

The Disposal of Surplus Federal Property for Homeless Assistance and Housing Programs

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The General Services Administration (GSA) oversees the disposal of unneeded federal real property. As part of the disposal process, surplus federal land and buildings may be conveyed to state and local governments and qualified nonprofits, at no cost, if the property is used for certain statutorily defined public benefits. Among these public benefits are homeless assistance and self-help housing. In addition, surplus property may be sold to state or local governments for a broader range of purposes, including housing programs.

The Real Property Disposal Process

When federal real property is no longer needed by a landholding agency to fulfill its mission, the agency reports the property as “excess” to GSA. Unless the agency (1) has independent statutory disposal authority or (2) plans to demolish the property, then GSA handles the disposition. GSA publishes an annual Federal Real Property Profile (FRPP) report that includes information on disposal actions. Some data from the [FY2022 FRPP](#) report are cited below.

Transfer of Excess Property

Upon notification that an agency has declared a property excess, GSA offers it to other federal agencies, which may acquire it at fair market value. In FY2022, GSA oversaw the transfer of 35 excess federal buildings and six excess parcels of land from one federal agency to another.

Public Benefit Conveyance

If no federal agency acquires the excess property, GSA declares it “surplus” and offers it to state and local governments, and qualified nonprofits, which may acquire it at up to no cost, provided the property is used for one of the following public benefits:

- Correctional facilities,
- Education,

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- Emergency management,
- Highways,
- Historic monuments,
- Homeless assistance,
- Law enforcement,
- Port facilities,
- Public airports,
- Public health,
- Public parks/recreation areas, and
- Wildlife conservation.

Conveyance for Homeless Assistance

The McKinney-Vento Homeless Assistance Act ([42 U.S.C. §11411](#)) prioritizes the use of unneeded federal property for providing shelter, storage, or other services to persons experiencing homelessness. During the public benefit conveyance stage of disposal, GSA first offers surplus property for a period of 30 days for homeless assistance purposes only. If no state or local government, or qualified nonprofit seeks to obtain the property for homeless use during that period, then it is made available for other statutorily defined public benefits. In FY2022, GSA oversaw the conveyance of three surplus federal buildings and one surplus parcel of land for homeless assistance.

Conveyance for Self-Help Housing

Title 40, [Section 550\(f\)\(3\), of the U.S. Code](#) authorizes GSA to convey surplus property for a particular category of low-income housing assistance, known as self-help housing. Under self-help housing programs, the individual or family receiving housing must contribute a “significant amount of labor” toward the property’s construction, rehabilitation, or refurbishment. This is sometimes referred to as the “sweat equity” provision. Habitat for Humanity is an example of a self-help housing program. GSA reported no conveyances for self-help housing in FY2022.

Negotiated Sale

If the surplus property is not conveyed for statutorily defined public benefits, GSA offers it to state and local governments, at fair market value, for other public purposes. Acceptable public purposes generally fall into two categories: direct use and economic development. An example of a negotiated sale for direct use might be retrofitting a surplus federal courthouse into a municipal courthouse. An example of negotiated sale for economic development might be turning vacant federal land into an industrial park. Negotiated sales include an “excess profits” contract clause. The clause requires the purchaser, if it resells the property within three years of the negotiated sale, to remit to the federal government any proceeds in excess of the original purchase price. After three years, the public entity that purchased the property may develop, redevelop, or sell the property without restriction. In FY2022, GSA oversaw the negotiated sale of 10 surplus federal buildings and four parcels of surplus land.

Negotiated Sale for Housing Programs

Subject to approval, a negotiated sale might be used to acquire surplus federal buildings or land for a housing development that meets the public benefit criteria. For a discussion of the advantages and challenges associated with converting office space into residential housing, see CRS Insight IN12257,

Converting Office Space to Residential Housing. The FRPP does not identify the public purposes for which properties disposed of through negotiated sales will be used.

Public Sale

If no state or local government acquires the property, GSA sells it to the public, generally through a sealed bid, online auction, or live auction. The purchaser may use the property without restriction. In FY2022, GSA disposed of 15 surplus federal buildings and six parcels of surplus land through public sale.

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