
    - Influence the lodging room assignment process, including directing the holding of specific rooms for specific personnel. This does not preclude the Installation’s Protocol Office from working with 10 the PAL Lessee to establish specific protocol procedures



# PAL Major Decision Policy

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- **Policy defines OACSIM (ISP) responsibilities** *(Refer to PAL MD policy for exact language)*
  - Review and approval of Lessee’s annual Operating and Asset Management Budgets
  - Development oversight as delegated by the ODASA (IH&P)
- **Policy outlines USACE responsibilities** *(Refer to PAL MD policy for exact language)*
  - Administration of PAL Lease
  - USACE is the PAL Office of Record
- **MD Process steps are outlined in the policy and covered in PAM Handbook**



# Army Housing Policy Updates



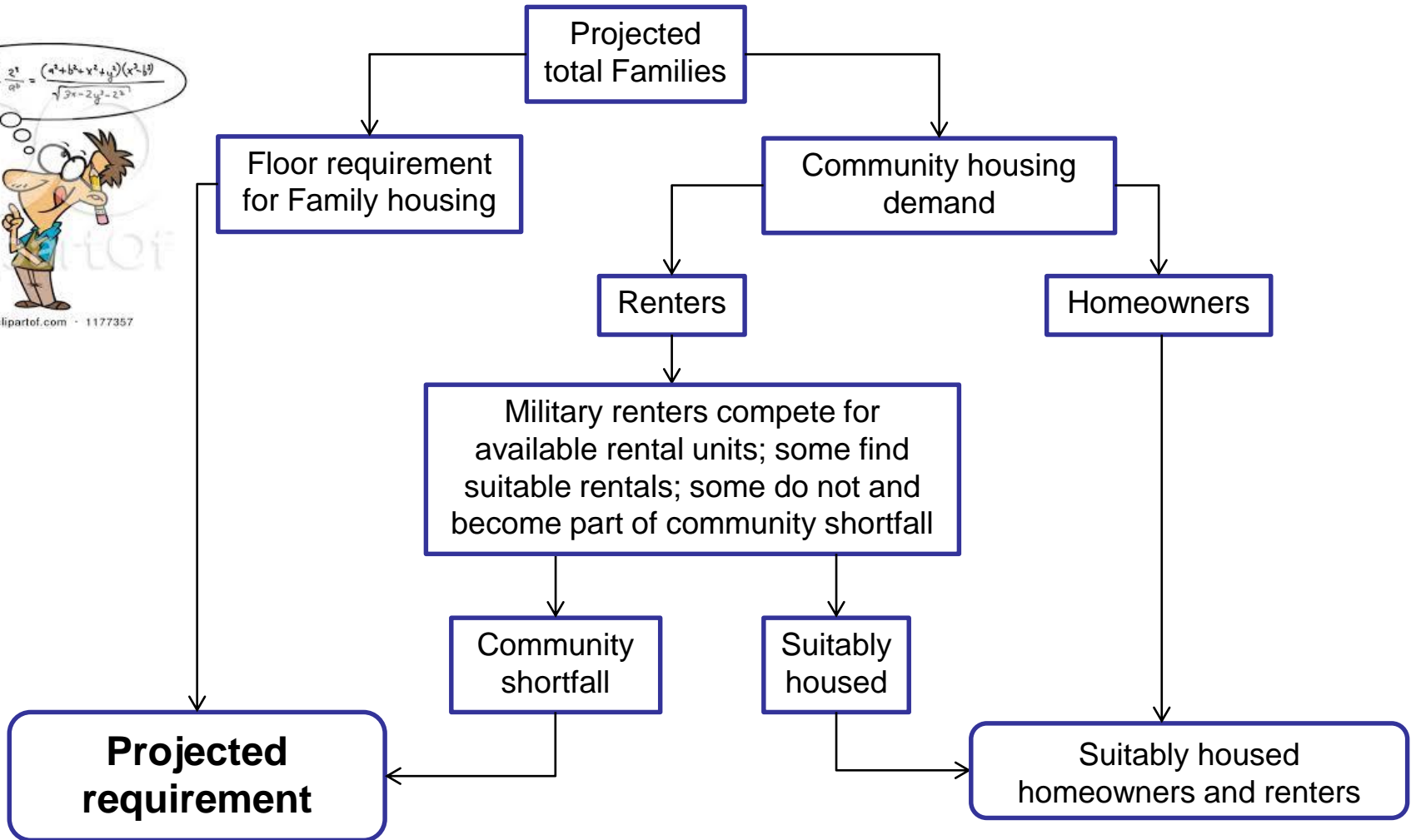
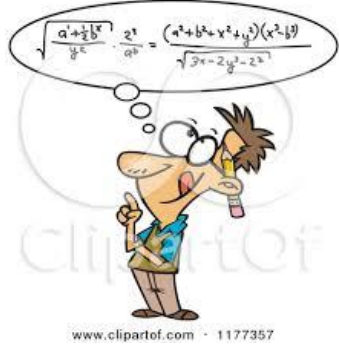
- **General Flag Officer Quarters & Executive Homes**

- Six Year Maintenance Plan (SYMP): Engages the resident in developing the plan, their commitment, and pros and cons of making changes to the SYMP
  - OSD requires a plan be submitted; actual plans remain within Army
  - Annual and Long Range Work Plan becomes part of the BES / President's Budget
  - Includes projected operations, maintenance, repair, furnishings, utilities
  - Automated report submitted through enterprise Military Housing (eMH) application
  - Commitment and concurrence from GO resident that the scheduled work is required and that all known necessary work is included in the SYMP
  - Units >\$35K annually in maintenance & repair (JB Myer-Henderson Hall, etc) presented to Congress in separate exhibit in budget submittal for prior notification and approval
  - Ensure GFOQ managers get appropriate training and use Jan 2013 GFOQ Manager's guide
  - SYMPs for privatized houses include Army management and furnishings support costs only; no maintenance, repair or utilities costs since RCI Partner is responsible for those costs

**SYMP ~~=~~ Funding \$\$**



# Army Housing Policy Updates



## AFH Requirements Determination



# Army Housing Policy Updates

- **Housing Requirements are determined by the Housing Market Analysis (HMA)**
  - Programming tool for funding, construction and leasing
  - Projects the ability of the local market to meet housing requirements
  - Based on defined housing market area
  - Up to one-hour commute from duty station – typically 20 mile radius
  - Considers military population demographics
  - Considers bedroom requirements
  - Considers supply and demand of rental homes
  - Considers economic conditions

**DoD policy to rely on the private sector as the primary source of housing for accompanied personnel eligible to draw a housing allowance**



# Army Housing Policy Updates

- **Housing Services Office (HSO)**

- DoD policy to rely on the private sector as the primary source of housing for accompanied and unaccompanied personnel eligible to draw a housing allowance

- Central point of entry for in-person housing assistance on the garrison and virtually through Army Housing Online User Services (AHOUS) to make an informed decision <https://www.housing.army.mil/>

- **Delivers Housing Services:**

- Serves as the garrison housing champion for all Active Duty military, DoD Civilians & their Family members; focuses on the 68% of Army Soldiers and Families that reside off-post
- Delivers the Army Family Covenant by offering non-discriminatory listings of rental & for sale housing, rental negotiations & lease review, property inspections, home buying counseling, landlord-tenant dispute resolution, in-&-out processing housing assistance, and the processing of housing discrimination complaints. HSOs are also the conduit to the privatized housing rental office on the garrison
- Responsible for annual housing allowance data submission to OSD to assist in setting the Basic Allowance for Housing (BAH) rates
- Assigns and terminates traditional government owned and leased housing
- Liaison to the mission units for unaccompanied housing through First Sergeant's Barracks Program (FSBP) 2020





# Army Housing Policy Updates

Barracks Type	Construction Standard			Adequacy Standard		
	Minimum Net Sq Ft	Bedroom	Bathroom	Minimum Net Sq Ft	Bedroom	Bathroom
Permanent Party (E1-E4)	140 NSF	Private	Shared	≥ 90 NSF	Private or Shared	Shared or Common
Permanent Party (E5 & E6)	140 NSF	Private	Shared	≥ 135 NSF	Private	Shared
Warrior in Transition (WT)	140 NSF	Private	Private or Shared	≥ 90 NSF	Private or Shared	Private or Shared
Basic Training (BT) / One Station Unit Training (OSUT)	90 NSF	Open Bay	Common	≥ 72 NSF	Open Bay	Common
Advanced Individual Training (AIT)	108 NSF	Shared	Shared	≥ 72 NSF	Shared	Common
Advanced Skills Training (AST)	140 NSF	Private	Shared	≥ 135 NSF	Private	Shared
Operational Readiness Training (Transient Training)	90 NSF	Open Bay	Common	≥ 72 NSF	Open Bay	Common



**Fort Belvoir, Warrior in Transition Barracks**

**Common Misconceptions:**

- Construction & adequacy standards are the same
- 1+1 is the adequacy standard for permanent party
- NCOs always get 2 spaces and a private module

## UH Adequacy vs. Construction Standards





# Future New Policies and Policy Updates

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- **New Policy: Sex Offenders**
  - Currently working within HQDA
  - Anticipate publication by the end of 2014
  - Will address RCI, PAL and AFH
- **Policy Update: RCI Construction Standards**
  - Last updated in 2011
  - Will evaluate use of LEED vs. other Green Building Standards
  - Will address Specific Accessibility design features
  - Will consider "suggestions" from the field for inclusion / change
- **Policy Update: GFOQ SYMP**
  - Residents may sign cost reports versus plans
  - Projects will not be included in PresBud without completed DD1391s
  - Additional oversight responsibilities
  - Will consider "suggestions" from the field for inclusion / change



# Future New Policies and Policy Updates

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- **New Policy: Recreational Lodging**

- PAL Partner is responsible for meeting on-post official traveler lodging requirements
- Recreational Lodging is defined in DoDI 1015.11 as “Lodging facilities and services collocated with military recreational areas to support recreation, and where the vast majority of occupancy is by unofficial travelers”
- Recently Recreational Lodges have been actively soliciting official business travelers and groups booked in the PAL hotels
- While Soldiers may be eligible to stay in Recreational Lodging, Recreational Lodging should conform to their authorized purpose of housing unofficial – not official – travelers
- Be aware of the distinction between the two lodging missions and respect the delineations