

# ELLSWORTH AIR FORCE BASE

## HOUSING PRIVATIZATION

### Fact Sheet

#### **Background**

Privatized Housing is one of the various choices you have when it comes to family housing at your installation. When suitable homes are not available in the community, the Air Force creates business agreements to provide additional quality homes for you and your family. Here are the facts for Ellsworth AFB.

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#### **What is Privatized Housing?**

Privatized Housing is a government-business agreement with major housing/community development/management corporations to provide additional quality homes for military families. Balfour Beatty is a nationally recognized and well established corporation and they have won the housing privatization contract for Ellsworth AFB. Balfour Beatty will be considered the "Project Owner".

- Privatization saves taxpayers money since the homes are built and owned by private businesses
- Projects typically involve replacement or renovation of old Military Family Housing (MFH) units in a fraction of the time it would take with traditional methods to build more MFH
- A private contractor will begin building 214 new Privatized homes on EAFB beginning 2012

#### **How is privatized Housing different from MFH?**

- Privatized Housing looks more like community rental housing than on-base MFH. Even so, Privatized Housing retains the sense of military community you'd find in a traditional MFH area.
- These are not government-owned homes--a private owner controls the property and provides management and maintenance services.
- You sign a rental agreement (lease) and pay rent by allotment; you also pay for your own utilities
- The EAFB housing office and legal office is always available to assist you with questions

#### **Is living in Privatized Housing Mandatory?**

No. However, EAFB does have some positions that are "Key and Essential" that require the Airmen to live on base. The housing office has a list of these positions.

## Who can live in Privatized Housing?

Active duty military families are always priority tenants.

- The Air Force's agreement with Balfour Beatty ensures military families have top priority. In fact, measures are in place to ensure properties remain military communities as much as possible.
- Because living in Privatized Housing is not mandatory, Balfour Beatty has the opportunity to fill vacancies when military families are not present.
- Non-military tenants can only lease homes for one year at a time in order to provide incoming military families top priority for vacant homes.

## How does the "Tenant Waterfall" work—in other words, will I be living next to non-military people?

- The Air Force 2006 Tenant waterfall policy allows for immediate activation of the tenant waterfall in specified increments when the actual occupancy rate in the Privatized Housing development falls below 95% of available units.
- If the occupancy falls below 95% the Project Owner can immediately rent the vacant units to Tier A of the waterfall: other Active Duty Military Members (Army, Navy, Marines), unaccompanied service members and Guard and Reserve Military Members.
- If occupancy remains below 95% for more than 30 days Balfour Beatty can rent the vacant units to Tier B of the waterfall: active federal service civilian employees, retired military personnel and retired federal service civilians.
- If occupancy remains below 95% for more than 60 consecutive days the Project Owner can rent the vacant units to Tier C of the waterfall: DoD contractors and permanent employees.
- If occupancy remains below 95% for 90 days the Project Owner can rent to Tier D of the waterfall: general public. Once occupancy returns to 95% , Balfour Beatty can no longer fill occupancy with other Tiered waterfall tenants.

## Do tenants have a voice? Who's in charge?

As with any rental unit or Home Owner's Association, the on-sight property manager is your primary contact. Balfour Beatty will have an office on base

- The Ellsworth housing office will be co-located with Balfour Beatty and is your advocate
- The Ellsworth legal office is also always available if you have legal concerns
- The 28 BW/CC and 28 MSG/CC are involved and ensure the mission and quality of life at the installation is met.

## How will Privatized Housing work at Ellsworth AFB?

- There will be a series of Town Hall meetings starting in April hosted by Balfour Beatty
- Balfour Beatty will take over Rushmore and Prairie View housing effective June 2012.

- Rushmore and Prairie View residents will sign a lease agreement with Balfour Beatty in April
- Your agreement will probably be for a one-year term and will include a military clause and a lease termination clause
- To start the process, contact the Ellsworth MFH office at 605 385-2570. They will work in conjunction with the Balfour Beatty Property Manager, Deana Fulton, to answer any questions you might have. We expect Deana to be working out of the housing office beginning 27 Feb 12.
- There will be a waiting list for non-Rushmore and Prairie View residents. The MFH waiting list maintained by Ellsworth will transfer to the on-sight property manager once Balfour Beatty takes control of all Ellsworth MFH units in 2012.
- You will be allowed to view the vacant homes before you sign a lease. Again, the Ellsworth housing office and legal office are available to answer questions and concerns.

### **You will pay rent**

- Your rental amount will be based on the Basic Allowance for Housing (BAH) for your rank minus 110% for the average cost of gas and electric utilities for the type of unit you occupy
- You will usually pay for rent by allotment on the first of the month and a prorated amount if you move in after the first day of the month.
- Rental payments will include water, trash and sewage.
- The remaining portion of your BAH is available to pay gas and electricity
- Remember: BAH is not an entitlement that guarantees you full coverage of your rent. BAH is based on the average rental costs for similar types of units in the local area and is paid to you based on your rank. You should fully consider your authorized BAH rate as you seek to occupy various privatized housing.

### **How are utilities paid?**

Initially the Project Owner collects the Member's entire BAH and pays the utilities until the house is individually metered

- This is usually for all or part of what is known as the "Initial Development Period" while construction is taking place
- Once meters are installed and activated, the member's utility allowance is 110% of the average estimated or actual utility cost
- You will then be responsible for paying electricity and gas

### **You will need personal property insurance**

You can choose the personal property insurance and liability insurance that best fits you and your family

- Balfour Beatty will offer minimal rental insurance and this cost can be included in your rent if you desire. This topic will be covered by Balfour Beatty during the Town Hall meeting.

- You should make sure you fully understand that personal property insurance is required as a part of the lease you sign and required by law. Contact the Ellsworth legal office if you have questions or concerns.
- Balfour Beatty is required to maintain its own corporate liability and other insurance

### **You are responsible for normal home care**

- Balfour Beatty will provide traditional home maintenance and repair and maintain all common areas.
- At Ellsworth, Balfour Beatty will provide lawn service for all areas outside of fenced yards as well as snow and ice removal on all sidewalks and driveways