



Ordinance One-introduced by Council Members Ben Gray and Chris Jerram.

It takes the La Vista program and makes changes appropriate to Omaha. All rental properties must register with the city each year, pay \$50 per single-family rental property or \$6 per unit in a multi-unit rental property, and provide proof of pest inspection. Landlords will be required to register their properties in order to lease a rental unit.

PLUSES

- Fees generate \$1.5 million annually
- Proof of pest inspection required annually
- Proactive inspections start immediately
- Clearly separates code violations into major and minor, which is appropriate and should reduce displacement issues
- Is based on La Vista model, which has already been found to be constitutional by the Nebraska Supreme Court

MINUSES

- \$6 per unit fee in multi-unit properties is too low to fully fund program.
- Should clarify that exemptions are from inspections but not registration fee.
- Names of members and managing members of LLCs should be required and made public
- If sample inspections have a error rate above 20%, should require that all units on property be inspected. Right now the ordinance reads that, if landlord fixes violations in sample, property as a whole passes without ever checking other units for similar violations.
- Minimum 15% sample is ok as a general concept, but with smaller complexes a common sense table of minimum inspections for given-sized complex is better.
- Minimum samples should be at the building level, not just property level, so that all buildings are checked.
- One year without major code violations is a lower threshold to escape annual inspections than Stothert's two years without violations.
- Education components in Harding and Stothert plans are absent
- Some standards needed for pest inspections. La Vista says "certified" pest inspections. Otherwise some landlords will spray one room and call the whole thing good.
- \$100 fine per unit for not registering seems a good incentive for multi-unit owners (given \$6 fee), but inadequate for single-family owners (\$50 fee), given that single-family properties are most likely candidates to evade participation.



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Ordinance 2- introduced by Mayor Jean Stothert.

All rental properties must register with the city, but there is no registration fee.

An annual cycle of proactive inspections is created for properties with violations in the last three years not fixed within a given time frame. Properties get off annual cycle after two consecutive years without violations and landlord completes an education course.

A three-year cycle of proactive inspections will be created for all other rental properties. The three-year cycle will not begin until three years after enactment.

Properties with three or more units may be covered with a reasonably representative sample of no less than 15% of units. If pass rate is less than 80% in sampled units, all units in the property must be inspected.

Education materials must be distributed to tenant when signing a lease. Signs with owner/manager and code enforcement contact info must be posted in each unit.

PLUSES

- Proactive inspections of all rental properties in three year cycle starts in 2022.
- Immediate start of proactive inspections in a one year cycle for properties that have previous violations that were not fixed in a timely manner. This can serve as a kind of pilot project to focus on bad properties, but also to work out all the kinks involved in proactive inspections.
- High threshold (two-years without code violations, completion of landlord education class) to be moved from one year cycle to three year cycle.
- Requirement that if more than 20% of sample inspections have errors, all units must be inspected.
- Education of landlords and tenants, including posting in each unit the contact info for landlord, property manager, and code enforcement division.

MINUSES

- Funding stream of only \$125 inspection fees insufficient to fund the system
- No explicit distinction between major and minor code violations. This could result in avoidable displacement problems and excessive inspections.
- No requirement for pest inspections
- Names of members and managing members of LLCs should be required and made public
- We are not yet convinced the set of properties in the unresolved complaint database includes the bad actors.
- Minimum 15% sample is ok as a general concept, but with smaller complexes a common sense table of minimum inspections for given-sized complex is better.
- Minimum samples should be at the building level, not just property level, so that all buildings are checked.
- What is fine amount if tenant info placard is not posted or other education elements are not followed?



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POTENTIAL ADDITIONAL ELEMENTS IN EITHER ORDINANCE

- Should require an annual report detailing the results, in terms of code violations fixed and not fixed, displacement, so that trends over time can be tracked.
- Below market loans made available to small, underfinanced landlords to help properties get up to code
- Funds for tenant displacement
- Education of tenants prior to inspection to increase percent of tenants giving consent
- Results of proactive inspections made available online
- On multi-unit properties, should clarify that all exteriors and common areas should be inspected in addition to a random sample of interior inspections.

QUESTIONS FOR PLANNING DEPARTMENT

1. LB 85 says “The city shall make reasonable efforts to prevent unreasonable displacement of tenants from residential rental property when enforcing such program.” None of the ordinances have any language about displacement. How will each ordinance change the way displacement decisions are reached?

What difference does the major/minor distinction in the Gray-Jerram ordinance make regarding displacement, compared to the Stothert ordinance?

How do unrepaired minor code violations affect the validity of a registration? If a landlord refuses to cooperate, does this eliminate the landlord’s right to rent out the property, thus forcing displacement?

What are the different incentives for enforcement of minor code violations between the ordinances?

2. What is your understanding of the number of properties that will initially be in the annual inspection database?

How will those divide up between single-family or duplex, versus multi-unit?

Are multi-unit situations underrepresented in the annual database? Is fear to complain greater in multi-unit situations?

In what ways is the nature of problems in the annual database going to be different from the citywide problems? To what extent will the annual inspection database capture the bad actors?

Will it be up to tenant groups to push complaints from those situations to get the whole process to work better?

QUESTIONS FOR LAW DEPARTMENT

What different vulnerabilities exist for each ordinance relating to the consent decrees?

The La Vista ordinance has passed constitutional muster. What potential constitutional vulnerabilities does the Mayor’s proposal contain?