

# Straight Talk

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

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## Greetings!

Welcome to the second issue of "Straight Talk". In the first issue we looked at an overview of Family Housing Privatization. A new section entitled "Question of the Month" has been added. In this issue we discuss one of the key elements that safeguards the military families residing in privatized housing, the Management Review Committee (MRC). This month the MRC is on "Center Stage".

### Center Stage

#### UNDERSTANDING PRIVATIZATION

An aspect of family housing privatization that tends to make people uncomfortable is the appearance of the Air Force's loss of control. This issue explains the Air Force's role in privatized family housing.

#### The MRC

After housing units are conveyed to the developer the Air Force continues to have a significant interest in the management and execution of the privatization project. In other words, the developer will not be given carte blanche to rule over privatized family housing. The Air Force will not only make sure the developer performs in accordance with the terms of

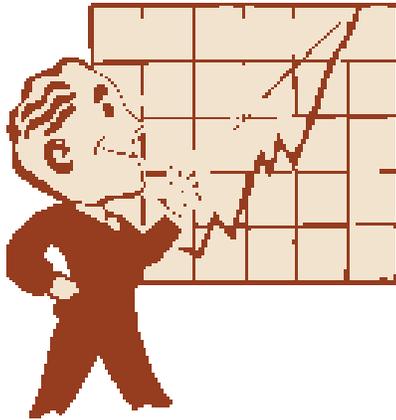


the privatization contract, but more importantly, the Air Force works to protect the interests of the military families living in privatized housing. One of the avenues in place to do this is the Management Review Committee (MRC). The MRC oversees the developer throughout the privatization process. It is chaired by a base official, usually the Wing Commander, and consists of residents and contributing members from various base organizations. Although the actual extent of the MRC's authority and responsibility is still being defined, one thing it will definitely provide is a forum for raising and resolving concerns of all parties involved. An important aspect of the MRC is the inclusion of tenant representatives. This gives housing residents an avenue to have their views expressed and goes a long way towards eliminating the fear tenants may have of being left out of the process. Having the opportunity to express concerns directly to the MRC provides an effective way to

ensure results.

One of the major responsibilities of the MRC is the annual review and approval of the developer's estimated utility allowance calculations. This is crucial because it impacts the portion of a military member's Basic Allowance for Housing (BAH) set aside to cover utility costs. The MRC, having this authority, acts as the approving agency to ensure the calculations are valid and based on sound data. The Air Force will have other responsibilities in addition to its role in the MRC. For example, the Air Force will conduct its own design reviews and construction quality assurance to ensure requirements identified in the developer's proposal are fulfilled. The Housing Management Office remains open and continues to provide referral services; aide members in setting up allotments, mediate landlord/tenant issues and resolve other housing related complaints.

The Air Force will not abandon its commitment to provide quality military family housing. The MRC's function will be similar to that of a housing association for a gated community and continue serving housing families.



**Where We Stand**

In November 2002, the Office of the Secretary of Defense (OSD) and the military services came to an agreement on how requirements for on-base housing would be determined. Based on the DoD directive that families be housed off-base first, the ability of the local housing market to respond to the demand for housing becomes key in the new process. The initial Nellis privatization concept was based on the previous Housing Market Analysis with a 30-minute commute. Under the new guidelines, a much larger area of the Las Vegas Valley is being examined for available housing. The new Housing Requirements and Market Analysis (HRMA) study for the Las Vegas area began January 2003. The study will determine the number of suitable off-base rental properties for military personnel and their families. Under the new requirements analysis, the availability of housing within a 60-minute distance from Nellis AFB is used. Available housing

must meet the Air Force criteria for quality, safety, affordability and time distance. Affordability of homes based on the BAH of military personnel is a major factor. The preliminary results of the study are expected May 2003. The results determine the number of houses we can construct under the privatization initiative. The more off-base rental homes that meet Air Force criteria, the fewer homes we can have on- base. Once the results of the HRMA are released, the privatization concept will be evaluated and adjusted as needed to determine if we still have a financially feasible project; a requirement needed to proceed toward privatization.



**Down the Road**

**Before New HRMA**

RFP Approval	Feb 03
Issue Solicitation	Apr 03
Evaluate Proposals	May-Aug 03
Congressional Notification	Oct 03

**After New HRMA**

HRMA 35% Brief	May 03
RFP Approval	TBD
Issue Solicitation	TBD
Evaluate Proposals	TBD
Congressional Notification	TBD



**Question of the Month**

**Will BAH cover my housing expenses?**

Your expenses will normally be limited to your BAH. Rent is calculated as BAH less 110% of the average utility cost for a given unit type. Once utility meters are installed, residents will be responsible for paying electricity and natural gas costs directly to the utility providers using their utility allowance (the 110%). Residents pocket any utility savings if they use less than the average allowance. Rent is paid by allotment and includes water, sewer and refuse collection. Conservation of utilities will be very important. Setting your thermostats to a conservative range will save on utility costs and reduce the likelihood of having any out-of-pocket expenses.

Readers are encouraged to submit questions to the Privatization Management Office. The Base Privatization Project Manager (BPM) is Ms. Barbara Burnham and the Contract Project Manager (CPM) is Mr. Mark Chiger. Call 652-9228 or email [mark.chiger@nellis.af.mil](mailto:mark.chiger@nellis.af.mil).