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## Potential Conveyance of Federal Land for Housing Development

Rising housing costs and housing supply constraints, including in communities near federal lands, have prompted Trump Administration and congressional efforts to foster conveyance of federal land for housing. The federal government manages about 640 million acres (about 28%) of land in the United States, much of it in the West. Federal land management agencies have some existing authorities to convey federal land for authorized purposes; some authorities potentially could be used for housing. On March 17, 2025, the Department of the Interior (DOI) and the Department of Housing and Urban Development (HUD) announced the establishment of a joint task force to identify federal lands that could be conveyed for housing. Also, during the FY2025 budget reconciliation process, House and Senate committees considered conveying federal lands for housing, though such provisions were not enacted in P.L. 119-21. (This In Focus uses *convey* and *dispose* interchangeably.) Using federal land for housing has met some opposition, including concerns about losing access to lands valuable for recreation and other purposes.

Issues Congress may consider include whether federal land should be conveyed for housing and, if so, whether current authorities would be adequate for this purpose. Other policy issues include the suitability and location of federal lands; the terms and conditions of conveyances for housing; and cooperation with state, local, and tribal governments.

### Overview of Federal Lands

Four federal land management agencies (the FLMAs) administer approximately 95% of federal lands. They are the U.S. Forest Service (FS), in the Department of Agriculture (193 million acres), and three DOI agencies—the Bureau of Land Management (BLM, 244 million acres); U.S. Fish and Wildlife Service (FWS, 89 million acres); and National Park Service (NPS, 80 million acres).

The FLMAs have different missions. The FS and BLM are multiple-use—encompassing resource use, protection, and recreation. FWS has a dominant-use mission—to conserve plants and animals. NPS has a dual mission—preservation and public use. It is generally not permissible to live on FLMA-managed lands. There are exceptions, such as for employee housing (e.g., 5 U.S.C. §5911).

### Federal Land Conveyance Authorities Potentially Available for Housing

FLMA land conveyances typically are subject to varying requirements, analyses, and processes. For instance, for BLM, a parcel generally must be identified for disposal in a BLM resource management plan. More generally, federal land disposals typically are subject to appraisals of market value; any requirements of federal environmental and resource statutes, such as the federal environmental review

process under the National Environmental Policy Act (NEPA; 42 U.S.C. §§4321 et seq.); consultations under Section 7 of the Endangered Species Act (ESA; 16 U.S.C. §§1531 et seq.); reviews under Section 106 of the National Historic Preservation Act (NHPA; 54 U.S.C. §§300101 et seq.); and various requirements for public participation and governmental consultation, among other requirements. Congress also considers legislation authorizing and governing the conveyance of parcels and may include particular terms and conditions for such conveyances.

The extent to which FLMAs have authority to dispose of land in general, and for housing purposes in particular, varies. FWS's authority to dispose of lands is limited, and NPS has no general disposal authority. In contrast, BLM and FS have relatively broad disposal authorities. Some of these authorities potentially could be used for housing, as per these examples. The Federal Land Policy and Management Act (FLPMA; 43 U.S.C. §§1701 et seq.) authorizes BLM to sell or exchange lands, including sales that “will serve important public objectives, including but not limited to, expansion of communities” (43 U.S.C. §1713(a)). The 1958 Townsites Act, as amended, authorizes FS to transfer up to 640 acres of land adjacent to communities in Alaska or 11 specified western states for townsites, if the “indigenous community objectives” outweigh the value of federal ownership (16 U.S.C. §478a). Regulations specify “space for housing” as an allowable use of the land (36 C.F.R. §254.20). Other agency authorities include leasing. For instance, FS is authorized to lease administrative sites for purposes including housing construction (16 U.S.C. §580d(note)). Some laws provide for disposal of federal lands to address regional concerns. In particular, the Southern Nevada Public Land Management Act of 1998 (SNPLMA; P.L. 105-263, as amended) allows BLM to sell or exchange certain lands around Las Vegas, with some disposals at less than fair market value for development of affordable housing.

### General Services Administration

Separate from the FLMAs, the General Services Administration (GSA) disposes of surplus real property in three stages. In each stage, surplus property may be disposed of for housing, under certain conditions.

**Public Benefit Conveyance.** GSA may convey surplus property to a state or local government, or a nonprofit, at a discount (up to 100%) if the property is used for statutorily defined *public purposes*. These purposes include homeless assistance, such as the provision of emergency shelter, and low-income housing assistance, which is defined as self-help housing where the recipient of the property contributes labor to its construction or refurbishment.

**Negotiated Sale.** Surplus property that is not conveyed for public benefit may be sold at fair market value to a state or local government for non-statutory public purposes, which may include housing development.

**Public Sale.** Surplus property that is not disposed of for public benefit or through negotiated sale is offered to the public at fair market value and generally may be used for any purpose.

## Potential Issues for Congress

### Location and Suitability of Lands

Federal lands are not all located in areas that are conducive to housing development or have housing shortages, potentially limiting the impact of conveyances in those areas. Estimates of both the suitability of federal land for housing and any undersupply of housing can be approached in different ways, yielding different results.

Less than half of BLM and FS lands are located near urban communities. CRS estimates that roughly 200 million acres of the 438 million acres managed by BLM and FS are within 2023 Core Based Statistical Areas (CBSAs), which consist of an urban area of 10,000 or more population, plus adjacent counties with commuting ties to that area. While not all federal lands within CBSAs may be suitable for housing, federal lands located outside of CBSAs may have little demand for housing due to their remoteness, or they may have distinct development challenges, such as lower housing values and access to jobs, infrastructure, water, and construction labor. On the other hand, federal lands located within CBSAs may be more likely to have an active public use, such as recreation, that could compete with developing the land for housing. Some disposal authorities, such as the 1958 Townsites Act, require that conveyed lands be adjacent to a community (16 U.S.C. §478a).

Estimates of federal lands in areas with an undersupply of housing, or that are suitable for development, can vary widely depending on the methodology. One indicator of potential undersupply is low vacancy rates. The Congressional Research Service estimates that roughly 95 million acres of land managed by BLM and FS are located within CBSAs that have vacancy rates below 11.7%, the national target vacancy rate used in a Freddie Mac analysis of housing undersupply. CBSAs include both higher-population metropolitan areas and lower-population micropolitan areas. The *Wall Street Journal* (WSJ) estimated that about 47 million acres of federal land fall within *metropolitan* areas with housing shortages. The CRS and WSJ estimates do not consider development suitability factors such as ground slope and wildfire risk. Other estimates identify lands based on specific criteria for development, such as Headwaters Economics (about 1 million acres) and the American Enterprise Institute (850 square miles, or about 0.54 million acres).

### Land Disposal Authorities

Congress could assess whether BLM, FS, GSA, or other authorities are appropriate to dispose of land where expanding housing may be a priority. For BLM and FS, considerations include whether additional, fewer, or altered

requirements might be appropriate. Congress also could assess the merits of a new disposal authority to foster housing development generally or in specific areas of shortage. Such an assessment could examine whether to identify particular lands for disposal, specify criteria for disposal (e.g., lands within CBSAs or of less than a certain acreage), convey lands at market value or a reduced price, or exclude certain types of lands or lands managed by certain agencies (e.g., NPS), among other considerations. Congress also could evaluate whether to place terms and conditions on projects.

Congress also could consider whether to provide GSA authority to convey surplus property for a broader range of housing options, such as converting office buildings into multifamily housing units. The feasibility of such conversions is dependent on a variety of factors, such as market factors, building layout, and government policies.

### Use Restrictions on Conveyed Federal Lands

Congress may consider whether to place use restrictions on housing developed on federal lands conveyed under any new or amended authority. Among other options, use restrictions could be in effect for a defined time period or indefinitely, could set out a mechanism for monitoring and enforcing compliance, and could include a reversionary clause (whereby title reverts to the United States if the land is used for purposes not included in the conveyance).

Affordability requirements may be intended to ensure housing units are affordable for households of certain incomes. They may have tradeoffs with the pace and feasibility of development. Affordable housing projects may require government subsidies or below-market-price land to be feasible. Under SNPLMA, for example, land is offered at below fair market value for housing that serves low-income families per the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. §12704). Principal residence requirements are imposed on some federal housing programs and are intended to ensure a homeownership unit is used as the purchasing homeowner's dwelling rather than as a rental or investment property.

### Land Use

Congress may consider the issue of land use regulation by state, local, and tribal governments. Projects on land conveyed out of federal ownership may be required to comply with state and local policies such as building codes, land use regulations, and zoning. On leased federal lands, contrary state and local policies will not apply where the federal government has determined that building projects are appropriate. In both cases, housing projects likely would require cooperation with local authorities, particularly if those authorities are made lessees or development partners. Some disposal authorities have related provisions. For example, FLPMA provides for BLM coordination with state and local governments in conveying land and coordination of BLM land use inventory, planning, and management with programs of other governmental entities.

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