



Federal Housing Reform Policy Solutions

Americans for Prosperity (AFP) strives to create an economy that works for all—empowering people to earn success, realize their potential, and where for success for one of us means success for others, too. Overly burdensome regulations related to housing, land use, and zoning make housing more costly and erect barriers to economic growth that inhibit opportunity and geographic mobility. For example, expensive housing prevents people from moving to areas with the most economic opportunities and restricts what they can spend on health care or consumer goods. It also makes it harder to start and raise families, diminishing what success looks like and pathways to achieving the American dream. Preempting these local barriers through changes in state law would bolster property rights and foster economic opportunity, improving outcomes for workers, renters, homeowners, and landlords.

AFP does not support federal preemption of state laws to enact reforms at the federal level. Housing is not one-size-fits-all, and the federal government cannot possibly know or accommodate regional housing differences and preferences across the U.S. Further, AFP believes that federal preemption would violate our core American tradition of federalism and states' rights, and the Supreme Court ruled that states' have power over land-use regulations, not the federal government.

However, there are federal regulations that reduce housing supply and make housing more expensive. Therefore, AFP supports eliminating or reforming federal laws that limit housing supply and make it difficult for homeowners and developers to build and renovate their property as they see fit.

Legislation AFP Supports:

Selling off Federal Land to Use for Housing:

The federal government owns approximately 27 percent of all U.S. land, and roughly 50 percent of all land in the American West. While some of that land is used for conservation and preservation, mining, or military installations, millions of acres of land owned by the Bureau of Land Management and the National Forest Service are empty and vacant. During negotiations for the One Big Beautiful Bill Act, Sen. Mike Lee (R) of Utah introduced an amendment requiring the Department of Interior to sell off at market value over 1 million acres of land across 11 Western states for the purpose of housing development. Rep. Amodei (R) of Nevada introduced a similar amendment as well, although neither amendment was ultimately adopted. In 2023, Sen. Lee introduced the HOUSESES Act, which would have allowed state and local governments to request from the Secretary of the Interior that certain federal lands be sold to them for the purposes of housing and community development. A 2022 analysis from the Republican staff of the Joint Economic Committee estimated that the HOUSESES Act could lead to 2.7 million new homes and fill or nearly fill all of the housing shortages in Arizona, Nevada, Wyoming, Idaho, Alaska, and New Mexico.

Encouraging States and Local Governments to Reform Regulations:

While passing and implementing land-use reforms should be the purview of state and local governments, Congress can still encourage states and localities to act. The Identifying Regulatory Barriers to Housing Supply Act (S. 2416 /H.R. 4659) would encourage local governments to enact zoning and land use reforms by making receipt of Community Development Block Grant funds conditional on instituting certain zoning and land-use reforms and/or submitting a plan to the Department of Housing and Urban Development to implement zoning and land-use reforms, such as increasing high-density zoning and multi-family zoning, reducing minimum lot size requirements, allowing more manufactured housing, and allowing more single-room occupancy units. The Identifying Regulatory Barriers to Housing Supply Act is the renamed version of the Yes in My Backyard (YIMBY) Act, introduced in previous Congresses. AFP has supported the YIMBY Act for years, written letters of support of the YIMBY Act to Senators, and signed coalition letters in support of the bill in previous sessions.

Removing the Permanent Chassis Requirement for Manufactured Housing:

Numerous restrictions on mobile and manufactured housing exist at the local, state, and federal levels, including a federal requirement that all manufactured houses be built on a permanent steel chassis. Removing this requirement has been proposed several times, including in the Expansion of Attainable Homeownership Through Manufactured Housing Act of 2023 ([H.R. 5198](#)). Removing the permanent chassis requirement would allow the construction of manufactured homes that are built on a more permanent foundation and would allow those homes to comply with more local housing regulations.

NEPA Reform:

Federal environmental reviews are a significant barrier to both energy and housing supply growth. Thankfully, there are several bills in Congress that would reduce the National Environmental Policy Act (NEPA) and other environmental review burdens on Americans. The Unlocking Housing Supply Through Streamlined and Modernized Reviews Act ([S. 2390/H.R. 4660](#)) would exempt several types of HUD-funded projects from NEPA review requirements, and the BUILD Housing Act ([S. 2391/H.R. 4810](#)) would better streamline environmental reviews of HUD-funded housing projects. These proposals are in addition to more substantial NEPA and permitting reforms that AFP has long advocated for.

Executive Branch Actions AFP Supports:

Selling off Federal Land for Housing:

As described above, AFP has supported several legislative initiatives in Congress to sell off select amounts of federal land to private developers to be used for building more housing. Yet, as the American Enterprise Institute's Ed Pinto and Tobias Peter note, the Executive Branch could sell Bureau of Land Management land even without Congressional approval. AFP would prefer that federal land sales be authorized by Congressional legislation, but the Executive Branch does have the authority to act unilaterally on the issue if necessary.

Encouraging States to Reform Regulations:

While passing and implementing land-use reforms should be the purview of state and local governments, the Executive Branch can also encourage states and localities to act. AFP's recent comment submitted to the Department of Justice on [State Laws Having Significant Adverse Effects on the National Economy or Significant Adverse Effects on Interstate Commerce](#) identifies several state laws and regulations impeding home building and reducing the supply of housing, including excessive environmental regulations, restrictions on modular and prefabricated housing, and overly burdensome statewide building code regulations. The Executive Branch should not be using phone and pen to change state regulations but can highlight regulatory burdens and encourage state and local governments to reduce zoning, land-use, and other excessive housing regulations.

Let's Talk:

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