



RIGHT OF WAY MANUAL DIRECTIVE

RWMD NUMBER:

26-01

ISSUANCE DATE:

01-13-2026

EFFECTIVE DATE:

Immediately

APPROVED BY:

GRANT J. SEMPLE

Chief, Office of Appraisals and Local Programs

Division of Right of Way and Land Surveys

SUBJECT:

Extension of the Waiver Valuation Trial Period

PURPOSE:

To extend the Waiver Valuation Trial period that was scheduled to end on December 31, 2025, to April 1, 2026.

REFERENCES:

- [Title 49 Code of Federal Regulations \(CFR\) Section 24.102](#)
- [Right of Way Manual](#) Chapter 7, Sections 7.01.02, 7.02.13.00, and 7.18
- [Right of Way Manual Exhibits](#) 07-EX-17A and 07-EX-21A
- [Right of Way Manual](#) Chapter 8, Section 8.02.02.00

BACKGROUND:

[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 is provided in [49 CFR 24.102\(c\)\(2\)](#), which states that a waiver valuation can be utilized in place of an appraisal for parcels valued at \$10,000 or less. However, that limit can be increased to \$25,000 with FHWA approval. Districts have requested approval to use the higher limit for waiver valuations to facilitate more efficient project delivery effort. RWMB has agreed to a trial period during which the higher limit can be used. At the end of the trial

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period, on April 1, 2026, the effectiveness of the temporary policy change will be evaluated and possibly made permanent.

EXISTING POLICY OR PROCEDURE:

The same criteria for the use of a waiver valuation shall apply, except for an increase in the upper value limit, which will be \$25,000. On April 8, 2024, the HQ Office of Appraisals received approval from FHWA for the waiver valuation trial period, which will end on December 31, 2025. Please refer to the approval letter from FHWA as an attachment to this RWMD. Additionally, District staff will need to offer the grantor the opportunity to request an appraisal in place of a waiver valuation on parcels valued between \$10,000 and \$25,000. An Associate Right of Way Agent shall sign the title page of the report, recommending approval. During the trial period, the HQ Office of Appraisals will monitor the use of this new policy in order to evaluate its effectiveness.

NEW POLICY OR PROCEDURE:

No changes to policy or procedures. The only change will be to the end of the trial date, which is April 1, 2026

RESPONSIBILITIES:

Districts shall:

- 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 the 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, including the associated working files.
- Continue to submit a list of all waiver valuations approved every other month until the end of the trial, with the next list due 02/01/2026, covering the months of December 2025 and January 2026.

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.

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- Communicate the findings of the random parcel checks to Districts on a quarterly basis.

DISTRIBUTION LIST:

- Appraisal Functional Council
- Right of Way Management Board
- Subscribers to the Right of Way Manual Update List

ATTACHMENTS:

- 04-03-2024 Waiver Valuation Limit Trial Approval Letter

California Department of Transportation

DIVISION OF RIGHT OF WAY AND LAND SURVEYS
1120 N Street, MS - 37
SACRAMENTO, CA 95814
(916) 654-5413 |
www.dot.ca.gov



April 3, 2024

Mr. Antonio Johnson
Director of Planning and Environment, and Right of Way
California Division
Federal Highway Administration
650 Capitol Mall, Suite 4-100
Sacramento, CA 95814-2724
ATTN: David Tedrick

Dear Mr. Johnson:

California Department of Transportation, Right of Way and Land Surveys (Caltrans) is formally requesting approval of an increase in the waiver valuation limit for a designated trial period. According to the Code of Federal Regulations, 49 CFR 24.102, Agencies shall acquire real property expeditiously, and an appraisal of the real property must be performed. An exception to the appraisal requirement is provided in 49 CFR 24.102(c)(2), which states that a waiver valuation can be utilized in place of an appraisal for parcels valued at \$10,000 or less. However, that limit can be increased to \$25,000 with FHWA approval.

Caltrans is proposing a trial period whereby Districts can choose to use a waiver valuation in lieu of an appraisal for parcels valued at a maximum of \$25,000. During this trial period, Districts will be required to report on all parcels where this process was used, and Headquarters Appraisals will perform periodic reviews. The goal is to streamline the acquisition process while maintaining high standards for valuations and to ensure the protection of property owners' rights. Upon FHWA approval, the trial period will begin upon issuance of a Right of Way Manual Directive and end on December 31, 2025.

Therefore, pursuant to 49 CFR 24.102(c)(2), Caltrans seeks approval from FHWA in order to utilize waiver valuations in lieu of appraisals on parcels valued at a maximum of \$25,000.

Mr. Antonio Johnson, Director of Planning and Environment, and Right of Way
April 3, 2024
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Sincerely,



GRANT J. SEMPLE
Office Chief
Office of Appraisals and Local Programs
HQ Division of Right of Way and Land Surveys

Approved: **DAVID TEDRICK** Digitally signed by DAVID
TEDRICK
Date: 2024.04.08 10:07:15 -07'00'
FHWA Date

c: Kimberly Ellis Erickson, Chief, HQ Division of Right of Way and Land Surveys
Rene Fletcher, Assistant Chief, HQ Division of Right of Way and Land Surveys