



FY2023 NDAA: Military Housing

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Congress may debate several military housing issues during consideration of the FY2023 National Defense Authorization Act (NDAA). [Military housing](#) involves a range of policies and appropriations that support on-base housing infrastructure and provide tax-free housing allowances for some servicemembers to rent or buy homes outside military installations. The House-passed bill, H.R. 7900, and the Senate Armed Services Committee (SASC)-reported bill, S. 4543, include various military housing related provisions that would, among other items, privatize some transient lodging facilities, expand oversight of privatized family housing, and extend authorities to revise Basic Allowance for Housing (BAH) for servicemembers. The committee reports from the House Armed Services Committee (HASC) and SASC also seek information from the Department of Defense (DOD) about policies related to future BAH levels, accessible housing for individuals with disabilities, and housing shortages.

Privatized Housing Expansion

[Section 2814](#) of the House bill would require the Navy and the Air Force to privatize transient lodging facilities within the United States over a four-year transition period to begin 11 years after enactment and to be completed within 15 years after enactment. Transient housing is used by servicemembers who are working temporarily at locations other than their home duty station. The Army initiated a [similar privatization](#) effort in 2009. This measure in the FY2023 House-passed NDAA would require the Navy and Air Force to consult with the Army to identify “best practices and efficiencies” in the privatization process and to submit annual reports to Congress on the progress of the privatization effort. The bill would also prohibit the Navy and Air Force from extending any “Government direct loans, Government guarantees or Government equity” in carrying out a future privatization plan. The Congressional Budget Office [estimates](#) that the privatization requirement, if enacted, would “increase direct spending by more than \$5 billion in at least one of the four consecutive 10-year periods beginning in 2033.”

The HASC report (H.Rept. 117-397) accompanying the House bill directs the Secretary of Defense to provide a report on the “feasibility of [privatizing unaccompanied housing](#) to include barracks and dormitories within the United States.” Unaccompanied housing is for servicemembers who are living without dependents.

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Military Family Housing

Several measures, among others, in the House and SASC-reported bills aim to address the quality of [military family housing](#). For example, Section 2823 of the SASC-reported bill would [require](#) the Secretary of Defense to develop a “mold disclosure document” and would require landlords of privatized military housing to provide that information to prospective tenants before a lease is signed.

Section 2815 of the House bill would require the Secretary of Defense to [create](#) “a feedback tool, such as a rating system” to allow servicemembers and spouses to provide anonymous feedback about the quality of housing and services. The provision would also direct the Secretary of Defense to provide [congressional committees](#) with an annual report summarizing the data collected by the feedback tool.

Basic Allowance for Housing (BAH) Authorities

For servicemembers who live off base, the current DOD policy provides a BAH that intends to cover about 95 percent of local average housing costs. [Between 2005 and 2015](#), BAH was calculated to cover 100 percent of local average housing costs. The FY2015 NDAA authorized – but did not require – the DOD to begin reducing that benefit to its current level.

The HASC report accompanying the House bill stated that the committee “[continues to be concerned](#) about the affordability of housing for service members.” The committee encouraged the DOD to consider raising the BAH benefit to again cover 100 percent of estimated housing costs. The HASC report also directed DOD to provide a report to Congress on the costs and issues related to such a change.

Section 603 of the SASC-reported bill would give the Secretary of Defense [authority](#) to make temporary adjustment in BAH rates for a military housing area if the cost of adequate housing for civilians in that military housing area differs from the current BAH rate by more than 20 percent. The Secretary was previously granted such authority [in 2019](#) and that authority expired on Sept. 30, 2022. [DOD invoked](#) this authority in 2021. This latest provision in the SASC-reported bill would extend the Secretary’s authority to September 30, 2024 and would cap the potential increase at 20 percent.

Accessible Housing

Both the HASC and SASC have expressed concern about accessibility for individuals with disabilities in military housing. The HASC report directs the Secretary of Defense to [provide a briefing](#) by March 31, 2023, on the prevalence of housing with accessibility features including zero-step entry and wheelchair accessible doorways, hallways, and bathrooms on a home’s main level. The SASC report noted that the Secretary of Defense has not yet provided a briefing directed by [the SASC report accompanying the FY2022 NDAA](#) about current agreements requiring that five percent of newly constructed privatized housing units be accessible or adaptable for people with disabilities and whether the DOD believes this percentage should be changed in future agreements. The SASC committee report also wants the Secretary to [provide information](#) on the number of individuals who have requested an accessible housing unit in privatized military housing but cannot be supplied with one.

Military Housing Shortages

[Section 2811](#) of the House-passed bill would require the DOD to conduct, for every military installation in the United States, a Housing Requirements and Market Analyses (HRMA) at least once every five years. Current [DOD policy](#) requires the military services to conduct HRMAs at [four-year intervals](#) but there is currently no statutory requirement. The HRMA is a detailed study of housing demand and supply

within a defined market area. These analyses help identify affordable housing shortages and support decision-making about how to best meet the needs of servicemembers and their families.

The HASC has expressed particular concerns about housing shortages in the [Air Force community](#). The HASC report directed the Assistant Secretary of the Air Force for Energy, Installations, and Environment to brief the committee by February 15, 2023, on how the Air Force is addressing housing shortages.

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