

PART 1
GENERAL POLICIES
 12.5

(n) Construction of federal-owned housing.-

Agencies should ensure that estimates for construction of family housing for civilian and military personnel (either rental housing or public quarters) are consistent with the following guidelines. These guidelines apply to construction of family housing (including conversions of structures for dwelling purposes), both within the continental United States and over-seas, except for construction of military barracks. (OMB Circular No. A-45, "Policy Governing Charges for Rental Quarters and Related Facilities," provides additional guidance on standards applicable to construction of federally-owned housing.)

(1) *General.* -Estimates should *not* include funding for construction of housing for civilian employees, except where necessary to maintain continuity and efficiency of service. In no case should estimates include funding for construction of family housing for civilian or military personnel if private capital can be found to do the financing.

Unless OMB determines otherwise, estimates for construction of housing must be justified under one or more of the following conditions:

-Where the construction is for *public quarters* (i.e., where the law authorizes the provision of housing without charge, such as for military public quarters);

-Where construction is necessary to meet *requirements for service or protection*; or -Where there is *lack of available housing*.

Where seasonal demands of the agency's program or remoteness of the station would make housing and transportation costs together unreasonably high, and where such conditions jeopardize the agency's ability to maintain a qualified staff, a request for an exception to these guidelines may be submitted to OMB.

(2) *Requirements of service or protection.*-Construction of housing may be justified in cases where the agency head determines that necessary service cannot be rendered, or United States property cannot be adequately protected, unless certain employees are required to live in government quarters at the station. In such cases, the agency must demonstrate that requirements for service or protection cannot be met if personnel are permitted to live away from the station.

(3) *Lack of available housing.*-Construction of housing may be justified at remote stations, at foreign service posts, or under other circumstances when the agency head determines that necessary service cannot otherwise be rendered. In such cases, the agency head's determination must be based on a supportable finding that the available supply--present and prospective--of government and private housing within reasonable commuting distance will not meet the necessary housing requirements. In determining the adequacy of the available supply, consideration must be given to any additional private housing that can reasonably be expected to be constructed or otherwise become available.

Available housing will usually include both housing for sale and for rent, except where rotation of personnel between stations occurs at intervals of approximately three years. In those cases, only rental housing should be considered available.

Reasonable commuting distance is, as a general rule, a distance requiring travel time of not more than two hours per round trip by automobile or public transportation, or resulting in expenses per person of not more than \$5.00 per round trip by public transportation (except in metropolitan areas). Exceptions to this rule may be made by the agency for military necessity; for requirements of service or protection; or if justified on the basis that time and cost involved in commuting would create a hardship upon employees, that local commuting habits differ materially, or that public transportation is not readily available.

Insufficiency or inadequacy of the housing supply can be demonstrated by showing that one or more of the following conditions exist and are likely to be of extended duration:

- that housing cannot be located through realtors or advertisement;
- that the available housing is substandard by reasons of design, construction, or location;
- that, because of size, it is considerably more costly than employees can afford; or



-that employees subject to rotation cannot obtain leases permitting them to vacate on thirty days notice, at prevailing rental rates.

Circular No.
A-11 (1997)