

# Straight Talk

*Brought to you by the Nellis AFB Housing Privatization Office*

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## Greetings!

Military Family Housing Privatization has come to Nellis AFB. The Nellis Housing Office is proud to introduce this first edition of the “***Straight Talk***” newsletter, designed to provide you with the latest information on the Nellis AFB Housing Privatization project. This information is a part of the overall privatization picture. You can find other sources of information in the Housing Privatization section of the Nellis AFB Family Housing website.

Each issue of “***Straight Talk***” will include the following sections:

### ***Center Stage***

Here you can find specific information on privatization project issues. An explanation of different processes used in privatization is also discussed.

### ***Where We Stand***

This section provides information on current privatization activities. It



provides updates on work in progress.

### ***Down The Road***

Check this section to find out what will be happening in the coming months.

### ***Center Stage***

#### **An Overview of Family Housing Privatization**

**The shortage of quality affordable family housing available to military service members and their families affects quality of life and, hence, recruitment, retention, and readiness.** More than 50 percent of Air Force owned and operated family housing does not meet modern standards and requires either major

improvement or replacement. Consequently, in the 1996 National Defense Authorization Act, the Department of Defense (DoD) proposed, and Congress enacted, the Military Housing Privatization Initiative (MHPI). This law enables the Air Force to address its family housing needs by utilizing privately financed and privately built housing constructed to market standards. The goal of the MHPI is to provide military members with safe, quality, affordable housing where members will **choose** to live, while replacing its aging inventory of housing units.

#### ■ **What does this all mean?**

Basically, it means that the Air Force is turning its

existing inventory over to a civilian contractor. The contractor will construct, maintain and manage family housing.

■ **What will the Air Force's role be in military family housing privatization?**

Through a Management Review Committee (MRC) the Air Force will oversee the developer and resolve issues throughout the entire 50-year relationship.

■ **How much is it going to cost the military member?**

That is the question many folks are asking.

First let's set the record straight. Family housing on base has never been "free"; military members forfeited their housing allowance to live on base. In essence, they paid the government to live there. This is where privatized housing fits in. It combines the same features that make living on base attractive (safety, security, a feeling of "community," potential cost savings, close proximity to base facilities, etc.) with the quality of homes unequaled in the past. All homes will be offered at a rental price based on the military member's housing allowance, less an amount

calculated to cover the utility costs. Rent equals Basic Allowance for Housing (BAH) minus utilities.

The occupant will pay the utility bills directly to the provider of the service. The total of rent and utility bills should not exceed the member's BAH. Think of the housing development as a military housing master planned, gated community.



**Where We Stand**

The **Request For Proposal** (RFP) is a document prepared by the Air Force to identify what potential developers will be required to provide if they are selected to participate in the privatization project. Nellis AFB has been working with HQ ACC and the Air Force Center For Environmental Excellence (AFCEE) for many months developing and refining the RFP to meet the specific needs of Nellis' MFHPI. This is no

easy task. It requires an all-out effort identifying current and future housing needs, financial and legal aspects of privatization and the resolving technical issues involved. It will go through a refinement process, which will require potential developers to plan a solid revitalize military family housing community with the least cost to the military member and family. The Nellis RFP is currently under review at ACC.

**Down the Road**

The tracking of the RFP through the approval process will continue over the next several weeks. Once approved, there is a congressional notification period before the RFP can be released to the public for solicitation (beginning of the bid process).



*This newsletter is the first issue in a series designed to explain Family Housing Privatization and how it will affect family housing life at Nellis AFB.*