



# RIGHT OF WAY MANUAL DIRECTIVE

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**RWMD NUMBER:**

24-03

**ISSUANCE DATE:**

10-31-2024

**EFFECTIVE DATE:**

Immediately

**APPROVED BY:**

*Grant J. Semple*

GRANT J. SEMPLE

Office Chief

Office of Appraisals and Local Programs

Headquarters Division of Right of Way and Land Surveys

**SUBJECT:**

Increase the Waiver Valuation limit for 1<sup>st</sup> tier Waivers for Caltrans and Local Agencies. For 2<sup>nd</sup> tier Waiver Valuations, the limit will remain the same. Update manual guidance on new federal rules.

**PURPOSE:**

To update manual policy to become compliant with new federal rules that went into effect on June 3, 2024.

**REFERENCES:**

- [49 CFR 24.102](#)
- [Right of Way Manual](#) Chapter 7, Sections 7.01.02, 7.01.05, 7.01.10.01, 7.02.13.00, and 7.18.00.00
- [Right of Way Manual](#) Chapter 7, [Exhibits](#) 07-EX-17A and 07-EX-21A
- [Right of Way Manual](#) Chapter 8, Section 8.02.02.00

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### BACKGROUND:

The [Code of Federal Regulations Title 49 CFR 24.102](#) states that Agencies shall acquire real property expeditiously and that an appraisal of the real property must be performed. An exception to the appraisal requirement, provided previously in [49 CFR 24.102\(c\)\(2\)](#), stated that a waiver valuation can be utilized in place of an appraisal for parcels valued at \$10,000 or less. However, that limit could be increased to \$25,000. Headquarters previously agreed to allow Districts to use a 2<sup>nd</sup> Tier Waiver Valuation (\$10,000 - \$25,000) during a limited trial period.

### EXISTING POLICY OR PROCEDURE:

The existing policy noted in [Right of Way Manual](#) Section 7.01.02.00 is that for local agencies, a waiver valuation can only be used under certain criteria, one of which is that the parcel's value shall not exceed \$10,000. For Districts, the determination of the appropriateness of a waiver valuation was left to the Region/District Right of Way Manager. Lastly, in Section 7.01.02 both Districts and local agencies a supervisor could manage/supervise/oversee both the waiver valuation process and its acquisition.

Additionally, under [RWMD 24-01](#), Districts were allowed to perform Waiver Valuations beyond \$10,000, up to \$25,000, while also doing the following:

- Estimate the value of all subject parcels, including damages, and only utilize the waiver valuation process if parcels qualify under the new policy.
- Ensure the parcel qualifies for a waiver valuation based on criteria listed in [Right of Way Manual](#) Section 7.01.02.00.
- Ensure compliance with [Right of Way Manual](#) Section 7.02.13.00.
- Upload completed waiver valuations into ROWMIS 2, including the associated working files, per 7.02.13.00.
- Submit a list of all parcels valued using a waiver valuation to their HQ Appraisal Liaison every two months during the trial period. This list is due on the first of every other month and began on August 1, 2024.
- Have an Associate Right of Way Agent cosign on all waiver valuations.
- Offer the grantor the right to an appraisal on Waivers between \$10,000 and \$25,000.

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### **NEW POLICY OR PROCEDURE:**

Local agencies will be authorized to use Waiver Valuations up to \$15,000.

Caltrans' Waiver Valuation trial will have the 1<sup>st</sup> tier limit increased to \$15,000 and the 2<sup>nd</sup> tier limit will remain at \$25,000. Associate Right of Way Agents will sign recommending approval on 2<sup>nd</sup> tier Waiver Valuations only. All grantors, regardless of Waiver Valuation amount, will be offered the option of the Department performing an appraisal.

The person making the determination that an assignment qualifies for a waiver valuation will have sufficient knowledge of understanding local markets, appraisal principles, and proper use of valuation methodologies. In addition, no person shall supervise an agent performing, or reviewing, a waiver valuation while also acting as the negotiator.

### **RESPONSIBILITIES:**

Districts shall:

- Ensure the parcel qualifies for a waiver valuation based on criteria listed in [Right of Way Manual](#) Section 7.01.02.00 & RWMD 24-01.
- Ensure compliance with [Right of Way Manual](#) Section 7.02.13.00.
- Upload completed waiver valuations into ROWMIS 2, including the associated paper and electronic working files.
- Submit a list of all parcels valued using a waiver valuation to their HQ Appraisal Liaison every two months during the trial period. This list is due on the first of every other month and began on August 1, 2024.
- Ensure that, on Waiver Valuations above \$15,000, one person is not supervising both the negotiation and the waiver valuation processes.
- Ensure that the person making the determination that an assignment qualifies for the waiver valuation possesses an understanding of local markets, appraisal principles, and proper use of valuation methodologies.
- Ensure the use of updated forms and exhibits, including the 7-EX-17A.

HQ Office of Appraisals shall:

- Update the relevant [Right of Way Manual](#) Sections and Exhibits referenced in this RWMD.
- Review a sampling of parcels acquired using waiver valuations to ensure policies are being followed and ascertain whether the new policy benefits project delivery and protects property owner rights.
- Communicate the findings of the random parcel checks to Districts on a quarterly basis.

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### **LINKS/RESOURCES:**

- [Right of Way Manual](#) Chapter 7
- [49 CFR 24.102](#)

### **DISTRIBUTION LIST:**

- Appraisal Functional Council
- Right of Way Management Board
- Subscribers to the [Right of Way Manual](#) Update List