

MAR 16 2026

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# SENATE CONCURRENT RESOLUTION

REQUESTING A STUDY ON THE IMPACT OF FEDERAL HOUSING ALLOWANCES  
ON RENTAL MARKET CONDITIONS IN HAWAII.

1           WHEREAS, the State of Hawaii is experiencing a prolonged  
2 housing affordability crisis, with rental costs that  
3 significantly exceed national averages and place substantial  
4 financial strain on local working families; and

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6           WHEREAS, Hawaii's chronic housing undersupply, geographic  
7 isolation, and regulatory and infrastructure constraints limit  
8 the market's ability to respond quickly to demand pressures;  
9 and

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11           WHEREAS, Hawai'i hosts a significant United States military  
12 presence, including major installations such as Joint Base Pearl  
13 Harbor-Hickam, Schofield Barracks, Marine Corps Base Hawaii, and  
14 Fort Shafter which are comprised of approximately 95,466 active-  
15 duty military, family members, and adult dependents; and

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17           WHEREAS, a study published by the Hawaii Housing Finance  
18 and Development Corporation in 2024 found that approximately 60%  
19 of these active-duty military families resided in the off-base  
20 or private rental market, accounting for approximately 14,700  
21 homes; and

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23           WHEREAS, active-duty service members receive Basic  
24 Allowance for Housing (BAH), which is administered by the United  
25 States Department of Defense and is calculated based on local  
26 private-sector rental market data; and

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28           WHEREAS, according to the US Department of Defense website,  
29 the current BAH for an active-duty military member stationed in  
30 Hawaii ranges from \$2,598 to \$5,040 per month depending on their  
31 rank and experience; and  
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1 WHEREAS, in a supply-constrained rental market such as  
2 Hawaii's, large-scale federally funded housing allowances may  
3 contribute to upward price anchoring, reduced affordability for  
4 non-subsidized local residents, and the potential segmentation  
5 of the rental market; and

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7 WHEREAS, prior statewide housing studies have examined  
8 military housing demand in Hawaii but have not comprehensively  
9 analyzed the specific effect of federal housing allowances on  
10 rental price trends, landlord pricing behavior, or housing  
11 availability for non-military residents; and

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13 WHEREAS, a clearer understanding of the relationship  
14 between federal housing allowances and Hawaii's rental market  
15 would assist policymakers in evaluating housing affordability  
16 challenges and developing appropriate housing policies; now,  
17 therefore,

18  
19 BE IT RESOLVED that the Senate of the Thirty-third  
20 Legislature of the State of Hawaii, Regular Session of 2026, the  
21 House of Representatives concurring, requests the Department of  
22 Business, Economic Development, and Tourism (DBEDT), in  
23 collaboration with the University of Hawaii Economic Research  
24 Organization (UHERO) and other appropriate stakeholders, conduct  
25 a study on the impact of federal housing allowances, including  
26 Basic Allowance for Housing, on rental market conditions in  
27 Hawaii; and

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29 BE IT FURTHER RESOLVED that the study examine:

- 30  
31 1. An econometric analysis of the relationship between  
32 federal housing allowance rates and rental price  
33 trends by island and county;  
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35 2. An evaluation of whether rental prices cluster  
36 around housing allowance levels in communities near  
37 military installations;  
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39 3. An assessment of the degree to which federal housing  
40 allowances influence landlord pricing behavior in  
41 high-demand submarkets;  
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# S.C.R. NO. 157

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- 4. A comparison of rental price growth in areas with high concentrations of military households versus comparable areas with lower concentration;
- 5. An examination of whether housing allowances indirectly displace local working families from certain neighborhoods; and
- 6. Policy options, if any, that may mitigate distortion effects while respecting federal authority and maintaining cooperative state-federal relations; and

BE IT FURTHER RESOLVED that the study also evaluate the potential economic benefits associated with federal housing expenditures in Hawaii, including contributions to local landlords, property tax revenues, and related economic activity; and

BE IT FURTHER RESOLVED that the study also quantify the overall economic impact of federal housing expenditures in Hawai'i to provide a balanced assessment of both costs and benefits; and

BE IT FURTHER RESOLVED that DBEDT is requested to submit a report of its findings and any recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2027; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Governor, the Director of DBEDT, the Executive Director of UHERO, and the Hawaii congressional delegation.

OFFERED BY:




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