

AIR FORCE

Housing Privatization



Other Eligible Tenant Priority List

This information sheet provides tips on how to implement the Other Eligible Tenant (OET) Priority List. It provides background and outlines the provisions for implementing the Air Force policy.

Background

The housing privatization program relies on private sector loans to fund development. Lenders realized that if military members chose not to live at the projects, occupancy would be limited and revenue would be insufficient to repay the loan commitments. The Air Force agreed to expand the pool of eligible tenants as requested by the lenders in order to quickly eliminate inadequate housing. High occupancy leads to high revenue, which equates to additional funding to pay for initial construction, to pay loan commitments, to support the residents, and to save for future renovations.

The Air Force 2006 policy regarding the Priority List for OETs allows for immediate activation of the Priority List in specified increments when the actual occupancy rate of a project falls below 95% of available units.

- Per policy, if occupancy falls below 95%, the Project Owner (PO) can immediately rent housing to Tier A: Other Active Duty Military Members/Families: Guard, and Reserve Military Members/Families
- If occupancy remains below 95% after 30 days, the PO can rent housing to Tier B: Federal Civil Service Employees; Retired Military Members/Families; and Retired Federal Civil Service
- After 60 consecutive days below 95% occupancy, the PO can rent to Tier C: DoD Contractors/Permanent Employees (US Citizens)
- After 90 days below 95% occupancy, the PO can rent to Tier D: General Public

Per Air Force 2012 policy letter, Installation Commanders are urged to encourage and permit POs to continue to rent to OETs when installation occupancy rates are at or above 95% in order to procure additional income to projects. This additional income provides a “buffer” to projects against unforeseen future events as well as provides enhanced levels of service to residents.

Air Force personnel and POs are encouraged to follow this policy, even though their transaction documents may not reflect a documented change. Project documents do not need to be modified immediately, but they should be updated when appropriate. The additional revenues realized by this change in policy benefit our Airmen in the form of better services, home improvements, and overall Quality of Life (QOL).

Other Eligible Tenant Priority List

The OET Priority List includes seven categories that can be confusing considering some tenants fall into more than one category or experience special circumstances.

<p>Tier A: Immediately, with occupancy below 95%, rental permitted to:</p> <p>Other Active Duty Members of the Uniformed Services/families. This includes:</p> <ul style="list-style-type: none"> ▪ All accompanied and unaccompanied personnel (<i>Family status is not a condition when using the OET Priority List</i>) ▪ Families of active duty members who are assigned and reside elsewhere <p>National Guard and Reserve Military Members/families. This includes:</p> <ul style="list-style-type: none"> ▪ Includes active and inactive National Guard and Reserve members who are NOT assigned to the installation
<p>Tier B: Upon 30 Consecutive days of occupancy below 95%, rental permitted to:</p> <p>Federal Civil Service Employees, including NAF, DeCA and AAFES personnel</p> <p>Retired Military Members/families</p> <p>Retired Federal Civil Service Employees</p>
<p>Tier C: Upon 60 consecutive days of occupancy below 95%, rental permitted to:</p> <p>DoD Contractor Permanent Employees (U.S. Citizens)</p> <ul style="list-style-type: none"> ▪ Individuals contracted by DoD to include PO employees; does not include the PO's contractors
<p>Tier D: Upon 90 consecutive days of occupancy below 95%, rental permitted to:</p> <p>General Public</p> <ul style="list-style-type: none"> ▪ Includes tenants who do not fall into any of the other categories to include State Civil Service employees. The Air Force often requests details on General Public tenants, so AFCEC distinguishes between General Public tenants on and off base.

Categorizing Tenants is Critical

Because the OET Priority List is time sensitive and introduced in increments it is essential applicants are categorized* properly. This can be difficult if the OET can falls into more than one category. For example, retired military can also be retired federal civil service and DoD contractors. When a tenant fits into more than one category they should always be classified and placed into the highest waterfall category possible. Additionally, further communication between tenants and the PO after assignment to housing is essential to ensure the PO is aware of any status changes, which could change a tenant's entitlements/requirements.

**Note: The Housing Management Office (HMO) usually accomplishes categorization of applicants upon validation of eligibility*