



# **FAMILY HOUSING PRIVATIZATION**

# *NAVY PUBLIC PRIVATE VENTURE (PPV)...*

- Privatization Authorities
  - FY95 National Defense Authorization Act
  - FY96 Military Housing Privatization Initiative
- The PPV Solution
  - Privatization of Military Housing is included in the President's Management Agenda.
  - DoN will rely first on Privatized Housing to eliminate backlog and deficit.
  - PPV will allow DoN to obtain more housing for the same dollar.

# *PPV Objectives...*

- Provide safe, adequate, quality, affordable housing
  - Quality comparable to private sector
  - Renovation
  - New construction
- Zero out-of-pocket for rent
- Leverage DoN funds (3:1)
- Minimize DoN liability
- Right size the PPV deal based upon Housing Market Analysis
  - WPNSTA CHASN PPV end state = 903 units
  - Divest 1,080 units

# *PPV Assignment Priorities...*

1. Active Duty (Families)
2. Coast Guard (Families)
3. Reservists (Families)
4. Unaccompanied Personnel  
(Active Duty)
5. Reservists (Bachelors)
6. DoD Civilians
7. Military Retirees
8. All Others\*

\* One-year lease limitation for civilian occupants.

# ***PPV vs Military Family Housing Differences...***

- **Units are managed and operated by a private property management company.**
- **Service members must sign a lease.**
- **Security deposits may be required.**
- **Service members receive BAH and pay rent directly to the property manager.**
- **Property management company handles all resident matters, including maintenance and eviction for non-compliance.**

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- **Service members continue to live in Military Community.**
  - **Community policies are developed during the exclusive negotiations jointly by DoN and parties.**
    - **Include Installations' specific requirements.**
  - **Housing Welcome Center continues to provide housing information, maintains waiting list, and provides referrals to service members.**

# *Family Housing Operations – Post PPV...*

- **Marketing PPV**
- **Managing waiting list (Preferred Referrals)**
- **Monitoring and assisting with allotments**
- **Coordination with Property Manager**
- **Mediation between PM and resident**
- **Reviewing resident satisfaction surveys**

# *PPV Timeline...*

- **Concept Development**      **Oct 03 – May 04**
  - **Housing Market Analysis**
  - **Divestiture Plan**
- **Solicitation**      **Jun 04 – Feb 05**
  - **Request for Proposal (RFP) Development**
  - **Source Selection Review (CO/CMC Rep on Board)**
  - **Charleston Housing Director (QEB)**

The background of the slide is a photograph of a large, multi-story building with a prominent red brick section. The building is surrounded by lush green trees and a well-maintained lawn. The overall scene is bright and clear, suggesting a sunny day.

- **Exclusive Negotiations**

**Feb 05 – Apr 05**

- **Operating Agreement**
- **Property Management Agreement**

- **Transition**

**Jan 06**

- **Partnering Sessions**
- **Leases**
- **Allotments**

# *The Deal...*

- Southeast Region Contract

## **Phase I**

**Award Date: Jan 2006**

**WPNSTA Charleston**

**NAS Key West**

**NAVSUPPACT Mid Coast**

**COASTSYSSTA Panama City**

**NAS Pensacola**

**NAS Whiting Field**

## **Phase II**

**Award Date: Sep 2007**

**NAS Meridian**

**CBC Gulfport/NASA Stennis**

**NAVSTA Pascagoula**

**NAS JRB Ft. Worth**

**NAVSCSCOL Athens**

**SUBASE Kings Bay**

**NAVSTA Mayport**

**NAS Jacksonville**

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- **Project/Lease Term – 50 Years**
  - **Renovate/Build to local codes and market standards**
  - **Family Housing assets only included; no MWR activities**
  - **Developer cannot have any revenue generating activities that compete with MWR**
  - **Maintenance service provided by developer**
  - **Fire and Police services TBD**
    - **Developer pays taxes and may obtain city/county services**
    - **Exclusive jurisdiction**
    - **Concurrent jurisdiction**

# ***WPNSTA Charleston Challenges...***

- **PPV Transition**
- **Divestiture of 1,080 units**
  - **Demo 80 units (Rayburn/Lafayette) and include land in PPV deal.**
  - **Convey 274 units to WPNSTA CHASN for MWR Lodging Program.**
  - **Convey 50 units to WPNSTA CHASN for New Navy Exchange.**
  - **Demo 676 units through PPV and convey land back to base.**
- **Communication**