

CHAPTER 11. PROPERTY MANAGEMENT

I. INTRODUCTION

A. SCOPE

This Chapter establishes policy, assigns responsibility, and describes procedures for the maintenance of the Family Housing Property Account and the administration of inventory actions.

B. POLICY

1. All facilities which are supported by Family Housing, Navy funds must be identified on the Family Housing Property Account.

2. A history record must be maintained for each facility identified on the Family Housing Property Account.

C. REFERENCES

1. NAVCOMPT Manual, Volume 3, Chapter 6
2. OPNAVINST 11101.13: "Assignment and Utilization of Navy-Managed Military Family Housing (MFH)"
3. NAVFAC P-72: "Department of the Navy Facility Category Codes"
4. NAVFAC P-78: "Navy Facility Assets Data Base Manual"

D. SUMMARY

This Chapter is organized into the three topical areas summarized below:

1. Responsibilities. The Commander, Naval Facilities Engineering Command (COMNAVFACENGCOM), is responsible for obtaining resources and providing policy, instructions, and guidance for the management of facilities on the Family Housing Property Account. The Engineering Field Divisions (EFD's) are responsible for providing resources and amplifying instructions to Field Activities within their purview regarding the management of facilities on the Family Housing Property Account. Field Activities are directly responsible for the management and control of all facilities on the Family Housing Property Account.

2. Family Housing Property Account. The Family Housing Property Account consists of all Class 1 and 2 real property managed by the family housing organization and which is supported by Family Housing, Navy (FH,N) funds. A discussion of these facilities and procedures for the maintenance of the Family Housing Property Account are contained in this section.

3. Inventory Actions. Inventory actions are processes which result in either the addition or removal of facilities from the Family Housing Property

Account, or a change in the availability of Government quarters for occupancy. Conversion, diversion, disposal, inactivation/reactivation, and changes in the paygrade or substandard designation of family housing facilities are discussed here.

II. RESPONSIBILITIES

A. THE COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND.

COMNAVFACENGCOM is responsible for obtaining resources and providing policy, instructions, and guidance for the management of facilities on the Family Housing Property Account.

B. ENGINEERING FIELD DIVISIONS

EFD's are responsible for providing resources and amplifying instructions to Field Activities within their purview regarding the management of facilities on the Family Housing Property Account.

C. FIELD ACTIVITIES

Field Activities are directly responsible for the management and control of all facilities on the Family Housing Property Account. In fulfilling this responsibility Field Activities will:

1. Ensure that the fiscal office has properly identified all family housing facilities on the Field Activity property records and coordinate with the fiscal office to ensure that changes to the inventory, including physical additions made to the facilities, are reflected.
2. Maintain a facility history record for each facility identified on the Family Housing Property Account.
3. Ensure that FH,N funds are expended only for facilities identified on the Family Housing Property Account.
4. Ensure that all facilities are utilized to the maximum extent and for the designated purpose and that they are managed in an efficient manner.

III. FAMILY HOUSING PROPERTY ACCOUNT

FH,N funds may be expended only for the management functions, maintenance, and operation of facilities identified on the Family Housing Property in accordance with Chapter 12 of this Manual.

The Family Housing Property Account includes all facilities managed by the family housing organization and for which FH,N funds are or will be expended. The Navy Facility Assets Data Base (NFADB) has been established to provide the means by which data, both on a quantitative and a monetary basis, on real property is collected, processed, stored, and displayed. The housing organization

must ensure that the Family Housing Property Account is accurate and that it is correctly reflected in the property records maintained by the fiscal officer. Actions which can affect the Family Housing Property Account include inventory actions such as acquisition, permanent conversion/diversion, or disposal; accomplishment of improvement projects; and changes in the grade designation of quarters. Inactivations or reactivations do not affect the property records although they affect the utilization of family housing.

Land (the acreage) assigned to the family housing organization is considered real property, Class 1. All other real property items assigned and constructed on or in the land (buildings, structures, and utilities) are considered real property, Class 2. All real property is either Class 1 or Class 2 and is referred to as such. Every reportable item of real property, Class 1 or 2, is considered a facility. A parcel of land (either a fraction of, or all of the land) is a facility, as is each building, structure, and utility constructed on or in the land.

All Class 1 and 2 real property which is designated for family housing usage and which is to be supported by FH,N funds should have a "Yes" designator for the family housing data element on the property record. All such property then comprises the Family Housing Property Account which is reported in the NFADB.

A. NAVY FACILITY ASSETS DATA BASE

The NFADB is an automated system which contains data on each existing facility owned or leased by the Navy. Data are provided on facility location, acquisition, construction, measurements, cost, capacity, utilization, and condition. The data base has been designed to satisfy the requirement for a separately identified Family Housing Property Account by providing a "housing indicator" as one of the data elements. The Housing Indicator requires a "yes" or "no" response which indicates that the reported facility is or is not a family housing unit or a Class 1 or Class 2 facility acquired or maintained primarily in support of family housing units. The relation must be to family housing and not to bachelor housing. Facilities which have been disposed of, either through demolition or permanent diversion, must be removed from the Family Housing Property Account. Capital improvements made to family housing facilities are reflected in the property records in terms of costs and physical alterations. Repairs, however, are not. Procedures for the maintenance of property account records are contained in NAVFAC P-78.

B. FACILITY CATEGORY CODES

All real property categorized within a prescribed structured series of category codes. These codes are used for the recording of facilities on the property account. The 900 series of codes is applicable to Class 1 property only and indicates the nature, degree, and type of the Navy's interest (permanent, temporary, fee title, lease, permit et cetera) in the land and the method by which that interest was acquired. The other series of codes (the 100 - 800 series) are applicable only to Class 2 property and, unlike the 900 series, are indicative of the use made of the facilities. Complete details on facility category codes are contained in NAVFAC P-72.

Facility category codes are the basis for structuring of resource requirements, aligning of expenditures, and the determination of facility groups in the development of projects. Guidance on the development of projects and use of facility groups is contained in Chapter 20 of this Manual.

C. CONTENTS

All facilities which are owned or controlled by the family housing organization must be identified on the Family Housing Property Account.

1. The Family Housing Property Account includes the following facilities to which the Navy has a right, title, or interest.

a. All types of family dwelling units and mobile home facilities irrespective of the occupant and whether the housing is:

(1) Located on or off station, owned or leased, occupied or unoccupied.

(2) Situated in dispersed locations or in community type areas.

(3) Located at an active, inactive, standby, or reserve facility.

(4) Operated or maintained by the Government directly or by contract.

b. Nondwelling buildings directly associated with family dwelling units or a family housing area including the family housing office and structures outside the housing area required solely for Navy Family housing Program support.

c. Roads, driveways, walks, and utility systems which primarily serve family housing units or areas.

d. The grounds area of a group of family housing units and the yards of dispersed family housing units or areas.

e. Community facilities which are integral to a family housing area and are available for use only by family housing area residents and their guests.

f. Telephone wiring within family housing facilities, originating at the entry point to the structure and terminating at the jacks to which the telephones are hooked up. Occupant-owned or rented telephone equipment and the wires connecting them to the jacks are not included in the Family Housing Property Account.

g. Fixtures and other appliances or equipment in a family housing unit which are either integral components or movable items; for example, refrigerators, cooking stoves, and, when authorized, food freezers, room air conditioners, fans, and roof, attic, or cable television antennas. Also included are the aforementioned types of appliances provided for family housing rented

privately by Department of Defense (DOD) personnel in areas outside the contiguous United States (CONUS) when such provision is determined to be in the best interest of the Government. This category of facilities is considered minor property and is recorded in accordance with NAVCOMPT Manual, Volume 3, Chapter 6.

h. Furnishings and other personal property not included above which are directly associated with making family housing units more liveable. Also included are items provided in privately rented housing outside CONUS when such provision is in the best interest of the Government. This category of facilities is considered minor property, and is recorded in accordance with NAVCOMPT Manual, Volume 3, Chapter 6.

2. The Family Housing Property Account excludes the following properties, irrespective of the Government's right, title, or interest therein:

a. Arterial roads, public walks, and utility lines or mains which may pass through or front on family housing locations, but which primarily serve other station requirements.

b. Facilities provided for temporary family occupancy in a manner similar to hotels or motels.

c. Community facilities which are not integral to a family housing area, or which are available for use by other than family housing residents and their guests.

d. Educational facilities.

e. Telephones and other communication facilities installed in family housing units, whether for official or private use.

f. Community antenna television distribution service by Government agencies (other than DOD), commercial cooperative, or private enterprise.

g. Properties financed by and supporting the Defense Security Assistance Program.

h. Food service or sale facilities.

i. Facilities used primarily for religious services or religious activities.

D. IDENTIFICATION OF FACILITIES

To facilitate the proper identification of facilities during the continual review and maintenance of property record files, a permanent numbering system must be implemented at each Field Activity. Class 1 property will be identified by descriptive means only. Class 2 property will be identified by permanently assigned numbers.

1. Numbering System. All buildings or structures of sufficient size or prominence to be shown on the general development map of the Field Activity must

be assigned a permanent identification number. Buildings containing more than one family dwelling unit will be assigned one number for the building with each individual unit being assigned a letter suffix, e.g., building 5062 contains four dwelling units which are identified as 5062-A, 5062-B, 5062-C, and 5062-D. Building numbers assigned to dwelling units should be coincident with street addresses. The assignment of all permanent building numbers must be approved by the cognizant EFD

2. Naming of Areas, Streets, and Facilities. The naming of areas, streets, and facilities provides an opportunity to recognize individuals honored by the Navy or significant local characteristics. The use of personal names must be approved by the Chief of Naval Operations (CNO). Nominations of personal names should be made to honor individuals who have made outstanding contributions of a lasting nature to the Navy. The following actions will govern the process of selecting names.

a. No publicity is authorized regarding nominations or names of persons until approved by the CNO and subsequently accepted by the honorees or their survivors.

b. Upon request, the naval history division of the office of the CNO will provide assistance in identifying appropriate naval personnel to be honored.

c. An explanation will be furnished by the nominating Command to support the selection of the name of a person who is not nationally well known.

d. Names already in use, unless manifestly unsatisfactory, should not be changed.

e. Proposed names and numbers should be coordinated with local postal and political authorities to assure there will be no conflicts with existing or proposed names and numbers in the area.

3. Occupant Name Signs. Occupant name signs are not required for identification purposes. Accordingly, FH,N funds will not be used for obtaining, installing, or maintaining occupant name signs.

E. MINOR PROPERTY

Personal property acquired for immediate use and having a unit cost of less than \$1,000 is considered minor property. Household equipment in this category will be handled in accordance with the procedures defined in Chapter 15 of this Manual. All other minor property will be controlled in accordance with the procedures delineated in the NAVCOMPT Manual, Volume 3, Chapter 6.

F. FACILITY HISTORY RECORDS

A facility history record must be maintained for each facility identified on the Family Housing Property Account. For multidwelling buildings each family housing unit must have a separate facility history record. This record should contain information regarding the maintenance, repair, and improvements performed

on each facility. The facility history record is one of the primary sources for the development of the short- and long-range maintenance plan and the budget.

1. All occupancy inspection reports and records pertinent to the current occupant will be retained for use in conducting follow-up inspections. In addition, a record of the furniture and equipment assigned to a facility should be maintained. Equipment should be identified by the manufacturer's serial number in order to preserve the accuracy of the total inventory.

2. Emergency/service calls and maintenance work should be identified and these records will be retained for at least 3 years.

3. A permanent record of major repairs and improvements performed on the facility will be established. This information should provide the basis for determining both short- and long-range budget requirements.

4. Personal information regarding occupants should not be retained in facility history records. These records should be maintained separately in accordance with Chapter 9 of this Manual.

IV. INVENTORY ACTIONS

Inventory actions are processes which result in either the addition or removal of real property from the Family Housing Property Account or a change in the use of the family housing inventory, excluding leased quarters. These actions include acquisition, conversion, diversion, disposal, inactivation/reactivation, changes in the paygrade designation of quarters, and redesignation of quarters from substandard to adequate.

A. ACQUISITION

Acquisitions are the addition of real property to the Family Housing Property Account. The acquisition of family housing facilities is discussed in Chapter 5 of this Manual.

B. CONVERSION

Conversions are the change in use of other facilities to public quarters or the combining of two or more units of Government quarters. A temporary conversion is one that is undertaken for a specific situation and for a limited duration, such as the duration of an assignment to a particular sponsor. When the temporary conversion period has ended, the family housing unit is restored to its original condition and configuration. Requests for temporary conversion involving the combining of two or more units of government quarters will be submitted to the EFD via the major claimant, with a copy to COMNAVFACECOM. Any physical alterations required to accomplish such a conversion will be treated as improvement-type work and will be subject to approval levels shown in Chapter 20 of this Manual in addition to the approval required for the conversion itself. The cost of restoring the unit or units to original condition upon completion of the conversion period must be included when determining the appropriate approval authority for the project work associated with the conversion. Requests for

permanent conversion must be submitted to COMNAVFACENGCOM via the EFD and major claimant. Conversions which involve the change in use of other facilities to public quarters are considered to be the same as acquisitions and may require prior Congressional approval. Conversion requests of this nature will be submitted to COMNAVFACENGCOM via the EFD and major claimant for appropriate determination.

C. DIVERSION

Diversions are the actions taken to temporarily transfer family housing to other Navy use. Diversions are considered when facilities are temporarily excess to housing needs. Normally, diversions will be authorized for a period of 2 years or less. The costs of operation and maintenance during the period of diversion will be charged to the account financing the resulting facility. The facility, however, will not be removed from the Family Housing Property Account. Requests for temporary diversions for periods of two years or less will be submitted to the EFD for approval via the major claimant, with a copy to COMNAVFACENGCOM. Requests for temporary diversions beyond two consecutive years, including any extensions, will be submitted to COMNAVFACENGCOM via the EFD and the major claimant. Permanent diversions are considered disposals and requests will be submitted to COMNAVFACENGCOM via the EFD and major claimant in accordance with paragraphs IV.D. and IV.E. below.

D. DISPOSALS

Disposals are the permanent removal of real property from the Family Housing Property Account. Demolition and permanent diversion are forms of disposal. Disposals are considered when real property is determined to be excess to the needs of family housing. Requests for disposal will be submitted to COMNAVFACENGCOM via the EFD and major claimant. Requests for disposal normally will not be approved in instances where a housing deficit exists and the facility can be economically retained as family housing.

FH,N funds will be used for the operation and maintenance support costs of family housing facilities in an active or inactive status and for housing facilities in the process of disposal. FH,N funds will not be used, except when approved by COMNAVFACENGCOM, to support the demolition of family housing facilities on land to be retained for nonhousing use.

The Navy retains custody and accountability of excess and surplus real property and must perform the physical care, handling, protection, maintenance, and repairs of such property pending its transfer to another Federal agency for disposal. Maintenance of the facilities while in this caretaker status is described in section IV.E.3 of this Chapter. The Navy retains financial responsibility for such expenses for not more than 12 months plus the balance of the fiscal quarter in which the General Services Administration receives the formal report of excess.

E. PROCEDURES FOR CONVERSION, DIVERSION, OR DISPOSAL

1. The following information will be provided in all requests for conversion, diversion, or disposal:

- a. Housing type (Wherry, Capehart, Fund Prior 1950, and so forth)
- b. Building and unit number
- c. Date constructed
- d. Bedroom composition
- e. Living space (net square footage per unit)
- f. Current designation (Flag, Senior, Field Grade, Company Grade Officer or Enlisted) and current occupancy.
- g. Current utilization rate of all housing assets (adequate and inadequate reported separately), size of current waiting list, and average length of wait for housing.
- h. A statement that the unit is or is not located in a thematic district or designated as an historic site.
- i. A statement that the location of the unit does or does not meet safety criteria regarding air installations compatible use zones, explosive safety quantity distance arcs, and distance from sewage treatment plants.
- j. For encumbered housing, the Federal Housing Administration (FHA) number of the mortgage document.

2. Conversion requests will contain the following additional information:

- a. A completed project prepared in accordance with Chapter 20 of this Manual.
- b. Specific comments on the impact that the requested conversion will have on meeting the housing needs by bedroom composition of all military families in the area.
- c. Detailed justification to support requested action.
- d. Detailed explanation for the number of units (by bedroom size and designation) involved, including gains and losses to the inventory as a result of conversion actions.
- e. If request is for conversion of encumbered housing, the FHA number of mortgage document.

3. Diversion requests will contain the following additional information.

a. A brief description of the general condition of the facilities.

b. Specific comments on the impact that the removal of the unit(s) from the family housing inventory will have on housing military families in the area.

c. A description of the proposed use of the facilities, including specific justification and data to explain why the requested action is deemed the most appropriate alternative.

d. The period of time for which such diversion is required.

Continued diversion beyond the approved period requires the submission of a new request and justification.

4. Disposal requests which involve the removal of property from Navy ownership will be prepared and submitted in accordance with NAVFAC P- 73.

F. INACTIVATION

Inactivation is the formal action by which individual Government quarters are determined to be unavailable for occupancy for a period of 6 months or more, and are removed, along with all supporting facilities, from an "active" status. Inactivated facilities remaining on the Family Housing Property Account are supported by FH,N funds.

1. Conditions for Inactivation. Government quarters may be designated as "inactive" when one of the following conditions exists:

a. There is no foreseeable occupancy of Government quarters for a period of 6 months or more as a result of voluntary or mandatory assignment, and the quarters are excess to the requirements of families of absentee sponsors.

b. The Field Activity has been announced for closure or reduction in mission, and, as a result, housing requirements are reduced, or housing units are vacant pending disposition.

c. The family housing units are undergoing major repair or rehabilitation which precludes occupancy for a period of 6 months or more. Only exceptional cases of major repair or rehabilitation should create a necessity to vacate a unit or group of units for a time exceeding 6 months.

2. Requests for Inactivation. If any of the conditions for inactivation exist, the Field Activity must immediately submit a formal request for inactivation to the EFD via the major claimant. Requests will include identification of facilities, reasons for inactivation, expected duration of inactivation with identification of the beginning and ending dates, and a recommendation, with supporting back-up, for the retention or disposal of the inactive facilities. Requests for inactivation must include provisions for the immediate reactivation of the facilities when conditions for inactivation cease to exist.

3. Caretaker Status. Facilities declared inactive for reasons other than scheduled major repair or rehabilitation will be placed in a caretaker status. Placing these inactive facilities in a caretaker status provides for the basic maintenance necessary to protect the Government's plant property investment against loss from fire, theft, vandalism, or avoidable deterioration, and to prevent the development of unsafe, unsanitary, or unsightly conditions. As a result, a minimum expenditure of funds and effort is needed to reactivate the facilities, should the conditions for inactivation cease to exist. The maintenance inspection procedures discussed in Chapter 17 of this Manual will be adapted to meet the special needs entailed by caretaker maintenance.

a. Facilities Maintenance. Physical preparation of facilities will commence upon the receipt of approval to inactivate. In addition to the general interior and exterior clean-up, outside doors should be closed and locked. Screens and screen doors should be removed and either stored in the housing unit to which they belong, or in a central storage place. Interior doors with sticking or malfunctioning latches should be blocked against closure for safety reasons. Medicine and kitchen cabinet doors should also be left open. Windows should be closed and latched. Blinds should be lowered with the slats in an open position so that visual inspection from the outside of the unit can be easily made.

Necessary exterior maintenance, including painting, is performed only to the extent required to prevent deterioration. Interior painting will not be performed. Stripping or transfers of items of equipment, parts, or materials from inactivated units is prohibited except with the express permission of the fiscal officer. This restriction does not apply to furniture and furnishings normally warehoused for reissue or separate excess action.

Pipes, radiators, and hot water heaters should be drained. If feasible, the water supply to each facility should be turned off and the faucets left open. Plumbing traps on fixtures, and particularly toilet bowls, should be filled and, where there is a cold climate, a permanent anti-freeze added. A small quantity of heavy oil in the toilets will minimize evaporation. The main house trap should be filled not less than every 6 months to replace the loss from evaporation and to prevent the entry of sewer gas.

Fuel tanks and lines to the unit: should be drained. The dampers of space heaters should be closed and all the controls should be set at "off." Gas connections at the main valves in the units should be turned off. All electric switches should be turned off. All lamp bulbs and fuses should be removed and returned to the central stock.

Refrigerators should be defrosted and the interior, including trays, should be thoroughly cleaned. The refrigerator door or door latch should be removed for safety reasons.

Community buildings and other nonresidential structures in an inactivated housing site should be closed and secured in the same manner as residential structures.

b. Utilities. If an entire housing site is put in inactive status, an arrangement should be made with each utility supplier to discontinue the service. However, a main water supply should not be cut off because such an arrangement will result in an undue fire risk. Streets and roads should continue to receive maintenance. Maintenance of the streets may be provided either by the Navy or by an arrangement with the local community.

c. Grounds Maintenance. All the grounds in an inactivated housing site must be kept clean and free from trash and rubbish. Grass should be cut, shrubs pruned, and trees trimmed. Irrigation will be performed where required by climate, but on a minimum scale, more to prevent permanent deterioration and reduce fire hazards than to maintain appearances.

d. Security. Provision should be made for fire and police protection to prevent trespassing, vandalism, theft, fire, or illegal entry and use of inactivated facilities. Inactivated housing sites must be suitably posted with no trespassing signs and notices.

G. REACTIVATION

Reactivation is the formal action where public quarters are removed from an inactive status and are made available for occupancy. If conditions for inactivation cease to exist, the Field Activity will request permission to, or if delegated by the EFD, immediately reactivate the units.

H. CHANGES IN PAYGRADE DESIGNATION

A redesignation of family housing by paygrade category will necessitate a change in the facility category codes for the affected units. When an imbalance persists between family housing assets and applicants, consideration should be given to redesignating the units in accordance with current and projected housing requirements. The paygrade designation of family housing is discussed in OPNAVINST 11101.13 and in Chapter 9 of this Manual.

I. REDESIGNATION OF SUBSTANDARD FAMILY HOUSING UNITS

Family housing units, which were formerly designated as substandard, may be upgraded to adequacy for a number of reasons, such as accomplishment of modernization or repair work, or the elimination of external conditions affecting the habitability of the units. Upgrading family housing units from substandard to adequate will necessitate a change in the facility category code. The new facility category code should reflect the public law authorizing the acquisition of the units or the fiscal year of the appropriation used to acquire the units. The NAVFAC P-72 contains guidance on facility category codes.

Requests to upgrade substandard family housing will be submitted by the Field Activity to COMNAVFACENGCOM via the cognizant EFD for approval. The request should provide complete justification for the redesignation and should identify a plan for implementation. For utilization and occupancy reporting purposes, the redesignation of family housing units from substandard to adequate will be treated as a gain by conversion, as discussed in Chapter 9 of this Manual.

Substandard family housing has been designated as such by previously enacted legislation. No additional units can be designated as substandard.

J. REPORTS AND RECORDS

All actions affecting the Family Housing Property Account must be coordinated with the Field Activity fiscal officer responsible for maintaining the account. In addition, the Field Activity will prepare and submit a housing utilization and occupancy maintenance report on a semiannual basis to the cognizant EFD. An explanatory notation for all inventory actions will be made on the Housing Utilization and Occupancy Maintenance Report. The notation will, for each inventory action, identify the housing category and units involved, cite the authority, and explain the circumstances surrounding the action taken. Guidance on the preparation of the housing utilization and occupancy maintenance report is provided in Chapter 9 of this Manual.

The Housing Utilization and Occupancy Maintenance Report is the input document to the Family Housing Management Information System (FHMIS) occupancy and utilization subsystem. This FHMIS subsystem collects information from all Navy and Marine Corps Field Activities which have family housing. The subsystem produces two reports which are invaluable management tools containing myriad data regarding the quantity and use of Government quarters.

1. Inventory and Occupancy of Military Owned and Controlled Family Housing Units. DD Form 1410, is the official record of the Navy family housing inventory and, therefore, must be in agreement with the Family Housing Property Account.

2. Statement of Facilities and Assignment. DD Form 1411 arrays the occupancy of family housing units by both grade and bedroom count. It also identifies the composite designation of the units. This report must be in agreement with the DD Form 1410.

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