



Expires - Upon Issuance of LPP

## Local Agency Oversight of Property Management and Excess Land Disposal

### I. BACKGROUND

In May 2019, a Local Public Agency Property Management Practices Program Review with FHWA was held and targeted compliance with 23 CFR 710.201(a) and 23 CFR 710.403(e). It was determined that Caltrans is not providing enough guidance or oversight of Local Public Agency (LPA) practices when it comes to property management and disposal of excess land. There currently is no oversight of properties once purchased to the time of construction or disposal. LPAs are not implementing the CFRs as expected. As a result, LPAs are not in compliance with federal regulations.

### II. POLICY

It is the expectation that the LPAs follow the Caltrans Right of Way Manual Property Management Chapter on maintaining an inventory of properties purchased for the period of time between acquisition and construction. Additionally, it is the expectation that the LPAs follow some sections of the Caltrans Right of Way Manual Excess Land Chapter for procedures on property disposal. Further, if properties that have been purchased with federal funds are rented, they must be rented at fair market rent. If a LPA rents a property at less than fair market, federal approval is necessary. Federal funds should not be used to purchase excess lands. A property must be sold at fair market rate. Lastly, it is Local Assistance policy and expectation that excess lands must be sold within two years after opening the roadway to traffic, or within two years after submitting the final voucher to the FHWA (whichever is earlier) to dispose of excess properties.

### III. PROCEDURE

Oversight of LPAs will be completed by Caltrans from the acquisition phase through the construction phase by periodic risk-based reporting. It is recommended that LPAs complete [Exhibit 13-F: Local Public Agency Real Property Services Checklist](#) for reporting property purchases. This checklist would guide the LPA in the expectation of property management requirements. In order to establish the new oversight into a routine expectation, this checklist will have a targeted sunset of five years.

### IV. APPLICABILITY/IMPACTS

As a result of the program review, the Right of Way Property Management Chapter, and the Right of Way Excess Land Chapter has been updated. Applicable sections of Chapter 13 of the LAPM have been updated to reflect and clarify expectations as they pertain to property management and excess land disposal.



Implementation of these procedures will impact both LPAs and Caltrans oversight divisions. The first expectation is that the LPAs will complete a form to demonstrate an inventory and management of their properties. The intent is to sunset the form in five years, while maintaining the expectation of LPAs continuing to inventory their properties as they are purchased. Second, Caltrans will begin to provide oversight of LPAs as they purchase properties to ensure that the LPAs are inventorying their properties. Oversight activities will include review of the new checklist for compliance in basic property management activities, property disposal of excess, follow up with previous (if applicable) quarterly reviews. These oversight activities will be accomplished through a risk-based approach, with oversight reviews occurring a minimum of every quarter during the year.

Recommended:	Original Signature By	10/15/20
	Eva-Marie Figlietti Supervising Right of Way Agent Local Programs / DLA Liaison	Date
Approved:	Original Signature By	10/15/20
	Kimberly E. Erickson, Chief Right of Way and Land Surveys	Date

Attachments:

Attachment 1 – LAPM 13, Sections 13.4, 13.9 &13.12

Attachment 2 – [Exhibit 13-F: Local Public Agency Real Property Services Checklist](#)