



Coast Guard Flag Voice 04

HOUSING

Housing has been a very hot topic this year, beginning with ALDIST 025/98 in Feb 98 and ALCOAST 076/98 in Aug 98 on the leased housing program. I would like to provide some background information and indicate where we intend to go in the future.

It is our utmost desire to provide each of our active duty members access to affordable (adequate within reasonable commuting distance) housing. Housing is one of the most critical human resources issues; for those of us who move often, it is always the first thing on our family's mind when the possibility of transfer comes up -- where we are going to live and the quality of the neighborhood (schools, safety, etc.). Failure in the housing area will create a substantial impact on our members' job performance and affect on our units' mission capabilities.

Our challenge is to provide access to affordable housing in an environment that requires us to use our resources efficiently and effectively. Housing allowances (BAQ, then BAQ plus VHA, and now BAH) were devised to supplement our basic pay to give us the access to housing with maximum personal choice (to live where and how our families desire). Housing management and maintenance is not a Coast Guard "core mission." It is a necessary program we and the other Services must undertake because at certain locations either our pay does not adequately compensate our members for their housing costs or the economy doesn't provide adequate units (number, size, location). Hence, we get involved in Government-owned and -leased housing programs.

Currently, the Coast Guard houses about 46% of our members in some form of supplemental housing (Government-owned or -leased). For comparison purposes, the Navy houses 22%. Of course, gross comparisons like this don't necessarily tell the whole story, since we have a substantially different geographic distribution of units and people. This year we will spend \$57M on leases alone.

We are in yet another transition as we move to BAH. Rather than get into all the definitions here (subsequent Flag Voice topic), suffice it to say the intent is to improve the match of dollars in the pocket to the cost of housing. BAH is the local housing cost less 20%, or "20% out-of-pocket." In many respects this is a misnomer, since we need to think of the "total" compensation we receive. In housing compensation, Congress intends 20 percent of military pay should cover housing expenses. I would like to focus on the half-full glass, because most importantly, this new allowance should substantially improve our members' compensation. Instead of VHA surveys (which we self-reported and by so doing built in inadequacies), BAH is based on actual market surveys of comparable area housing (we're working with an experienced DoD contractor to cover our unique needs). We will get the actual picture of housing costs, so BAH will more accurately reflect our families' costs. BAH will be a five-year phase-

in and I am sure, as with any project of this magnitude, there will be some bumps in the transition. We are committed to working closely with DoD to address these issues as they arise, and I ask for your feedback in specific areas where you believe there are problems.

We envision full BAH implementation will improve access to affordable housing for more members, hence the opportunity to reduce both Government-owned and -leased housing programs. Will these ever go away? Absolutely not. There will always be areas where certain families' total compensation (since we do not figure in family size as a criterion for allowances) will be inadequate for appropriate housing. Our first choice in these instances is leased housing as the "safety net," and then CG-owned (much greater management and maintenance effort).

The August ALCOAST discussed certain housing initiatives (I encourage all to read it again). Several others are intended to strategically improve the Coast Guard's housing program, with the object of housing that better meets our members' needs. In particular, a proposal to realign the housing program under the MLCs is being finalized and will begin implementation in FY99. This will unify the chain of command and funding source and levels throughout the Service. On the owned housing side, new legislated housing authorities have the potential to leverage CG-owned property or private capital to replace existing old housing. We will divest housing no longer suitable for our people to occupy nor feasible to maintain. On the leased side, we will work to ensure this important "safety net" is available to as many as possible. I need your help in this matter, as we must use the money most efficiently. The ALCOAST stated we did not cut leased housing program funds in FY98 or FY99, a statement that does not mesh with some members who are experiencing longer waiting lists than in the past. While this statement is correct, this year leased housing needs have increased (such as ACUSHNET move, AIRSTA Atlantic City). Hence, it is more difficult to make ends meet. In this regard, we all must work together as a team -- commands, work-life staffs and Area Housing Officers -- to match our families' needs with appropriate housing, carefully balancing expectations with externally mandated guidelines. We must ensure we do not spend our dollars on either "extravagant housing" nor the wrong families. Our efforts must be to first provide for those who can least afford to live on the economy -- our junior enlisted. The Services' demographics have changed dramatically over the last 20 years, where we have gone from about one-third to about two-thirds with families. Given that the majority of our workforce consists of young families, we must be especially mindful of their needs.

More to come on this important quality-of-life issue.

Regards, FL Ames

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