



Omaha Together One Community (OTOC) has supported the efforts of the Mayor and City Council over the last five years to deal with the problem of abandoned properties. OTOC has consistently called for new strategies, but despite all of our efforts together to increase the fees charged for re-inspection of properties, increase the funds available for demolition of abandoned buildings, increase the effectiveness and fairness of the housing code inspection system, and create an Omaha Land Bank, the number of condemned buildings continues to grow...from about 400 four years ago to about 880 today.

There is an ongoing “pipeline” of deteriorating structures that will end in demolition unless the City takes action to force irresponsible owners and banks to maintain or sell their properties **before they deteriorate**. There are 3,000 to 4,000 buildings in Omaha that have ongoing code violations and are in the “deterioration pipeline.” They will likely end up one day in demolition unless the City adopts a vacant property registration ordinance (VPRO) like the one before you today. Hundreds of municipalities nation-wide have adopted these ordinances, including Lincoln and 75 cities in the states surrounding Nebraska. They are legal and they work. It’s time in Omaha to “Stop the Deterioration Pipeline.”

**There are several broad categories of owners of these buildings in the “deterioration pipeline”:**

## Irresponsible Land Lords

While most landlords in Omaha, have good business practices and maintain their properties, some landlords rent their properties until they are no longer habitable and then abandon them, leaving taxpayers to demolish. The owner of these two properties on the demolition list, currently owns a total of 21 properties in Omaha and eleven of them are on the City’s demolition list. OTOC wants any VPRO to force this owner and others like him to maintain, convey or dispose of properties they no longer wish to rent **before they must be demolished**.



**Vacant house on 25<sup>th</sup> and Ames**



**Vacant house across from North HS**

## Absentee Owners/Inherited properties

Another group of owners who sometimes abandon their responsibilities are people who inherit properties. This is much more likely where the heirs live in other states or when there is disagreement between several heirs and there is no will. The house pictured below was maintained in immaculate condition until



2003 when the 83 year owner was killed in an auto accident. Her son, a resident of Colorado, rented out the property until about 2010. At that time, he stopped paying taxes and stopped maintaining the home which blighted the community. It will be torn down by Habitat in the coming days but it could have been remodeled had an ordinance been in place to push the owner to convey the vacant property **before it deteriorated** to the point it is today.

**House on North 22nd Street by King Science Center**

## Zombie Mortgages



**House on 31st and Belveder Blvd where the bank started foreclosure and the owner moved out...but the bank has never completed foreclosure and refused to accept a quit claim deed from the owner in lieu of foreclosure.**

OTOC believes that about half of the properties on the current demolition list are properties which have “Zombie Mortgages.” Those are properties where the owner has been unable to continue paying their mortgage. The bank begins foreclosure and the owners vacate the property. But in the case of “Zombie Mortgages”, the bank or financial institution never completes the foreclosure because they don’t want to assume responsibility for the “carrying costs” of maintaining the property. This ordinance defines the “responsible party” as both “the owner and the mortgagee.”(Sec. 48-

146 r3). OTOC would like to see the City of Omaha move aggressively to assure that all banks or financial institutions which are “mortgagees” take responsibility for maintaining the properties in which they have an interest. Better yet, foreclose on the property and sell or donate it before it deteriorates.