

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 22, 2019

WAYNE: Good afternoon. Welcome to your Urban Affairs Committee. My name is Senator Justin Wayne. I represent Legislative District 13 which is north-- I'm actually going to tell everybody this, make sure your cell phones are off, that's what I just did. But I represent District 13 which is north Omaha, northeast Douglas County. I serve as the Chair of this committee, Urban Affairs, and we'll start off having committee members do self introduction starting with my right, Senator Arch.

ARCH: Senator John Arch, Papillion, La Vista, District 14.

M. HANSEN: Senator Matt Hansen, District 26 in northeast Lincoln.

HUNT: I'm Senator Megan Hunt and I represent District 8 which are the neighborhoods of Dundee and Benson in midtown Omaha.

FITZGERALD: Trevor Fitzgerald, committee legal counsel.

BRIESE: Tom Briese, I represent District 41.

CRAWFORD: Good afternoon, Senator Sue Crawford, I represent District 45 which is eastern Sarpy County, Bellevue, and Offutt.

LOWE: State Senator John Lowe. I represent District 37 which is the southeast half of Buffalo County.

McKESSON: Precious McKesson, committee clerk.

WAYNE: And also assisting the committee is our pages, Noah Boger from Valley who is a political science and French major at UNL. And Katie Pallesen-- did I say it wrong?

KATIE PALLESEN: Pallesen. Close.

WAYNE: How do you say it?

KATIE PALLESEN: Pallesen.

WAYNE: Pallesen-- thank you-- from Omaha who is a political science and history major at UNL. This afternoon we will be hearing five bills. We will be taking them up in the order listed outside the room. Each of those-- sorry-- each of-- each of the tables in the back room you will find a blue testifier sheet. If you are planning to testify today, please fill out the blue testifier sheet and hand it to Miss Precious when you come up. This will help us keep accurate records of

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the hearing when they're transcribing. Please note that if you wish to have your position listed on the committee statement for a particular bill, you must testify in that position during the bill's hearing. If you do not wish to testify, but would like your position recorded for the record, please fill out the gold sheets in the back of the room. So as the hearings go on, if you are saying basically the same thing, you don't necessarily need to come up and repeat exactly. You can also just fill out that-- put your name down on the gold sheet and that'll be recorded in the record for your position. And it will be in the record. Also, I would like to note the Legislature's policies are that all letters in the record must be received by the committee 5:00 p.m. the day in advance. I know it was a holiday, but we still stick to that and there's-- that's just our policy throughout the entire Legislature. We just had the lucky hearing that falls on Tuesday. Handouts must be submitted by testifiers will also include in part of the record as exhibits. We ask that you give the handouts to Ms. McKesson and please bring at least 10 copies. If you don't have them, we will make copies. But if you remind, in the future if you come before the hearing, 10 copies is provided so each committee member can get one and one can be placed in the record and we have a couple of extra. Testimony for each bill will begin with the introducer's opening statement. After the opening statement, we will hear from supporters of the bill. Then we'll hear from opposition of the bill, followed by those speaking in the neutral capacity. The introducer of the bill will be given the opportunity to make a closing statement if they wish to do so. We ask that you begin your testimony by first identifying your first and last name and spell those for the record. We will be using the-- actually before I say that, how many people are here to testify on LB85? OK. We will be strictly enforcing the four minute light system. We usually let people go a little longer, but with that many people testifying, we're going to make sure all those who drove in the snow are heard. So we'll be using the four minute light system right on the table right there. You will have a green light; one minute mark you will have a yellow light; at the one minute close to the end, you will have a yellow light; and a red light we'll ask you to wrap up because you have-- your time has ran out. I will remind everyone, including senators, please turn off your cell phones or put them on vibrate. And with our first hearing, I will be turning this over to Senator Hunt, as she's the Vice Chair, to introduce LB85. Senator Hunt.

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HUNT: Hi everybody. Thanks for being here. I don't have a song and dance planned out as he moves his way to the mike here. But thank you Senator Wayne. And you're invited to open on your bill, LB85.

WAYNE: Thank you. Good afternoon, Vice Chairman Hunt and members of the Urban Affairs Committee. My name is Justin Wayne, J-u-s-t-i-n W-a-y-n-e and I represent Legislative District 13 which is north Omaha and northeast Douglas County. Last September, well first let me say, one of my biggest priorities this year is affordable housing and safe housing. If you look at some of the bills I've introduced, they don't necessarily come to this committee, I'm focused on making sure we have affordable housing, particularly in my district, Ernie's district, Tony's district, because those are the ones that have been often affected through past discrimination, past racism, and just the lack of safe affordable housing. As I went door to door in my district, particularly Florence, as we discussed issues at the doors we found that the safety code or building code violation of rental homes and them being rundown, particularly in historic Florence because they're older homes, was a major concern. Then as you all know or may have heard, last September city code officials who were representing Yale Park-- inspecting Yale Park apartment complex at 34th and Lake in north Omaha were forced to evacuate entire complex due to a plethora of safety and health issues. The inspections uncovered nearly 200-- 2,000 code-- building code violations including gas leaks, faulty wiring, leaky roofs, and pest infections-- infestations. These violations were found after 90 tenants at Yale Park filed complaints with the city code enforcement. Because the city, like most cities, enforces its building codes on a complaint basis, nearly 500 residents were displaced, many of them refugees fleeing from other countries due to oftentimes violence. In this particular case, mostly violence. In the immediate aftermath of Yale Park situation, the city began to look at requiring landlords to register and the city-- and with the city and implementing a regular inspection program for rental properties. At least two Nebraska municipalities, La Vista and South Sioux City, have similar inspection programs today. The state of Iowa is currently requiring all cities with a population over 15,000 to have an inspection program. In Omaha, both Council Bluffs-- in the Omaha area, both Council Bluffs and La Vista already have inspection programs. Unfortunately, after some initial discussions, the city appeared to abandon its plan for a rental inspection program. A number of community organizers expressed concerns that the issue would be swept under the rug. After hearing these concerns and after doing what I usually do and how I believe is you can only control what you can

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control, I felt it is incumbent upon me to introduce legislation to require the city of Omaha to enact rental inspection program. LB85 will require cities of the metropolitan class, Omaha, and cities of the primary class, Lincoln, to adopt a rental inspection program for the enforcement of building codes in residential rental units. While my initial draft only applied to Omaha, a number of advocacy organization in Lincoln contacted my office to share their similar concerns about housing conditions in Lincoln. While LB85 provides some basic minimum requirements for what a rental inspection program should look like, the bill is designed to provide flexibility so the city can develop its own program that works for them. For example, the bill mirrors Iowa's requirement that inspections be conducted every three years. The city may provide for less frequent inspections for properties with the historic-- historic code compliance. For many multi-unit renters-- or multi-unit rental properties, the city is not required to inspect every single unit. Rather it is supposed to use a random sampling which would lessen the cost and provide a true sampling of what's going on in those rental properties. The city would not have to reinvent the wheel. La Vista, South Sioux City, Council Bluff all have this right now. It's not hard to do, but somebody has to have the will to do it. Yale Park is not an isolated incident. Poor housing conditions have long standing-- have been longstanding problems in the area of north Omaha. Again, my district, Senator Chambers' district in particular. In fact, a 2010 study conducted for the city of Omaha identified building code violations on rental property as a serious impediment to fair housing in Omaha and recommended the city to consider implementing a rental housing inspection program. The city just simply chose not to follow that recommendation. A number of people behind me are here to testify about not only the Yale Park residents, but many other properties around Omaha. Those on the ground who have lived in these conditions are best able to articulate why this bill is necessary. Unfortunately, several organizations planned to attend today, however due to the weather they were not able to. So I am distributing to you now some written testimony they provided. And these groups include Nebraska Appleseed, Habitat For Humanity of Omaha, Omaha Together, Omaha Together One Community. If you read those testimonies, again, this is a serious issue and this is a long-term problem that we've got to solve not just in Omaha, but across the state when it comes to affordable housing. I think it is critical as we move forward in this conversation to get this bill on the floor as fast as we can and let the city of Omaha know, and Lincoln, that we're serious about making sure that affordable safe housing, including rental property, should be provided

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by any property owner and must comply with those codes that the cities have adopted. With that I'll take any questions.

HUNT: Thank you, Senator Wayne. Any questions? Seeing none, oh, Senator Lowe, sorry.

LOWE: Thank you, Vice Chair. Senator Wayne--

WAYNE: I looked at you twice, because I knew you probably had a question.

LOWE: So, Omaha has laws already established then, right?

WAYNE: They have building codes, yes.

LOWE: Rules, building codes, and they're just not being inspected?

WAYNE: Correct. They're being inspected on a complaint basis. But there-- study after study has shown that there is an intimidation or fear factor among those who are renting to complain on their owners. If you have a renter who complains about code violations that require you to spend \$5,000 or maybe \$10,000 versus finding another tenant who won't complain, you tend to find ways to move them out of your rental property.

LOWE: You know, I hate to put down unfunded mandates down to cities and things like that. And it seems like we're almost doing that with this bill.

WAYNE: No, actually we're requiring fees by property owners to--

LOWE: We're putting the responsibility on the cities to do this.

WAYNE: Correct. But it should all be paid for by the fees that are required. So it should be no more cost to the city. And that's why we also allow the flexibility, because there are-- and there's going to be some people here testifying against this bill who are good renters. There's no issues, no complaints, they have multiple, if not hundreds of properties. And that's why we put in provisions where if they have historic compliance and there's no issues, then they can even stretch out that date to longer. But this goes down to a simple thing, whether they're running a restaurant or there are certain rules that you have and you have to enforce them. And it shouldn't be just complaint driven, especially when you're talking about building code violations, it should be health and safety is bigger than the fear factor of

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having a renter file a complaint knowing they could lose their housing.

LOWE: Won't the-- won't the fees be passed down to the renters though and their rent will then increase?

WAYNE: There's a possibility of that. But looking at the studies that I've seen on how it's done in other states, we're talking five to-- at the highest I've seen was \$15 a month. I would submit that many people, at least in the district that I represent, would pay an extra \$100 or \$120 a year to make sure that they have a safe building or apartment or house to live in.

LOWE: Thank you, Senator Wayne. Appreciate it.

HUNT: Senator Briese.

BRIESE: Thank you, Senator. Thank you for being here, Senator Wayne. You indicated earlier that this mirrors the Iowa statute as per the three-year inspection. Does it mirror the Iowa statute in other ways or completely or?

WAYNE: No, we've tried to put a Nebraska feel and we met with different stakeholders. I understood the concern about cost, so we-- we added some leeway on the historic compliance. Those are some of the things we're trying to do to make it better for Nebraska.

BRIESE: OK. OK, thank you.

HUNT: Any other questions from the committee up here? No? Seeing none, thank you very much, Senator Wayne. I now invite any proponents of the bill to come forward and testify. When you come up, please state and spell your name; state your support or-- I guess you would be supporters since we're doing proponents and yeah, welcome. Thank you so much for being here. If you could just state and spell your name.

HANNAH WYBLE: Yes, my name is Hannah Wyble, H-a-n-n-a-h W-y-b as in boy, -l-e. Am I good to go?

HUNT: Yeah.

HANNAH WYBLE: OK. All right. So my name is Hannah Wyble and I am with the Omaha-based organization Restoring Dignity. Not too long ago, I visited families in the Omaha area that had entire bedroom walls covered floor to ceiling in black mold. Walls and windows were

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literally separating from the building to the point where people were stuffing grocery bags and rags into the large cracks to keep out the winter air. Buildings were so infested that families would wake up with mice crawling on them. Some people even woke up from mice nesting in their hair. Kitchens were covered in mouse and cockroach excrement. And families ate food that was cooked in this environment. The laundry room of one apartment building was so dysfunctional that the residents had to use buckets to catch the water as it drained and would then dump the buckets outside as their laundry was being washed. Walls had huge cracks, refrigerators were completely rusted, and bathroom fixtures rotted from age. Exposed electrical outlets and wiring graced the living rooms where children played. And windows leaked so bad that when it got cold, the water would freeze the windows shut and no one could open them. In one apartment, instead of fixing plumbing issues, the maintenance worker told the family that any time they defecated, they would just have to use a plunger to push it down. It would seem like I'm talking about Yale Park, but I'm not. I saw these issues this weekend. Everything I just described is what people are living with right now at an Omaha apartment complex off of Northwest Radial Highway. Do you want to know what it costs to have the privilege of living in one of these apartments? It's \$925 for a three bedroom unit. And for one family that cost is increasing to \$960 in March. But instead of focusing on the present, let's focus on why LB85 has been introduced and that takes us back to Yale Park. In August of last year, I went to the Yale Park apartments to install window air conditioners for families that had none. It was during that time that I observed the worst living conditions I have ever seen in my life. Collapsed and leaking ceilings seemed to be a common theme uniting over 500 Karen and Kareni refugees who lived there. When the city of Omaha inspected each apartment, they found that 75 of the 100 units had gas leaking. One of the children who lived in a unit with carbon monoxide pouring from the water heater had been having daily nosebleeds for a year because of an odorless gas leak his parents did not know was plaguing their home. Another family of eight had no hot water for four months. To bathe they had to water-- boil water on the stove and pour it into the tub. Another family had to send their 8 year old child to stay with a relative because the mold covering their walls was triggering asthma attacks. In the 10 years that Yale Park operated, none of these issues were discovered by Omaha's city code department. Why? Because in the city of Omaha no rental units are required to be inspected. If our city had followed the proactive inspection rules of neighboring cities, La Vista and Council Bluffs, the evacuation of Yale Park and the years of suffering that tenants

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endured could have been completely avoided. But that's why we're here today because we don't have proactive rental inspections. We have no one making sure that apartments and rental homes in Omaha are safe and in good condition. Our current system is simply not working. How do I know this? Because situations like what happened at Yale Park are still happening today. Thank you.

HUNT: Thank you so much, Ms. Wyble. Do any of you have any questions for Ms. Wyble? Seeing none, thank you so much for coming today. Next proponent please. Thank you so much. If you could just say and spell your name.

PAW HTOO: My name is Paw Htoo, P-a-w H-t-o-o. I'm telling this story for Eh Khu; E-h K-h-u, who had to leave her home at Yale Park after it was shut down. This is a Eh Khu's story. When I first moved into the apartment, I already saw the ceiling leaking and the carpet smelled like mold. I want to move out, but I couldn't because I already deposit the money. Since day one, I told the landlord to please come fix the ceiling for my family, but he keep saying he would come later, but he never came. I report the issue at least once a week to them. When I report them in the winter, they said they would come back in the summer. When I report them in the summer, they said the damage can't be fixed anymore. They told me that if you don't want to live here, then move out. Due to language barrier, it is hard for me to move out and go change my address and transfer all the stuff to the new location. My apartment has a hole in the ceiling and there is water leaking, but I have to use the bucket to collect the leaky water. As time goes, the damage gets worse and more water leaks. My mattress, pillow, and blanket are all wet. Two out of the three bedroom can't be used because it is wet and smells really bad. My children didn't get enough sleep because of our living situation. Therefore, it is hard for them to stay awake at school. One evening, the ceiling pieces keep falling piece by piece. And based on what I see, I knew it was going to fall and it is dangerous for my family to stay inside the apartment. So I told my kid to stay out of the apartment. So then the ceiling collapsed. I report the incident to the worker immediately. The worker come check on it and say they will report it to the landlord, but the landlord never come. Because of the Yale Park situation is getting worse, the organization that help refugee come visit Yale Park. One community worker come near my apartment and she smelled the gas leak. The community health worker knew the smell, so she called MUD to come check on the gas leak. When the MUD worker come in and he turned off all the gas right away. He

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said the smell of the gas is really dangerous so nobody should stay inside the apartment. My family had to-- have to sleep at my sister house because we can't stay in our apartment. I own a house now, but the landlord is-- the landlord is suing me for saying that I have to pay all the damage of the apartment, but the damage is already there before I move in. One thing that make me really upset was when the landlord said our living situation at Yale Park was better then our living condition in the refugee camp. We came to America to have a better life. He can't compare our American life to a refugee camp life. I feel upset that people take advantage of us because they think we had it worse in the refugee camp. We are human being and we have a right too, even though we don't speak English. I wish this to never happened to any family. Thank you for listening to Eh Khu's story.

HUNT: Thank you so much, Ms. Htoo. Do any of you have questions for Ms. Htoo? Senator Lowe.

LOWE: Thank you. I just wanted to say thank you for coming and giving this testimony, I really appreciate it.

PAW HTOO: Thank you for having us.

HUNT: Senator Hansen.

M. HANSEN: Thank you, Senator Hunt. And Ms. Htoo, I just wanted you to know, I noticed that there were some other testimony here and we'll read that as part of the record.

PAW HTOO: Yeah. Thank you.

McKESSON: I was going to grab her another sheet. I was excited. I just noticed it was attached to several sheets. So I didn't know if she wanted to read that.

HUNT: Ms. Htoo, yeah, would you like to read your own testimony?

PAW HTOO: OK.

HUNT: OK, thank you.

PAW HTOO: Hello again. My name is Paw Htoo, P-a-w H-t-o-o. I am a member of Karen refugee community and this is my story. As a community leader and interpreter in the Karen community, a lot of families report the Yale Park situation to me. I have heard many horrible story, but one story that stuck with me the most was when a family

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they had had their ceiling collapse in the middle of the night. The father asked me, can you imagine the feeling when you sleep in the middle of the night and you hear boom, boom, boom and the sound came from your kid's room? Can you imagine what you feel knowing your kid could be hurt? The parent rushed into the children's room and saw the ceiling had collapsed. That kid happen to be sleeping in on the other side of the room, so it didn't fall on them. The parent was so happy and told me that they never felt happier because the ceiling didn't fall on their kid. This is what families at Yale Park went through. And this is just one story of one family had to go through because the landlord didn't fix what needs to be fixed. The family report of this situation to me because they knew I spoke English a little better than them and hoped that I could be the voice for them. The tenants are desperate in need of living-- their desperate need their living and their living conditions to be fixed, but no one heard their voice. But I'm begging everyone here to please be the voice of the tenants and also my refugee community. Just because-- just because my community had it worse in the refugee camp by having to go through living in a war zone and running for their life, that doesn't mean they should have to live like-- like home like Yale Park. I pray and hope that everyone that has the power and authority can stand up for those whose voice can be heard. Thank you.

HUNT: Thank you so much. Any questions? Seeing none, thank you so much for your testimony. Next proponent. So, Ms. Htoo, I understand you're going to be translating.

PAW HTOO: Yeah.

HUNT: OK. Thank you.

HA DAY: [Karen Language - see translation below].

PAW HTOO: My name is Ha Day, H-a D-a-y, I'm from Thailand refugee camp.

HA DAY: [Karen Language - see translation below.]

PAW HTOO: When I live in Thailand refugee camp, I have to be afraid of the Burmese army. But when I live in Yale Park apartment, I have to be afraid of bed bugs, cockroaches, and mice.

HA DAY: [Karen Language - see translation below.]

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PAW HTOO: One time the teacher saw the bed bug bite on my daughter's skin. The teacher didn't let my daughter go on a field trip with her other classmates. My daughter was really excited about the trip, but when she can't go anymore because of the bed bug bites, she got really upset about it.

HA DAY: [Karen Language - see translation below.]

PAW HTOO: When I first moved into the Yale Park apartment, I didn't know everything that happen would happen. I also have a roof leaking, but the landlord did not fix it right away. I have to use the bucket to drain the water that drains from the roof. The water drain from the bathroom into our living room. The smell is really strong, but as time goes on we get used to the smell. We keep telling the worker to fix it but when they finally fix the roof drain they cut a hole square on the roof. That's the picture on the back. They didn't fix it. They just stopped the drain by cutting out a square of the-- of the roof. The damage like this can cause health problems to my kids. At that time, my kids were the age of 17, 13, and 7.

HA DAY: [Karen Language - see translation below.]

PAW HTOO: When the summer came, our family doesn't have cool air conditioning. Because we can't take the heat, we have to buy a portable air conditioner. Due to the family finances, we can only afford one. Our kids argue over who would get the cooler. We end up staying in one room that has the air cooler. My Karen people like to live-- to be in a small community. When the Yale Park situation happened, I lost all my friends in my community. If the landlord keep his property-- property in a good condition and a safe place to live-- live I wouldn't lose my friend and my community. This is why we need mandatory rental inspection so this issue can be caught right away and fixed so that people do not have to lose their home.

HA DAY: [Karen Language - See translation below.]

PAW HTOO: Right now, I moved to the new apartment. The apartment has cockroaches and mice here too. There are many things that the owner has to fix, but it's taken four months to fix the damage. I don't want my new apartment to end up like Yale Park because I don't want to lose my community again. I hope the government can help us and be the voice for us. In conclusion, I want to thank everyone for giving me time to speak. Thank you.

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HUNT: Thank you again for coming. Any questions from the committee? Yes, Senator Briese.

BRIESE: Thank you. And thank you for being here. As a resident of this complex were you aware that there were building codes, city municipal building codes that would address some of these things?

PAW HTOO: [Question being interpreted to testifier.]

BRIESE: No, you weren't even aware of the codes. OK. Very good. Thank you.

HUNT: Do you feel like, as residents, you are more vulnerable to being taken advantage of because of a language barrier because of your refugee status?

HA DAY: [Question being interpreted to testifier.]

PAW HTOO: Yes, when I talked to the landlord of the worker like nobody paid attention to me. Like they talked to them but they never gave a response.

HUNT: Thank you for sharing your experience with us today.

PAW HTOO: Thank you for having us.

HUNT: Next proponent for LB85.

NAIMA ABDI: Ladies and gentlemen, I'm honored and privileged to be here today, sitting here and try to plead for my community. My name is Naima Abdi, N as in Nancy, a-i-m as in Mary-a, and my last name is Abdi, A-b as in boy-d as in David-i. I am presenting on Nebraska Somali communities especially Omaha. I've been living here-- I've been brought here as refugee for 11 years ago. I live in this public housing that's indecent, isn't safe, and it's unhealthy. There's cockroaches living there. There's mice living in there. Bedbugs are living there. And the carpets that even 11 years later, some apartment is still the same carpet that we've been living and still people are living in there. And I, you know, stunned to find out those apartments they don't have no violations whatsoever. The wires are hanging out, the electrical wires. We have infested apartment and especially public housing. Public housing, 90 percent of people occupied there are refugees, hard-working innocent people, but they don't know the laws and nobody told us. I've been brought here as refugee. I've been just dropped and said, OK, deal with it. I have no education. I have

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nowhere to go. I have four children, young children. The youngest of four is two years old and the oldest is 12. And I deal with it because I have to live in that condition and I figured out this is what they brought me into, so I have no right but to live there. I was told that is where I have been planned to live. That is what they planned me, so I can live that way. I worked hard. I do whatever I can to survive with my children. When I was here three years into it, I found in my child ears are cockroaches. The child is crying every night. I don't understand what is going on. The child is sick. I go to the hospital and found out that they found a cockroach dead in the ears of my child. And amazingly those apartments every time they send in inspections by Omaha housing authorities they will tell us that they pass, they passed inspection. I was expecting this time somebody would come and they would say something, but none, nothing had been-- three days later you would get a letter, yes, your apartment is passed. Thank you very much. You try to complain-- you get three days or maximum seven days, note to leave. Why are you going to complain the landlord? The landlord don't-- don't want to hear because his explanation is that this premises passed inspection according to Omaha housing inspection. And I don't understand, you know, that standard what that standard is. Because I'm living there. I deal with this every day. Thousands of people are living there, not only me, not only my community, but so many people, hard working people, not only Somali community, but refugees in tall-- in all. And I think these people have been taken advantage of. Nobody is talking for them. Nobody teach them any basic rules that what is their rights and how-- where to go or who to complain to. All they have to go to the landlord. The landlord will shut them down. Those people are paralyzed with fear that they don't want to talk about it because those before them that speak up they've been kicked out. They shouldn't be separated because no one can welcome them and three or four kids plus a mother and maybe a father even so they have to separate the children to each house in the community so until they find a solution. Maybe [INAUDIBLE] money and then we can rent a place.

HUNT: Thank you so much for your testimony. I'm going to-- I'm going to stop you there so we can get to everybody. But I thank you for sharing your experience. Any questions from the committee? Senator Hansen.

M. HANSEN: Thank you, Senator Hunt. And thank you for testifying, Ms. Abdi. Just to clarify, you've-- you've experienced or you know people

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who've been evicted because they complained to housing code authorities?

NAIMA ABDI: I experienced-- I-- the one that I, as I said, that my child found their ears of cockroaches. There is the mice in that same apartment, there is cockroaches. There is bed bugs. We have complaints today, two months people that don't have heat and you can see the condition. Then they don't have heat, but they have to live there. They've been forced to live there. And those apartments they don't worth \$300 a month. But gas is \$800, \$900 a month. And they paid that. They'd been forced to pay that, because those are public apartments. Specifically, I'm talking about public housing. There is a difference between public housing and Section 8. Section 8 is a little bit more decent than public housing. But I'm talking about public houses. And so many of them from south Omaha to north Omaha, 90 percent of them. I invested, 90 percent of them has a violations but nothing happens.

M. HANSEN: OK. Thank you.

NAIMA ABDI: Thank you.

HUNT: Any other questions?

ARCH: I have a question.

HUNT: Senator Arch.

ARCH: You mentioned that the Omaha housing authority came and inspected; approximately how long ago? Was it months, years ago, when did that occur?

NAIMA ABDI: They do inspection.

ARCH: On a regular--

NAIMA ABDI: They do an inspection here and there, you know, three months prior they would send somebody. But then that specialist, as I told you, that they're waiting someone to come and then we talk about the problems that they have seen, but the next three days then what you get is the letter saying that you-- your apartment has passed.

ARCH: Thank you.

NAIMA ABDI: Thank you.

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HUNT: Other questions? Seeing none, thank you for your testimony. Next proponent on LB85.

MICHAELA DEI: Is it OK that I begin?

HUNT: Yes, go ahead. Thank you.

MICHAELA DEI: Hello. My name is Michaela M-i-c-h-a-e-l-a, Dei, capital D-e-i and I am here as a concerned citizen of Omaha, Nebraska. I've worked with New American Community in Nebraska for the last four years in education, employment, and health sectors. And most recently I was the refugee health liaison where I coordinated health access and health seminar events in rural and urban in Nebraska. I covered various health topics with key stakeholders including physical, mental, and environmental health, and specifically at healthy housing events. Communities in different cities: Schuyler, Dakota City, Grand Island, Lexington, Lincoln, Madison, and Omaha voiced concerns of infestations and needed-- needing help getting maintenance issues fixed. The events were held at ESL sites, apartment complexes, and of course meatpacking plants, as there are more than 93 meatpacking plants in Nebraska. It's the core of our economy. Like I said, many have voiced housing concerns, but the one thing I'll never forget was my first time visiting Yale Park apartments, May 11, 2018, at a coordinated health event. Because afterward I got in my car, took off my badge and cried the entire way home. Surely, if people knew that this was going on, this wouldn't be happening. Findings were documented and reported to health departments, programs, nonprofit agencies, and as advised to promote tenant education rights, I coordinated more health events and health seminars. The next one was June 8 and many big key stakeholders came to speak with interpretation on the available resources in Omaha. And also, it provided education on how to write or complete a written maintenance work order. Findings again were reported and documented. Also, I had a hard time sleeping at night. On rainy days, I would think about how Yale Park tenants would have water leaking in their units that day. I kept looking for a proper handoff to submit the environmental health hazards to multiple key stakeholders in our city. Findings were reported at meetings. July, August came around, more health events were coordinated. Findings were documented and reported: gas leaks, mice, missing and broken smoke detectors, cockroaches, carbon monoxide leaks, lead concerns, and the stats were shocking and submitted to the Omaha Refugee Task Force and also the landlord. Those findings were submitted September 2018 and that's why I'm here today. I'm here for

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the ESL students that I had that reported infestations four years ago. Families that I just met with this past weekend, they still have the same infestations. I'm here for the Yale Park tenant that I spoke with who said, I just want respect; I want my maintenance issues fixed. And I'm here for my South Sudanese American extended in-laws who have lived in southwest Omaha with cockroaches for the last eight years despite reporting them and also despite me helping and advocating for them. And I'm also here as a good citizen of Nebraska. So even though I am no longer employed as a refugee health liaison, I know speaking up was, is, and will always be the right thing to do. Thank you.

HUNT: Thank you, Ms. Dei. Any questions from the committee? Seeing none, thank you for your testimony. Next proponent for LB85. Thank you.

CONSTANCE JONES: Hello, my name is Constance Jones, C-o-n-s-t-a-n-c-e, Jones, J-o-n-e-s. I'm a renter with the Section 8 voucher, so I have a housing choice voucher sponsored through OHA. I moved into 2519 North 43rd Street on October 1. When I toured the house for the move-in inspection with the Section 8 inspector there were a few things that needed to be repaired before the house could pass. So the inspector set a second walkthrough for 2:00 p.m. the following day. However, before 2:00 p.m. walkthrough, I received a text at 9:00 a.m. saying the house passed the inspection. How did the house pass the inspection without a second walkthrough? I don't know. Shortly after moving, I realized the actual condition of the house was completely unsafe. There were outlets that were loose, uneven stairs, no heating system whatsoever for the second floor, and horrible roach infestation, just to name a few. I talked to property manager about getting things addressed and he will send an exterminator, an unlicensed electrician who took it upon himself to just walk into my home. I asked-- I asked Section 8 for advice, but they were unhelpful to say the least. Every time I would point out something wrong with the house, the property manager would send someone to put a Band-Aid on it. I knew what was going on wasn't right, so I called Omaha code enforcements and asked them to come and see what was going on. They came and inspected and found that there were 29 code violations; 10 of those violations were level-- categorized as high. They were the most serious violations that a properly can have, and yet this home was approved by Section 8 for me to live in. The report was-- was released November 15, 2018, to my landlord. And less than a month later I received a letter saying that my lease was being terminated. Please help me to understand how this is not retaliation. I did a little investigating myself and found

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that the landlord I am renting from was well known to the city of Omaha code enforcement. He currently has multiple properties with open cases due to multiple code violations. Yet this landlord is still allowed, currently receiving money, federal money through Section 8 for multiple properties. We need mandatory rental inspections in Omaha for qualified code inspectors to make sure that the homes we live in are safe, because if we don't have this system, I now-- I know-- I'm sorry, that was a-- I now have to-- I'm sorry-- I now have to leave my home and start over somewhere else and I can only hope that my next house is safe. Thank you for your time.

HUNT: Thank you, Ms. Jones. Are there any questions from the committee for Ms. Jones? Thank you for coming here today. Are there any other proponents? Thank you.

GARY FISCHER: Good afternoon, members of the committee, my name is Gary Fischer, G-a-r-y F-i-s-c-h-e-r. I'm a resident of Omaha and I'm general legal counsel to a group of nonprofits that include Family Housing Advisory Services and Omaha 100 Inc. We have offices in the heart of north Omaha, in south Omaha, and Council Bluffs. And in the testimony that I've provided to you, there's a long list of programs that we operate, all of them operate to prevent homelessness and to help persons who are having difficulties with their housing, overcome those problems, including buying homes, improving credit. And we also provide an array of services including tax services and we make mortgage loans to very low income households. I'm here because the advocates and counselors for our-- our agency have identified a systemic problem is keeping them from doing their job. And that problem is the lack of effective code enforcement of minimum housing codes in the city of Omaha. We support LB85 because it provides a solution to the systemic failure of the city to enforce minimum housing codes that affect health and safety. I wanted to follow up with Senator Lowe's question about the laws that are in place. In fact, in 1974 this Legislature imposed a statewide mandate that landlords deliver property to tenants in compliance with any applicable minimum housing codes; and further, that they repair and improve that property if they are on notice, either in writing, or actually know about any violations of a minimum housing code. That's the law in Nebraska. It's been the law since 1974. So this law is a procedural approach, not one that changes the substantive law of the relationship between landlords and tenants in Omaha or anywhere else in the state of Nebraska. The second aspect of the-- of the enforcement failure that I wanted to talk about is that the system

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places a responsibility on tenants to make complaints. This is intuitively not right. Clearly it places the burden of making complaints on the people that are the least capable of protecting themselves from retaliation, if that occurs. We have many of the people that are affected and that are-- come to our agency are elderly, they're disabled, they're poor. And the third aspect of this problem that I like to talk about just briefly is that it is where it occurs, and that is-- that it-- it occurs in the poorest parts of our city and where the oldest housing stock is. And I assume in your communities, if you're not in Omaha, that you also have the oldest housing stock in the city manifesting problems. That's the case in Omaha. The case in Omaha is also that that housing is occupied by disproportionately high share of people that are poor, elderly, ethnic, and racial minorities. And they are unfairly and in an unbalanced way shouldering the burden of this lack of enforcement. The third aspect of this enforcement failure I'd like to talk about is just that there's been a failure to enforce these codes over a long period of time. And so now we have an accumulation of substandard housing stock and this presents its own problem. In 2010, our organization was contracted by the city of Omaha to evaluate fair housing choice. And Senator Wayne talked earlier about us having made a recommendation to the city. We made that recommendation to the city to look at incorporating into the city's enforcement scheme exactly the kind of approach in LB85. We made that recommendation in 2010. We made it again in 2015. A copy of the letter is attached to my testimony that I received-- or that we sent, rather, to James Thele, of the planning department, explaining why we were making that recommendation, specifically based on the city of Omaha's code enforcement records which identified thousands of code violations. The geographic concentration of old housing stock and housing quality issues doesn't eliminate the need to ensure compliance in other parts of the city. We have supported this proposal because it also creates opportunities to reward landlords that are doing good, that are making repairs, that are compliant with city codes. And it's important to do that, both for economic reasons because it requires less inspection activity and also because we want to encourage people who are doing the right thing.

HUNT: Thank you. I have to stop your testimony there.

GARY FISCHER: It's Ok.

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HUNT: I appreciate what you've submitted here for the record. Does anyone on the committee have a question? Thank you for making it here to Lincoln today and thanks for your testimony. Any other proponents for LB85? Welcome.

ERIN FEICHTINGER: I always feel shorter in chairs.

HUNT: My feet don't touch the ground, so I'm with you.

ERIN FEICHTINGER: Chairman Wayne, members of the Urban Affairs Committee, my name is Dr. Erin Feichtinger, E-r-i-n F-e-i-c-h-t-i-n-g-e-r. I'm an Omaha resident and I coordinate community outreach and advocacy at Together, a social service agency that has served the Omaha community for 44 years. Our mission is to prevent and end homelessness in our community, and for this reason I am here representing our organization in support of LB85. Our goal is an ambitious one and it requires a holistic and comprehensive view of the causes of homelessness. Last year we helped 25 individuals and 41 families transition from homelessness to housing through our Horizons program which provides intensive case management to our clients. This means providing financial assistance, educating them on how to find and keep housing, building the necessary skills to read and understand a lease, understand their rights and their responsibilities as renters, as well as budgeting for rent and utilities. Additionally, we had 500 diversion meetings focusing on problem solving for those facing the immediate prospect of homelessness. We can provide all of the immediate mediation support and financial assistance in the world and we would still be impeded in our mission because of a continuing decline in the quality of affordable housing units in our community. LB85 and its mandate that a city like Omaha implement a proactive rental inspection plan is a valuable tool for homelessness prevention where very few such tools currently exist. Many of our clients ended up homeless because their previous housing was unsafe, unhealthy, and substandard. Our clients living in these conditions did not have the option to simply move, because of a lack of personal funds, on top of a lack of affordable housing options in the city. Because our current code enforcement system is complaint driven, clients either did not know how or did not feel safe enough to report a code violation which could lead to their eviction and further issues securing and maintaining safe housing. Until a client ends up on our caseload, they often do not have an advocate and a partner to help them navigate the complex world of affordable housing in our community. We believe the city and the state has a role to play in being this advocate alongside

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our organization. We also support LB85 because mandating that our city develop a proactive rental inspection plan will alleviate the burden on agencies such as ours to complete rental inspection. Aside from initial city inspection and HUD inspections of public housing, it is social workers who inspect rental units for habitability and safety. We only inspect those units that may be inhabited by our clients and so cannot meet the city-wide need to develop a sustainable solution to unsafe and substandard housing. And we need help meeting the entirety of that need. We know that the landlords with whom we work are concerned as we are for the health and safety of housing in our community and are not here to blame them for the lack of accountability that is built into our current system. Rather we are here to encourage you as policymakers and the wider community to engage in a meaningful conversation about how we are going to address our current housing crisis with the same spirit of compassion and collaboration that our organization tries to bring to our work. We at Together appreciate your consideration of LB85 and your continued dedication to ensuring the good life for all of us and are available to address any questions and concerns you may have.

HUNT: Thank you, Ms. Feichtinger. I have a question. I am coming from a place of pretty much total ignorance about a lot of these issues. And you mentioned that you have social workers that inspect a lot of these houses. Can you just briefly tell me more about that process and how-- are those social workers then accountable to the city? Do they-- are they able to hold the city accountable in any way to help these people? But the housing stock is just too big for them to handle or-- what's-- tell me more about that. Yeah.

ERIN FEICHTINGER: So just the process.

HUNT: Yeah.

ERIN FEICHTINGER: We have a landlord liaison at our organization which is a pretty interesting position. And what they do is when a client comes to-- when they end up on our caseload, so that means that they are homeless and are attempting to find housing. Our landlord liaison will work with them to find, you know, like any-- if you've ever rented a home or rented an apartment, right, you have to go and you have to search for units and figure out what your budget is and all of that. So she works with them to build those skills. When a client decides on a couple housing options that they would like to go see, our landlord liaison will go and inspect them because our organization provides financial assistance to help people find their stability as

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they're renting. So we cannot in good conscience, you know, put a client in a house that does not pass habitability-- our habitability standards, which are actually HUDs. So what the landlord liaison will end up doing is asking the landlord of-- or the property manager to-- can you fix this outlet? Can you fix the ceiling before we move a client in? And it's up to the landlord whether or not they want to make those updates and take our client. Does that answer your question?

HUNT: Yeah. Thank you. So they're not-- they're not doing this for the city. This is like for the organization--

ERIN FEICHTINGER: No, this is for our organization.

HUNT: And it's a burden, from what it sounds like, not that you shouldn't do it, but.

ERIN FEICHTINGER: Sure, and we're very happy to do it.

HUNT: They should be habitable to begin with.

ERIN FEICHTINGER: Yes, that would be the idea.

HUNT: Thank you. Any questions from the committee? Senator Hansen.

M. HANSEN: Thank you, Senator Hunt. Thank you for your testimony Dr. Feichtinger. So my question is, and I asked this of a previous testifier, in the clientele you work with, do you know people who have been retaliated against for making a complaint to code authority?

ERIN FEICHTINGER: I do not want to speak for any of our clients. I am happy to follow up with you. Our case managers are, I'm certain, have some stories. But I will track them down for you and send them over to your office.

M. HANSEN: OK. And just basically your testimony though is that's the fear is why more tenants don't come forward is that the landlord has that power to end their lease, to kick them out.

ERIN FEICHTINGER: Yeah, I think that there is, as previous testifiers have said, right when you are living in a crisis situation, when you are living just trying to make rent every month and utilities and take care of your family, it's very difficult given the lack of affordable housing options in our city to make a decision to say, well, I'm just going to file a 14-30 against my landlord and that'll fix everything.

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So I think there is a fear. I also think there's a lack of-- of knowledge in how to negotiate the process. I tried to do it once and it was a little difficult.

M. HANSEN: Thank you very much.

HUNT: Any other questions? Thank you again for coming, Dr. Feichtinger.

ERIN FEICHTINGER: Thank you all.

GRETA CARLSON: Hello, my name is Greta Carlson, G-r-e-t-a C-a-r-l-s-o-n. I'm a member of Augustana Lutheran Church in Omaha and I'm an organizer with Omaha Together One Community and the Institute for Public Leadership. I speak today for LB85 for the reasons my colleagues have just spoken of and would underscore the urgency of our request for your votes for proactive registration and inspections. Families face a dangerous health and safety hazards and neighborhoods suffer because Omaha's complaint-driven system is not working. Hidden costs of not having proactive registration and inspection means chronic diseases that could have been prevented are now burden-- burdening our healthcare system. OTOC's analysis has discovered a demolition pipeline: unaddressed code violations often lead to further deterioration, eventual abandonment, and demolition at taxpayer expense. Demolitions mean we are losing historic structures and what could have been livable affordable housing. And even if deterioration doesn't lead eventually to demolition, there is severe erosion of the city tax base as neighboring properties' values decline. The National League of Cities and ChangeLab Solutions consider proactive registration and inspections a best practice cities can use to counter substandard housing. The state of Iowa model has worked for over two decades in communities that range in size from Des Moines to Council Bluffs. Early opposition fades away as communities gain experience with the benefits. Landlords learn they benefit from more eyes on their units. They also benefit from the existence of a public record of move-in conditions. When a landlords group sued La Vista, Nebraska, for establishing a proactive inspection policy, the Nebraska Supreme Court ruled that indeed low-income tenants are reluctant to complain about the conditions of their units, so a city has every right to do periodic inspections for the tenants' health and safety and to preserve the local housing stock. Regarding registration, we think all residential rental properties within the city of Omaha should be open to review by the public, user friendly, and based on a community input. Potential tenants should be easily able to search online for

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information about all housing code violations since 2015 for any rental property location. It should include the name and contact information of the managing partner or member and all other partners or owners of each LLC or legal entity which owns the rental property. OTOC has organized with partners where we have been discussing this issue. Some have already signed on to the January 15 draft, which is on the back of my testimony labeled, Protecting the safety of our families and vitality of our neighborhoods. The partners include Habitat for Humanity of Omaha, who was hoping to be here today; Restoring Dignity, the Midtown Neighborhood Alliance, and the Benson Area Refugee Task Force. We are meeting with other neighborhood alliances this week. We want to educate all of Omaha as to the urgently needed message for our city leaders. Proactive registration and inspections will protect our community and hold property owners of rental units accountable. The next speaker is going to describe how inspections could be established and paid for in Omaha, which I know is a major concern. So thank you and I can answer any of your questions.

HUNT: Thank you, Ms. Carlson. Any questions from the committee? Seeing none, I welcome the next testifier.

DENNIS WALSH: My name is Dennis Walsh, D-e-n-n-i-s W-a-l-s-h. I'm a member of Sacred Heart Parish and representing Omaha Together One Community. I'm going to explain how a proactive registration inspection system could be paid for. First, let's look at estimated expenses for Omaha under LB85. The 2017 American Community Survey estimates Omaha has about 80,000 rental units. LB85 exempts properties that are already inspected by another housing agency to avoid duplicate inspections. This would reduce inspections by at least 10 percent. LB85 requires all rental properties to be inspected, but allows random sampling for inspections within multiple unit properties. Omaha might decide that for a duplex they would inspect both units. For a 10-plex they might inspect 3; for 100-plex 15. Using common sense regarding what would be an appropriate number of units, Omaha might need 13,000 inspections within a multi-unit properties to complete a citywide cycle. Add to that 27,000 inspections in single-family properties and the city would need to inspect about 40,000 units in a cycle. Thus Omaha would need to inspect a little over 13,000 units per year to complete a cycle in three years. The main driver of the city's costs is how many rental units would be covered by one inspector in one year. Conversations with Council Bluffs, La Vista and Omaha code enforcement lead us to estimate each

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additional Omaha inspector for housing code enforcement could do a thousand inspections per year. So at 13,000 inspections needed, Omaha would need 13 proactive inspectors added to current staff of 9. The city of Omaha says total city costs for each existing inspector position average about \$90,000 per year. In addition, supervisors and support staff, of course, would be essential to a successful program. But in our estimation, total annual costs of a proactive system will be below \$2 million. Secondly, let's look at estimated revenues. Across the country, cities turn to landlord registration fees to fund these systems. Registration gets the landlord into the system so all properties can be inspected. While registration fees should be modest, fees for failing to register should be significant enough to assure high rates of compliance. If Omaha sets its fees at \$50 for single family properties-- rental properties and \$20 per unit in multi-unit properties, with 90 percent compliance we project Omaha would receive \$2.2 million in annual revenue at a cost of \$2.54 per unit per month which would cover the expenses of the proactive system. In conclusion, we believe the system would easily be paid for and would not be a burden on taxpayers. Thank you.

HUNT: Thank you, Mr. Walsh. Any questions from the committee? Senator Briese.

BRIESE: Thank you, Senator. Thank you for being here with this, very helpful. You're talking about the fees of \$50 for single family, \$20 for multi-unit properties, that yields your \$2.2 million?

DENNIS WALSH: Yes.

BRIESE: Without any-- without regard to any non-compliant issues.

DENNIS WALSH: That's right, that's at 90 percent compliance.

BRIESE: OK. Fees for failing to register wouldn't be included in those?

DENNIS WALSH: No.

BRIESE: Thank you.

HUNT: Senator Arch.

ARCH: Question to clarify, that's-- that's an annual fee, correct?

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DENNIS WALSH: Yes.

HUNT: Any more questions? Seeing none, thank you, Mr. Walsh, for your testimony. Next proponent for LB85. Can I have a show of hands, how many of you are still here to testify in support of LB85? OK. Thank you. Welcome, sir.

MARK VONDRASEK: Hello. Are we ready?

HUNT: Go right ahead.

MARK VONDRASEK: My name is Mark Vondrasek, M-a-r-k V-o-n-d-r-a-s-e-k. I am a watchful citizen and political activist and an organizer with Omaha Tenants United. We are a grassroots, anti-capitalist housing rights advocacy and education group. And I'd like to thank the committee for the opportunity to speak today. We organize with tenants to educate them about the laws this government has to protect them. And then we organize to fight back against profiteers and slumlords exploiting them every single day across Nebraska. We've negotiated with tenants and landlords, held sit ins, and canvassed our neighborhoods that are being gentrified and won back thousands of dollars' worth of concessions from greedy landlords and property management companies for tenants. We don't do a lot of electoral work but we do-- we are here in support of LB85 today. We have heard a few horror stories from a few different groups this morning. And Omaha Tenants United has our fair share of stories from a management company that refuses to spend money making basic repairs on plumbing which led to a tenant having to be removed from their home by city inspectors because of unsafe living conditions, unsanitary living conditions, to a slumlord who keeps every single security deposit he gets and then also charges every single tenant of his hundreds of dollars in questionable damages claims, to landlords who outright screamed at and threatened their tenants who have the audacity to ask for basic standards of living. LB85 is a good baby step in the right direction. And Omaha Tenants United has some serious reservations about actions this government and city governments will take that may lead to an increase in people being removed from substandard housing only to become homeless, and we hope that certain amendments can be spoken about in further communication with this committee and the Legislature about things like simple measures like requiring that inspections only be made when an apartment is going to be flipped so there's never ever a chance that an apartment is inspected and that someone has to be removed from a house. We think that that's a reasonable compromise that could be made the landlords. But I would be lying if I said that

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when my comrades and I met last night to discuss this committee hearing today that we had much hope that this committee or the Legislature is going to do much of anything for Nebraska tenants. LB85, we know that LB85 is just the tip of the iceberg of what this Legislature could be doing for Nebraska tenants. Dave Paladino, Chronicle Property Management, Tino Dosseh, and the Metro Omaha Property Owners Association, the housing rights movement has arrived in Nebraska. Profiteers and slumlords are officially put on notice. The poor and working classes of Nebraska are organizing and we will continue to name and shame deserving landlords and property managers as we collect concrete evidence of their slum lording. Omaha Tenants United will continue to organize with tenants to stand up and fight back against profiteers and slumlords and we will be shameless in our class struggle against landlords and development corporations who are gentrifying and destroying our neighborhoods and our families as you have heard today. We hope the Unicameral will support LB85 and we hope that they will continue to aggressively pursue more laws and policies to address housing problems with not only living conditions but affordable housing in general. Thank you. Do you have any questions?

HUNT: Seeing none, thank you, Mr. Vondrasek. Thanks for coming here from Omaha today.

MARK VONDRASEK: Thank you.

HUNT: Next proponent for LB85. Thank you.

CASSEY LOTTMAN: Good afternoon. My name is Cassey Lottman C-a-s-s-e-y L-o-t-t-m-a-n. I'm here as a member of Renters Together and I'm from Lincoln this time. Renters Together is a local group focusing on affordable housing and tenants' rights. We've been active for the last few years in Lincoln and have talked to a variety of renters, as well as people involved in code enforcement and policy work at the city of Lincoln. We are in support of this bill because, even though Lincoln has an existing rental inspection program, this bill offers a few things that would be really helpful. The first is that it would apply to buildings of all sizes, whereas right now Lincoln's existing rental inspection program applies to only buildings of four or more units. We have also heard, as other testifiers have noted, that right now complaints are required to surface issues to the unit. Lincoln's rental inspection program covers the interior, common areas and the exterior of the building. So what we are hoping for is that this current bill will be expanded or clarified to provide for inspections of individual units. Right now the inspector might come and look at

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your stairway and maybe your elevator and make sure they're OK. But if you have an issue with your plumbing or your kitchen appliances, you won't necessarily be able to raise those complaints without identifying yourself as the person in apartment 100 with the complaint who is now going to have their rent raised the next time their lease is up, or potentially face eviction, retaliation in many forms. We hear that pretty frequently to address your issue, Senator Hansen, retaliation is an issue that does happen and the fear of retaliation is really strong. The protections against retaliation, we've heard from folks of Legal Aid of Nebraska are really hard to enforce and so it's both in actuality that the retaliation does happen and a very large fear of renters that if they say anything it's going to be retaliation. And generally that fear is justified. We've heard the complaints or the criticism from landlords that addressing these code violations will raise rent or complying with inspections will raise rent. Personally I'm not worried because we have a great system for providing housing assistance to people who need it. It's a Section 8 voucher program, but too many landlords say that they can't take vouchers because their buildings aren't up to code. But if you've brought your building up to code, even though it would make the unit more expensive, people would actually be able to qualify for assistance like the-- the Omaha program we just heard of will only assist you with finding a place that's actually a quality place to live. I'm sure there are other places like that in Lincoln where you need to be in a quality unit in order to get help paying. We also believe that this is a state issue, not a city issue, because most landlord/tenant relations are governed by the state landlord tenant act, which again, is a state level act at the state law. That's why I think this issue makes sense to address here at the state level as opposed to the city. I want to reiterate this is a problem not just for Omaha. We see this in Lincoln. I've heard from other organizers it's also an issue in smaller cities, but I understand that's out of scope at this time. That's all I have.

HUNT: Thank you so much, Ms. Lottman. Does anyone up here have a question for her? Thank you for coming here today, appreciate it.

CASSEY LOTTMAN: Thank you.

HUNT: Next proponent for LB85. Welcome, Senator Vargas,

TONY VARGAS: Thank you very much, Vice Chairwoman. Members of the committee, this is a little unique, I'm actually testifying on behalf of Omaha Healthy Kids Alliance, which I'm the executive director of.

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My name is Tony Vargas, T-o-n-y V-a-r-g-a-s. I'd like to formally support LB85 on behalf of Omaha Health Kids Alliance and other members of my staff requiring cities to provide a rental housing inspection program and landlord registry. So Omaha Healthy Kids Alliance, OHKA's mission is to improve children's health through healthy homes. Substandard housing is responsible for many children's health problems including lead poisoning, asthma, and increased rates of injury. A rental housing inspection program would help ensure the safety and well-being of tenants in Nebraska. So currently, cities in Nebraska have a complaint driven system. OHKA and other community agencies regularly interact with tenants in Omaha and they all have the same concerns. When tenants call to make complaints, they are required to provide their name and contact information. And many tenants fear retaliation from their landlords, so many people stay silent. OHKA has been attending meetings with community organizations, many of which you've heard earlier today, and stakeholders and determined that a rental housing inspection program is an effective way to ensure tenants live in a healthy home. Now we have some data, OHKA's staff are healthy home professionals are trained to assess homes, identify health related risks and hazards, and provide interventions to keep the family safe. Since 2017, OHKA's staff has visited more than 77 rental properties, not including Section 8 homes. Of the non-Section 8 rental properties OHKA inspected in 2017, 87.1 percent of homes had either risk or hazard for moisture meaning there were issues such as active moisture, stains, visible mold, active leaks, or extensive water damage; 94.7 percent had maintenance issues meaning we observed problems such as surface damage, deteriorated paint, structural problems, and/or problems with HVA or plumbing; 88.4 percent had issues with ventilation, such a stagnant air, improperly vented HVAC systems, inoperable windows, or no exhaust hood for ranges and cook tops. Now rental properties non-Section 8 inspected by OHKA since 2016 presented relatively more hazards--immediate threat to health and safety in regards to moisture, water intrusion, leaking pipes, contamination, lead based paint, radon, VOCs; safety: includes trip and fall hazards, lack of carbon monoxide detectors, electrical hazards; and maintenance: structural damage, cracked foundations, detached gutters. Relative rates of hazards and risks between non-Section 8 properties and owner-occupied homes tend to be very similar. Now providing a rental housing inspection ordinance would help reduce health conditions that arise from substandard housing. A rental housing inspection program would reduce the number of condemned properties because health issues would be caught before they become too severe, thus preventing the likelihood of future large scale

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evaluation-- sorry, future large scale evacuation like we've seen at Yale Park in September 2018. Inspections on a three-year cycle mirrored after Iowa's rental inspection program would ensure that major hazards affecting tenants health are identified and remediated before they become significant and life threatening. Tenants would have increased agency in their homes and would be released from having to force landlords to make needed repairs. Tenants are currently required to report any complaints themselves, but if the cities would be performing inspections every three years, the tenants would have the peace of mind knowing that major issues have been monitored by someone other than the landlord. Systematic inspections can help maintain a city's rental housing stock and ensure that residents live in healthy conditions. I ask that you support LB85 because I believe that there's enough data information to show us that this is a worthwhile investment to make sure that we're ensuring more children and all families were living in healthy conditions and healthy homes. Thank you very much.

HUNT: Thank you, Senator Vargas. Any questions from the committee? Thank you for driving all the way here today, Senator.

TONY VARGAS: Thank you very much.

HUNT: Are there any other proponents for LB85? All right let's move on to opponents. Again, if you just state and spell your name for the record.

KENNETTA WAINWRIGHT: I'm not going to use the chair because this is actually a hazard for me.

HUNT: OK.

KENNETTA WAINWRIGHT: I have a spinal cord injury, My name is Kennetta Wainwright, K-e-n-n-e-t-t-a, last name, W-a-i-n-w-r-i-g-h-t. I am born and raised in Omaha, Nebraska. My parents owned their home, as well as my aunts and uncles in north Omaha, off 33rd and Laurel Streets. You can call me Miss K if you have problems saying my name, like everybody else does. It's better than being called Kenneth. I stand before you because I am very much opposed to any ordinances, any state legislature for a landlord registration. This may sound a little weird to you, but I am a tenant. I'm a market right tenant. I'm not on public assistance. I don't live in public housing. Seventy nine thousand units are in Nebraska for rent. Thirty five percent of your state are renters. Eleven thousand of those in Omaha are HUD. You're

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missing the rest of the 68,000 people who rent, market rate, and would be affected by this bill. These charges, however nominal, \$50 per unit for a residential home, \$20 for an apartment will be passed on exponentially to the renter. So those organizations that claim to protect the renters of Nebraska, if they were really trying to protect them they would do what I did and they would reach out to the property owners associations and try to work with them instead of against them. I have other people in my family that rent and I have people that own properties. The people that rent properties, they are also market rate renters. They have management positions, they have went to UNL, UNO, Bellevue University. All of them are opposed to this landlord registration simply because it passes on the cost, the burden to the tenant. And we do not want to be another California. So if you do this, what's going to happen is we're going to have tent cities, we're going to have additional homeless people, and then when we talk about tax dollars, the tax dollars will come from additional HUD funding. Tax dollars will be coming from additional TIF financing that does not go to the property owners, it will go to more corporations. So the ones that are trying to get TIF financing to improve their properties, they're going to be getting denied time and time again. And then you wonder why the older neighborhoods are not being improved. I'm here because I sincerely would like people to try to mitigate this through the residential rental industry, not through more government regulation. The residential rental industry is simply tenants and landlords. And for the record, the Metropolitan Omaha Property Owners Association, when I told them I wanted to do a summer campaign to help ameliorate landlord tenant relations, they were the first ones to support me. They came to my events. They inducted me as the very first tenant to their association. And all of them are here today. So I'm very proud to be part of them and they do want to work with tenants and see us as customers and them as suppliers and helping one another to better Nebraska's residential rental industry. Thank you.

HUNT: Thank you Miss K. Any questions from the committee? Thank you for your testimony today.

JOHN CHATELAIN: My name is John Chatelain and I am the president of the Metropolitan Omaha Property Owners Association and that is a group of about 500 members. A lot of them are mom and pop operations. I would estimate that we probably manage about 10,000 to 20,000 rental units in the Omaha area. We also affiliate through the Statewide Property Owners Association with the real estate owners and managers association in Lincoln and the Gage County landlord association in

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Beatrice and some other groups. The majority of landlords are good stewards of our properties. It only makes sense that we would take care of such valuable assets. And we are also working to have good relationships with our tenants because they are our customers. No one in business would intentionally alienate their customers. There is a place for government oversight of the industry, but there is also ample regulation to protect the interests of the people. MOPOA and the Statewide Property Owners Association opposes LB85, the Rental Property Registration Inspection program, because it would create a negative business climate for small business property owners and that is the wrong way to go about creating better relationships between landlords and tenants. Nebraska unfortunately already has a reputation of being a high tax state. And we have a lot of regulation. Our economy is struggling, I think, as a result of that. There's a number of drawbacks to LB85. I've reviewed the bill and I'd like to cover-- to cover some of those. Increased fees for inspections would be a regressive tax that would get passed on to the tenant. And the inspection fee would just be the start of that. But there's other costs associated with it as well. Do you know that almost every house has code violations, because we're expected to hold old properties up to current codes, so there's all kinds of code violations in probably most of your houses. But that doesn't mean that they're unsafe or that they're unlivable, it's just that they have code violations. Increased regulations and fees would push up the rents. And I do a lot of landlord/tenant work as a private practice lawyer as well, and I see tenants are already struggling with high rents because property values have gone up and real estate taxes have gone up. So those costs have to be passed on to tenants as well for the landlord to stay in business. Increased rents would probably encourage the activist groups, which many of them are present here today, those that act-- that advocate for tenants' rights to then perhaps push for rent control; because as rents would increase, then that would be a problem for tenants as well. I would see many small private landlords becoming discouraged if you pile on more regulation on their backs and they would possibly get out of the business. I know in La Vista as a personal story, my wife and I had three houses in La Vista. We sold two of them to just-- to get out of that market because we didn't want that program. Worse yet, if landlords couldn't sell their properties, my concern would be that they would just abandon them if they couldn't keep up with the additional regulations imposed upon their properties and this would exacerbate landlord problems and neighborhood decline in those areas. There's an inconvenience factor, the-- the apartment or the house cannot be inspected without the landlord being present

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and without the tenant being present. So landlords have jobs or they have businesses to run, so they would have to take time away from their business or their job, and tenants would have to take time away from their job as well to attend the inspection. Mandatory inspection programs tend to violate constitutional rights of the tenants. The Supreme Court has found mandatory inspections lacking the permission of the tenant and conducted without a warrant are in violation of the Fourth Amendment to the constitution. Landlords cannot by law allow the inspector into the premises without the tenant being there. And now there has been a mention of the program in La Vista. I would call your attention to a World-Herald article that's attached to your handout. In 2014, it was reported that La Vista had collected over \$107,000 in fees and had only done 43 inspections. So because of the inconvenience factor, cities are not able to do the inspections like they should. Also in your packet is an article in the Council Bluffs Nonpareil about a \$238,000 judgment that was entered against La Vista because they simply were not using the fees for the program. They're taking the fees and understandably so, it's so difficult to access the properties because, well let's face it, the tenants don't want the inspections in many cases and the landlord doesn't want the inspection; so it's not going to be easy to have accessibility to those properties. LB85 would do nothing to address the deteriorated owner occupied properties. I would argue that rental properties are probably in better condition than owner-occupied properties because they turnover and they have to be made ready each time they turn over.

HUNT: Sir, thank you so much for your testimony today. I appreciate all this information you've given us and I want to give an opportunity for the committee to ask any questions they may have.

JOHN CHATELAIN: OK. Certainly.

HUNT: Yes, Mr. Arch-- Senator Arch, I'm sorry.

ARCH: I've got a question and I'm not sure who to ask it to so you get the question. I think maybe you can help me. So-- so we've heard today that there had been inspections and there have been no response to those inspections. Is there no-- is there no teeth to the current-- to the current codes-- to the current laws where-- where the city, if they go in and inspect, or any agency, any federal agency goes in and inspects, finds code violations, can they not enforce that? I'm perplexed as to why when they find code violations have they not been repaired.

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JOHN CHATELAIN: I work a lot with landlords and I've also worked a lot with code violation notices that they get. And there is teeth in those code violations. The landlord can be cited with a misdemeanor if they just ignore the code violation notice and sometimes they do get cited. The property can also be scheduled for demolition, and that happens quite frequently. And I would also like to dispel the myth that tenants are afraid to make code violation notice to the city. You know, I haven't found that to be the case. Tenants routinely make complaints to the city about code violations in their-- in their units. Unfortunately it's close to the time when they're about to be evicted for non-payment of rent. But they do make those complaints and they're not afraid to do so. And the Nebraska Residential Landlord Tenant Act specifically provides that it's illegal for a landlord to retaliate against a tenant for calling city code. And that's one of those cases in the-- in the code where the tenant can get attorney fees. I don't know if any of you are attorneys, but you love those cases where you-- where the statute allows you to get attorney fees because the other side almost has to settle with you because they're paying their attorney fees and they're also paying yours. And so there is teeth in the system. We have a good system. A tenant can give a 14-30 Day Notice to the landlord. If that doesn't work, they can call city code for an inspection. I would like to see a system where tenants and landlords are encouraged to work together from the very beginning, develop a good relationship so that we don't have this triangulation where the tenant goes behind the landlord's back and makes a complaint about them. Once they do that, they probably do feel a little bit guilty or a little bit chagrined or maybe embarrassed. So let's just have a system where the tenants and the landlords can communicate and let's try that first.

HUNT: Sir I'd like to see a system like that too. I think that would be the best case scenario. Can you think of any hypothetical reason that maybe a tenant would not feel comfortable reporting a violation to their landlord?

JOHN CHATELAIN: Well--

HUNT: Because it sounds like you think that doesn't happen.

JOHN CHATELAIN: I'm not aware of tenants afraid to send a 14-30 Day Notice to the landlord.

HUNT: OK.

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JOHN CHATELAIN: Actually, I saw some of those so-called complaints to the city at Yale Park, and they were 14-30 Day Notices. So it appeared to me that the tenants were told that they could make a complaint to their landlord, but actually they were submitted to the city. So they-- they did make 14-30 Day Notices. It's just that they got rerouted.

HUNT: Did you have a question, Senator Hansen?

M. HANSEN: Yes. Thank you. I guess it's more of a statement than kind of-- so you-- you called-- kind of fear of landlord retaliation a myth, and there was at least one testifier earlier today who flat out say that that was true for themselves. Are you disputing the testimony of the earlier testified?

JOHN CHATELAIN: I wouldn't call it a myth. I would just say I don't, I've never seen it.

M. HANSEN: Okay. You--

JOHN CHATELAIN: I haven't seen it.

M. HANSEN: To my understanding, you did use the term myth just early.

JOHN CHATELAIN: Ok.

M. HANSEN: Just giving opportunity to clarify your remarks.

JOHN CHATELAIN: That's in my experience. I haven't seen it. Now if they're afraid, maybe that fear is subjective, maybe it's not rational--

HUNT: Maybe it's not something you felt.

JOHN CHATELAIN: Maybe it's something I haven't experienced. OK?

M. HANSEN: Thank you.

HUNT: Thank you. Any other questions from the committee? Thank you for your testimony today.

JOHN CHATELAIN: Thank you.

HUNT: Next opponents of LB85.

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LYNN FISHER: Good afternoon. My name is Lynn Fisher, L-y-n-n F-i-s-h-e-r. I have a property management and investment company, Great Place Properties. I'm also a member of the Real Estate Owners and Managers Association here in Lincoln. I'm also a volunteer with a program called RentWise and I don't know, Matt, you probably know there's a really good program in Lincoln that the REOMA, the Real Estate Owners and Managers Association, along with Community Action, Lincoln Housing Authority, and lots of other community groups have formed. And over the course of more than 10 years, we have been able to help people that are looking for improvements in their housing situation, that have struggled with housing in the past, probably over-- I know there's been over 10,000 that have registered with our program. And I think probably close to 6,000 people have completed the course. And it's a-- it's a program, and of course similar possibly to one of the testifiers from Omaha, that helps those folks that feel like they need some help to to better their situation with housing, where they can learn how to maneuver and navigate the-- the affordable housing world that they're out there struggling with. As a-- as a landlord, as a property manager, I'm very proud of what we've been able to provide our tenants over the years, hundreds, thousands of people that we've been able to help and we feel like we do a good job of providing safe affordable housing for those folks. And we keep our rents as close to market as we can. Obviously we have to be competitive, we can't charge more rent than the market will bear or we won't be able to keep them full. We have to, of course, keep the rents high enough that we can be able to afford to keep them safe keep, them well-- well maintained. And so that's what we do. And I would argue that 95 percent or more of the landlords and property managers in the state of Nebraska do the same. And so we have a problem, obviously, in the fact that these folks that have come before you today have explained these horror-- horrific conditions, and I can't imagine a property manager or owner treating people in the way that obviously these people have been treated. And then there's needs to be something done about that. I agree. What I would hope is that rather than have a blanket, you know, overall burden placed on all of us in the-- in the industry in the state that there could be some ways to come together and come up with a solution that's very targeted and something that can be done specifically to address these-- these poor operators. When I talk to folks in the-- in the RentWise class, and I'm there as a landlord to help answer the questions, and I get stories all the time and some of them not as bad as what we've heard today, but there are a lot of issues obviously that people have struggled with landlords not doing a good job, not taking care of their people. And so we-- we

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encourage all those folks that we're able to communicate with, those 5,000 or 6,000 thousand people so far that there are resources and there are ways that they can get some help. And Lincoln Community Action program for example, there is a landlord/tenant specialist, and even in our business we constantly send folks to the person there, give them the phone number and how they can get some help, how to work with their rights to give a landlord a 14-30 Day Notice or some other way, come-- come up with some solutions to the problems that they run into. So I think there's a lot of ways that we can creatively work together, communicate without burdening the 95 percent of the really good landlords and managers out there. We're going to have to raise our rents. If this goes through, we're going to have to do it, there's no there's no way around it. And I hate to do that because we're working in the city of Lincoln, I'm on the committee for the Affordable Housing Task Force and the big-- the big challenge with the government trying to solve a solution is it always ends up costing more and it always ends up raising rents and making the problem worse, the unintended consequences. We're trying to make housing more affordable and safer. Well, more government, more regulations, more fees really fight that effort. And I think more-- working in cooperation, communications, education efforts, trying to get out there, and using all these groups that are here today that do fine work advocating for tenants, if we all get together and try to come up with a way to get those tenants the help that they need, we can address these-- these situations and be very targeted. I'd be happy to answer any questions.

HUNT: Thank you, Mr. Fisher. Any questions for this testifier?

LYNN FISHER: Yes.

CRAWFORD: Thank you, Vice Chair. And thank you, Mr. Fisher, for being here today. Talking about the concern about raising rents, what we've heard from other testifiers is the expected costs would be about \$50 per residential unit, \$20 per multifamily unit. And so I want you-- I wanted a chance for you to explain what you thought other cost increases would be. If you think it'll increase rents more than \$50, \$20, what you think those other costs will be.

LYNN FISHER: Well, it just it's hard to say but-- but I just know from experience that when we have-- not only the fee, but we have to, of course, then take the time to meet the inspector for the inspection. We have to-- there's some administrative costs that are involved, there's also some staffing costs we have to maybe perhaps for our--

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our company, the size of our company, I may have to hire another person. So those-- those, you know, payroll and insurance costs and other costs are going to have to be folded back into our total overhead. And so we-- we have to keep the rents ahead of our-- of our overhead so that we can make our-- our little bitty profit. And believe me, it's it's not-- we don't make a lot of money in our business. Believe me, it's-- it's not, you know, not a big, you know, I guess I want to avoid some of the commentary referring to some of our-- our business practices as being predatory, but it's not. And so, but those are the kinds of things that we just are going to see every layer of bureaucracy, red tape and government intrusion into our business will-- will add to the overall cost.

CRAWFORD: Follow-up question. The other question is, one of the policies that we're trying to understand with this kind of legislation is how to reward good landlords. And one of the recommendations was to have fewer inspections if someone has a record of being a landlord that meets code. Do you have any suggestions of what would work in terms of an incentive or-- or is there an organization like yours that could credential landlords who are meeting those requirements?

LYNN FISHER: I mean, that's a-- that's a creative idea. Certainly there's-- there-- it could be discussed ways that maybe a landlord could have some kind of an accreditation. I think the reward for, not directly from this program, but the reward for doing a good job as a landlord, of course, is that we-- we have more satisfied customers and we just have-- have a better business operation. So I think again, 95 percent or more of the property owners and managers in the state of Nebraska really strive to do a good job, and that's their reward is being successful in business.

CRAWFORD: Thank you.

HUNT: Thank you, Mr. Fisher.

LYNN FISHER: All right, thank you very much.

HUNT: Welcome.

GENE ECKEL: Good afternoon, Senator Hunt and members of the Urban Affairs Committee. My name is Gene Eckel. I'm a board member of the Nebraska Association--

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HUNT: Could you-- could you spell that for us for the record. Thank you.

GENE ECKEL: Yes, E-c-k-e-l. So I'm-- I represent the Nebraska Association of Commercial Property Owners, which we also call NACPO, and the Apartment Association of Nebraska which we call AAN. NACPO has over 500 members statewide for the commercial property industry in Nebraska. AAN is an affiliate of the National Apartment Association. We consist of 57 property management companies and owners across Nebraska which involve 326 apartment communities and 42,434 apartment units. We're here to testify in opposition to LB85 for a few reasons. First, we think that an issue of rental registration and rental inspections should be dealt with at the local level and should be decided upon by local government. The second thing we want to point out is that a rental housing inspection restoration program will not prevent those landlords who rent residential property that are unsafe or unsanitary. The reason being is even if there's inspection today, that unit or that rental property may pass inspection. But that may not be the same situation three months later. There could be a leak in the roof that no one knew about and maybe the tenant didn't tell the landlord about it until it was too late and there was mold. So again, if those things aren't there at the time, it could be there later on. So the inspection is not necessarily going to prevent that from happening. The most effective method, in our opinion, is to educate the public. Educating tenants on their rights under a landlord tenant act. And it's been discussed already about the 14-30, which allows a tenant to notify the landlord that they have 14 days to repair a maintenance issue. If they don't repair it in those 14 days, then the tenant can proceed to terminate the lease. The landlord tenant act also allows a tenant to terminate the lease due to fire or casualty if that place is uninhabitable or a portion of that property is uninhabitable. The tenant can then take steps to either terminate the lease or reduce the amount of rent for that area that they can't live in. The other issue we want to put up is that we believe that stricter enforcement of code violations would assist. Currently in-- in Omaha, the process is that if there is a complaint, the landlord has 30 days to fix that. If it isn't done in 30 days, then the landlord can get an extension of another 30 days. And then if the inspector comes back and it's still not done, they can-- they can at times get another extension of 30 days; so it could take 90 days to get that-- that code violation repaired. We think that if it's a very serious health and safety issue, that if it's not fixed in the period time when it's 30 days or less, that a notice to vacate should be posted on that unit or

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that rental property and the person should not be able to rent that unit anymore. So many suggestions we have is, one, educate the public. If they know about it, if they know the rights, they can use those laws to help themselves. Stricter enforcement of the code violations. Require tenants rights to be attached to a lease. So when they sign the lease they know what the laws are and what they can use to help themselves terminate the lease or maybe deal with that landlord. Penalize those who rent properties when they know there is a code violations already cited on the property. Those are some of our suggestions. Again, we would ask this committee to not advance this to General File. And I'm happy to answer any questions any of you may have.

HUNT: Thank you so much, Mr. Eckel. Senator Arch.

ARCH: I have a question, clarification. You mentioned that 30 day, 30 day, may appeal, another-- is that a--is that a city ordinance?

GENE ECKEL: It's not an ordinance. It is the process. And I believe it-- it's because of an agreement with another property owners organization. They made an agreement with the city, so I think the city feels like its hands are tied. I think if that agreement may be worked out again, the city might be able to do stricter enforcement quicker.

ARCH: But it's city. It's at that-- it's at that level.

GENE ECKEL: It's at that level. But it's because there was an agreement that was entered into.

HUNT: Any other questions? Senator Hansen.

M. HANSEN: Thank you, Senator. Hunt. Thank you for testifying, Mr. Eckel. I think part of your-- and first off, let me-- let me say I do appreciate you coming with some suggestions and some possible other mechanisms. I just kind of want to highlight something that I took away from your testimony as you're talking about under current law various disputes between a landlord and a tenant at the end of it. So a 14-30 Day Notice, for example, and the landlord doesn't update their-- up to code, the tenants' right is to end the lease?

GENE ECKEL: That's correct.

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M. HANSEN: OK. And if the-- and-- but there's alternative where if it's-- doesn't get up to code and the building is not to housing standards, there's a notice to vacate because it's not habitable.

GENE ECKEL: [INAUDIBLE] up to the city inspector to issue that notice to vacate.

M. HANSEN: Sure, well, I'm just trying to illustrate that currently, as I understand, we have a process where sometimes when the tenant prevails and is proven correct, they have to move. And sometimes when the tenant is proven correct, they are forced to move by the city. And there's that inherent power dynamic there between a landlord and a tenant where-- which is, I think, kind of part of the issue we're trying to get around here. And so I know you appreciated-- had some suggestions in terms of having some teeth. So that's something I just kind of wanted to make sure I understood your comments. Thank you.

HUNT: Thank you, Mr. Eckel.

GENE ECKEL: Thank you very much.

ARCH: Can I ask one more, one more question.

HUNT: Oh, yeah, Senator Arch.

ARCH: Are there no-- are there no fines available to the city to fine the landlord other than to-- other than-- other than to force vacating of the property, understanding that they would lose-- they would lose the rent for that unit. I mean there-- that is a penalty, but then you-- but then the-- the tenant is also forced out as well. Can--can-- can the city-- does the city not have the ability to levy fines on the landlord for failure to respond to that-- to that notice?

GENE ECKEL: And I don't want to misspeak, I believe the city is here, Scott Lane-- he's the chief inspector.

ARCH: OK, I'll just hold that question.

GENE ECKEL: So he can answer that question for you.

HUNT: Seeing no more questions, thank you again for your testimony.

GENE ECKEL: Thank you.

HUNT: Welcome, sir.

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LARRY STORER: Good afternoon. Looks like it's [INAUDIBLE] out there. So I jumped in ahead of some other people because I need to get to Omaha somehow. My name is Larry Storer, 5015 Lafayette Avenue, Omaha, Nebraska, 68132. Some of you probably recognize me from last year. I'm here I guess as a homeowner, but I'm not just a homeowner, I'm a taxpayer. Since 1971 I've paid property taxes. Last year I fought my assessment and I won. They dropped it to the previous year, but all of a sudden yesterday, they bumped me \$33,000 and I can't afford it anymore. I don't think I can afford a new inspection program either. I think we have some constitutional issues here. I have heard we're talking about to open up with affordable housing. We jumped from there to rental housing, from there to Section 8 housing. Now I'm talking about my housing. And I want to tell you that I smell the camel's nose under the tent. If they're going to go after the landlords in Omaha, isn't it unconstitutional for them not to go after me? They can't discriminate against classes of people, can they? Classes of property owners? I don't think so. But besides that, I only heard of two major violations here and that is Kay Apartments and Mr. Paladino. Are we going to change state law and impose on Omaha, Nebraska, for two people? I don't think that's constitutional, is it? Have we proved the allegations? I went to quite a few city council meetings and I've noticed a lot of the people in this room marching to the microphone, most of them at the behest of a 501(c)(3) charitable civic organization, but I'm not one of those. I don't have their money. I don't have their power. And I don't have the ear of the Omaha World-Herald either. You may not like my comments, but neither did the city. In fact, sometimes they like to take the commoner away from the microphone by civic escort if necessary using deputy sheriffs or whatever that's handy. Some of those people get to go over their time, some of them don't. Some of them get interrupted at the microphone, some of them don't. We also heard about refugees. Now, why did refugees come into this? It just so happens that in both situations here, refugees came into the topic at the microphone at the city council. What I tried to bring that up I was told I was off topic, but it was OK for them to talk about it. Was okay for the city council to talk about it, but not me. Well, unconstitutional as it is, the United Nations actually sent refugees here without any input from us as to who, when, where, why, or where. They were settled by your refugee agencies who are contracted by the federal government and they make money on. Last year at the state house, they said please don't cut my funds, we'll go broke. But you know they're only obligated to do certain things for the refugees to get them settled for a limited amount of time. And I'm thinking, oh golly, they used us, but didn't

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they also use the refugees. Let me ask you, who settled in there? Do you actually believe that everybody from one particular type of community of people would gravitate to the same complex all by them lonesome selves. Somebody helped him get settled, didn't they? Who was that? Wasn't that somebody that makes money on taxpayer dollars? When was their term of obligation expired? One hundred and twenty days I don't remember, but I think citizens tried to find out about that, and we're told it's none of our business, and we're not a sanctuary city. We're not a sanctuary state. However we're rescuing refugees.

HUNT: Mr. Storer, thank you so much for your testimony.

LARRY STORER: Thank you.

HUNT: We've got to wrap it up there. Does anyone on the committee have a question for Mr. Storer? Thank you for coming here to testify today, sir.

LARRY STORER: Appreciate it.

HUNT: Next opponent of LB85.

JERRY BANKS: Good afternoon, Senator Hunt, members of the Urban Affairs Committee. My name is Jerry Banks, spelled J-e-r-r-y B-a-n-k-s. I want to speak to you today regarding my opposition to LB85 requiring cities to implement landlord registration inspection programs. In my 30-year career in the apartment business, I've overseen thousands of apartment complexes in cities throughout the United States including Omaha, Council Bluffs, Houston, Tulsa, Fort Worth, Dallas, Phoenix, Salt Lake, Kansas City, Oklahoma City and many, many others, both with and without such programs. Today I personally own 260 apartment units in Omaha and in Council Bluffs. I operated several apartment properties in Fort Worth at the time that they enacted a similar system. Over time we saw the cost of registration inspections go up precipitously. Yet at the same time, the city's issues with blighted housing did not diminish. Good landlords abide by city code anyway and the market demands it. Bad operators avoid it in every way possible, including registration. You cannot legislate morality. Earlier testimony today regarding the potential revenues and expenses of such a program, the gentleman spoke very eloquently about it and I buy into a lot of his numbers. He used a 90 percent compliance rate. Who do you think the 10 percent would be? The people who don't care about the law and who aren't going to operate their properties properly anyway. Do you honestly feel that

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the operator of Yale Park apartments would have registered had this law been enacted two or three years ago? I suggest to you they would not have and it would not have changed one thing with Yale apartments. Mandatory rental inspections or registration fees may lead to landlords-- will lead to landlords having to recoup the cost of registration and administration of such a program and thereby create less affordable housing or expensive housing. I believe again, like others have said, the most effective way to address the problem of bad landlords is to better educate the public on tenants' rights under the Landlord Tenant Act and how to file complaints with city code enforcement. I would even suggest and favor a change to your Landlord Tenant Act requiring landlords statewide to give informational brochures to tenants at the time they sign a lease on a tenants rights under the Landlord Tenant Act and how to file complaints with their local code enforcement. I ask you to oppose LB85 and not to advance the bill to the General File. I'm happy to answer any questions and thank you for your consideration.

HUNT: Thank you, Mr. Banks. Any questions from the committee? Senator Briese.

BRIESE: Thank you, Senator. Thank you for being here, Mr. Banks. You suggested an informational brochure for tenants at the time of signing a lease, would you support having provisions inserted into a lease that would inform them of the rights we're talking about here?

JERRY BANKS: Absolutely.

BRIESE: OK.

JERRY BANKS: Many apartments that I own in the Dundee and Blackstone area were built in the 1900s. I'm required by law to give them instructions what to do about lead poisoning and those types of things. And it's no different to-- we-- we want to do, first of all, most-- 99 percent of landlords want to do the right thing by their tenants and they want to take care of their properties. This law is going to penalize those 99 percent to try to address the 1 percent or 5 percent or whatever that low percentage is.

BRIESE: Okay. Thank you.

JERRY BANKS: You bet.

HUNT: Senator Lowe.

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LOWE: Thank you, Vice Chair. The-- the-- down in Texas, you said they passed a similar bill.

JERRY BANKS: Yes, sir.

LOWE: This one is for metropolitan cities. Was the one in Texas similar? Was it just for metropolitan cities or did it go across the board?

JERRY BANKS: Sir, that I'm not aware of whether it did or it didn't. I know that we operated under it in Fort Worth and in Arlington at the time. And Arlington was a unique example that if you don't mind my time I'd like to explain to you. I had an apartment complex there of 200 units built in the 70s when they first enacted the law. They inspected it everything passed just fine. Every one of our doors had a 180 degree eye viewer. One year later they inspected us again said, no, we changed our regulations to 220 degree eye viewer. And I had to spend thousands of dollars and loads of maintenance, took people's time, removing 180 degree viewers to install 220 degree viewers. OK? That time and that money could have been spent on far more favorable things, but no the code changed. These are examples of what happens when regulation gets out of control on it. It is market driven. One nonprofit placed majority of the residents in the Yale. One nonprofit did. OK? Where are they in asking questions about when they place these residents in Yale or other such-- where are they in asking the questions about whether or not this property needs code and it's safe. What's their culpability? What's their responsibility also with it that we're not asking?

HUNT: Thank you, Mr. Banks. Any other questions?

BRIESE: Thank you.

JERRY BANKS: Thank you.

HUNT: I see none. Thank you, sir. I welcome the next opponent of LB85.

DAVE FANSLAU: Good afternoon. My name is David Fanslau, it's D-a-v-i-d F-a-n-s-l-a-u. I'm the city of Omaha planning director. I have been in that position for about a year and half. I've been a city of Omaha employee for about 29 years, so I've seen a lot in my career and I've seen mostly from the outside looking in how our housing code enforcement division has been handled in the past. I'm here to speak about how it's been handled since I've been the director and some of

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the issues that we have seen. So thanks for the opportunity today. I want to start out, I want to assure everybody on this committee and in this room that there is absolutely no truth to the fact that our plans on how to handle rental units in our jurisdiction have been abandoned. We've been-- we've done quite the opposite. Since Yale Park, I wasn't sure I should bring up the Yale Park today, but others did so. My experience with Yale Park is I was onsite at about 7:00 a.m. at Yale Park that day and I was the second to the last person to leave that site at 9:00 p.m. I spent 14 hours on site at Yale Park. And I agree with everybody who has testified and referenced Yale Park. It was deplorable and it was dangerous. And it was those dangers that forced us to evacuate all hundred apartment units at that complex. It wasn't the minor issues that could be fixed, it was the major issues that made it unfit and unsafe place to be. So over the last-- since Yale Park, over the last four months or so, members of my department, the city council, the mayor's office, and some of our community partners have met to discuss the concept of a rental registration program for the city of Omaha. My team has reached out to dozens of cities that have a rental registration program in place to see how it works in their communities and how it might be applicable to the city of Omaha. I believe that a rental registration program is possible, but we have to take a lot into consideration. Other things we've been doing since September is we've had, again, a number of proactive meetings with our staff, my staff, council planning, council staff, Douglas County Health Department, and our housing partners all in the same time keeping in mind what our limitations are in Omaha because of the lawsuit that was settled a number of years ago with a certain organization and what we can do for those folks who live in those apartments. We've conducted, like I said, we've conducted research on 12 other cities, we've discussed and reviewed how HUD inspects their rental units and what we might be able to do this there. We've also met with Omaha Together One Community to discuss proposed registration-- a proposed registration program. Our goals in conducting this research has been find-- find out if a similar program might work in Omaha. I think it's very important that we establish a rental-- if we establish a rental-- rental registration program, all it needs to be very practical, it needs to be effective, it needs to be manageable, it needs to be affordable. And-- and most importantly, it needs to be successful. It needs to be successful for the folks who live in the rental units, and it would have to be affordable for the landlords who rent those units to those people. But it also has to be successful for the folks who work for the city, in particular my department that I'm responsible for. I don't want anything to go

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through that might be set up to fail right from the get go. It just would not be a good thing for anybody. As you heard, Omaha operates on a complaint based system. For my inspectors to go into a building or rental unit, we must have the name and the contact information and a specific complaint before we can even knock on a door. I've heard that about other rental registration programs that there could be up to a 90 percent participation rate. That is not what our research shows us. The research shows us that at best we can expect about 40 to 50 percent participation, and at the worst we can expect about 25 percent participation. So I'm not sure how you pay for a program when you only you've got only got 25 to 50 percent of the people participating in that program. We estimate the cost of-- of an annual inspection program, I know that's not what LB85 is proposing, to be about \$10.9 million. If you break that down over three years, it's anywhere between \$3.5 to \$4 million dollars to my budget that would have to be found in order to successfully operate a rental registration program. We've talked about a lot of solutions in Omaha. Some of the systematic practical approaches, I think, is we can create-- we've-- we've kicked around education, you've heard education from a couple other folks.

HUNT: Sir, can you complete your testimony, please. Thank you.

DAVE FANSLAU: Yeah, sorry. Education-- education not only for the tenants and landlords, we've talked about a pilot study, what might work for Omaha. The reason we oppose this legislation is because we think we have a very good path forward in Omaha. We've made huge strides in the last, I would say, in the last year, especially in the last four or five months. We would like to be afforded that opportunity to continue to handle it locally. We've-- we've talked about a number of options. Thank you.

HUNT: Thank you very much. Thank you. Any questions from the committee? Senator Crawford.

CRAWFORD: Thank you. And thank you for being here to discuss what you-- what you're doing in Omaha.

DAVE FANSLAU: Sure.

CRAWFORD: Just at the very end, you said we had made strides in Omaha and you've talked a bit about some of the studies you've done. So can you-- are there any steps that you've taken to allow proactive

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enforcement or do you see any progress in proactive enforcement that you can foresee from your strides?

DAVE FANSLAU: Well again, we are held to a certain standard at Omaha as far as when we can go in and investigate a complaint. So we have to stay within that law. We have had numerous conversations with my law department about that settlement that we reached a few years ago. So staying within those parameters might be tough in some certain cases, but we really think that-- I call them baby steps, and it's probably not the proper term, right, but we've talked-- again we've talked about a pilot program, how it might work, let's see what works in Omaha under the parameters that we live under, that we work under every day and what's best for that. I think education is a huge part of that, not only for the tenants, but for the landlords. I think there could be a position probably outside city government, an ombudsman's, if you will, that would be a mediator between a landlord and a tenant to try to resolve those issues before they get too far out of hand.

CRAWFORD: Thank you.

DAVE FANSLAU: So we're-- the committee is still doing research on-- on-- on anything that could work in Omaha.

HUNT: Senator Lowe.

LOWE: Thank you, Vice Chairman Hunt. And thank you for coming here to testify.

DAVE FANSLAU: You're welcome.

LOWE: Are there teeth in the codes against those that are violating them?

DAVE FANSLAU: Absolutely.

LOWE: And are they stringent enough do you believe?

DAVE FANSLAU: I believe that our codes encourage-- strongly encourage and require bad landlords, and again, a very small percentage in our jurisdiction are-- would I consider bad landlords; a majority of them very responsible and easy to work with. But, yeah, there are steps we can take. Right? We notify and we work with them. And after 90 days, if-- if they're-- they are not improving-- making the improvements or the repairs as identified through our inspections, then of course we

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get our city prosecutor team involved and then those-- those are where the penalties are levied currently.

LOWE: Thank you very much.

HUNT: Thank you. I have a question. You spoke about that your offices researching different options to hold landlords accountable who don't maintain their property up to code and that you are working on it with your staff to make a recommendation. When will you have that recommendation?

DAVE FANSLAU: It's-- it's-- it's-- I don't have an answer for that. Planning staff, we meet biweekly with our planning council committee, so three members of our city council sit on that committee. We're still working through that. Staff wants-- staff wants to be very thorough in their-- in their studies and in our research, again. So we don't put something in-- nobody in Omaha wants to put something in place that's set up to fail from the get go, right. So, you know, it's no small task. The folks who are doing the research for my department have other full-time jobs, so we're, you know, we're all working that in when we can. But I think that the conversations between the department and our council planning committee have been very productive. And there still are a lot of ideas out there and not consensus. I can tell you that, amongst that group on where Omaha should go. But most of us feel that we should be able to control what happens in Omaha because we know what-- how best to handle that.

HUNT: Thank you.

DAVE FANSLAU: You're welcome.

HUNT: Any further questions? Thank you very much, sir.

DAVE FANSLAU: You're welcome.

HUNT: Could I get a show of hands, how many more of you are here to testify in opposition? OK. Thank you. I'm going to be adhering strictly to that light, so you can help yourself by watching it.

GERALD REIMER: My name is Gerald Reimer, G-e-r-a-l-d, Reimer, R-e-i-m-e-r. I'm here representing myself and my company, Urban Village. We own and manage approximately 850 units. We have gutted and rehabbed about 400 units in the midtown area. I also serve on the code enforcement board of appeals in the city of Omaha. So all code enforcement issues that don't get resolved that end up in front of the

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board, I've sat on that board since its origination. First of all, I'd like to be clear that I support and believe that people should have affordable and quality housing to live in. I don't believe that mandatory inspections will make a difference in preventing unscrupulous landlords from renting unlivable or unsafe properties. To the contrary, it may increase the problem because it will make it more profitable for the slum landlords that already play on the periphery or boundaries of our system. An inspection system will increase the cost to consume housing for those of us that are already meeting the standards. The slum landlords that play outside of those rules will further profit. They currently, excuse me, they currently disregard the laws, the regulation, and the tax system anyway. So the more expensive we can make the system for those of us who comply, the more profit it allows for them to harvest by skirting the regulations, the tax systems. Property-- I would like to talk about the properties and how many are actually already inspected. You know, we've heard about HUD vouchers, Section 8, Omaha housing-type properties being inspected, but I'd like to bring to attention market rate housing is also inspected in most cases. So for example, when debt is securitized by Freddie or Fannie Mae, the government entities requires that our properties have annual inspections because they've provided us the market rate debt that the federal government has securitized and underwritten. Furthermore, when we finance from life insurance companies or banks, they use the same regulations and standards set by Freddie and Fannie Mae. So our lenders then require the inspection of our properties. So in the case of the Yale, you know, my understanding is the landlord did not use banks: minimum investment, take the cash, don't get the inspection. So again, they're playing outside the system. And so I think that's where, you know, the real challenge here becomes. Refining and using our existing laws may help. In Omaha, we have a code enforcement laws that prevent-- that prevent our paid civil servants whose job is to enforce housing regulations from doing their jobs. When we rehabbed 400 distressed units in the midtown area, nearly every property around the properties we were remodeling were visibly outside of compliance of the code from the outside. So an inspector would come and inspect us. We pulled our permits. They would say we've done everything correctly and look at the building across the street that they were already physically there, seeing violations, seeing people walking out with rashes on their skin and bedbug bites and so forth, and their hands are tied from doing anything. I found it perplexing. I would-- I would ask you to create consequences for the slum landlords, but don't penalize the 98 percent of us that play by the rules. I would ask you to imagine that someone in our society

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committed a law violation. And now each and every one of you will be required to report to a probation officer. But if you're really nice and you do a good job maybe we'll only ask you to report to the probation officer every two years or four years. You committed no crime, but yet you're going to be asked to report to a probation officer. I think the best thing that we could do is have our current code enforcement department not have their hands tied. Sitting on that board, I have watched them enforce the law. I have watched bad landlords realize that the game has changed in Omaha and as a purchaser of properties and a person who used to compete against them, I have seen landlords drop out. Now that they know the city code enforcement is serious, they don't want the properties anymore. So, untie the hands of our code enforcement department that we already pay, who does a wonderful job up to the limits that the law allows them.

HUNT: Thank you, Mr. Reimer. Thank you for your testimony today. Did you want to-- did you want to take any questions from the committee?

GERALD REIMER: I'm sorry.

HUNT: No, it's okay. I don't know if there are any.

GERALD REIMER: Just want to hurry [INAUDIBLE].

HUNT: Just in case there's any. Thank you for that helpful testimony. Thank you. Any questions?

GERALD REIMER: Just trying to save time.

HUNT: Thank you. I appreciate that. I certainly want to respect the time you've all taken to come here, that means a lot to all of us. And I want to make sure we all get home safe as well. So thank you. Welcome.

DUSTIN ANTONELLO: Good afternoon. My name is Dustin Antonello. D-u-s-t-i-n A-n-t-o-n-e-l-l-o. And I'm here on behalf of the Lincoln Independent Business Association. The Lincoln Independent Business Association opposes LB85. This bill will make housing less affordable at a time when the lack of affordable housing is a major concern in Lincoln. The fees required to implement this new inspection program would increase costs for landlords and be passed on to tenants leading to higher rents across the board. Currently, single family homes and duplexes are exempt from inspection in Lincoln. This bill would extend

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rental inspections to every single property. The cost to rent single family homes and duplexes are already expected to rise due to the recent property revaluations that have occurred in Lincoln. Inspection fees will only add to the cost to rent these properties. In addition, there are already mechanisms in place to inspect properties when complaints have been lodged. The housing and fire inspector also inspects properties to ensure a property's co-compliant after a property is sold and before it transfers to a new tenant. In addition, a building official inspects the exterior and common areas of rental properties annually. As we've heard from some of the proponents, complaints to Omaha officials sometimes were ignored or buildings with major code violations passed inspection. Requiring more inspections will not necessarily lead to better enforcement. LB85 also creates privacy concerns for tenants and would displace tenants during inspections. The administration of the inspection program would have to notify tenants any time they plan to enter the property for an inspection. Please oppose LB85. Thank you.

HUNT: Thank you very much, Mr. Antonello. Any questions from the committee?

DUSTIN ANTONELLO: Thank you.

HUNT: Thank you, sir.

GARETH REES: I'm Gareth Rees, G-a-r-e-t-h R-e-e-s. I own a few units here in Lincoln. I manage my own properties. Lincoln already has a registration. I pay in excess of \$200 a year in fees to register my property. I really receive no services or anything else, it's simply a fee that I must pay. The law requires government intrusion on tenants who may not want their apartments inspected as it is proposed here. And so I speak for each of my tenants that they don't want an inspector coming. I already have Lincoln Housing Authority inspections on some units. Government has a tendency to impose their convenience on other people. Lincoln Housing will tell me your appointment is between 8:00 a.m. and noon or 1:00 p.m. and 5:00 p.m. On a day like today when it's cold and snowy out, I may sit in my car waiting for them to show up for three and a half to four hours. They may be there sooner, and I appreciate it when they are there sooner, but there is no system where they give you a timely notice and you only need to be there for the time of the inspection. I would not do business with a business which operates that way. My heating/air conditioning and plumbing will call me 15 minutes before they are going to be there and tell me they are on their way so that I don't have to sit and wait

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three or four hours. We need to find a solution to problems which actually exist. And we've heard today from people who have real problems. We need to find a solution for people with real problems, not for people who have no problems at all. I have some tenants who have been there for 32 years, another one for 20 years, another one 13 years, and another one for 10 years. The man who's lived there for 32 years has moved twice. When he would like new carpet or he'd like the apartment to be painted, he moves to a new apartment. Once he moved across the hall and the last time he moved down. OK, that's fine. In 32 years I really don't mind him changing apartments when he would like things to be freshened. We are imposing a solution on people who have no problem. If we were discussing drunk driving here, would you suggest that every driver be required to have an interlock even though they have never been convicted of drunk driving, even though they may not even drink. That's essentially what you're proposing today. Thank you.

HUNT: Thank you very much, Mr. Rees. Any questions? Thank you, sir.

BRINKER HARDING: Good afternoon, Madam Chair. My name is Brinker Harding, B-r-i-n-k-e-r H-a-r-d-i-n-g. I want to thank Senator Wayne and the committee for holding this testimony-- holding this hearing today. I want to also express my thanks to Senator Wayne for raising this issue. It's good to have this dialogue. I'll say for the record that I'm a member of the Omaha City Council, but I am not here speaking on behalf of the Omaha City Council, but for-- I'm not representing the body, but I'm speaking for myself. The city of Omaha recognizes the magnitude of this issue and has asked the City Council Planning Committee, of which I am a member, to take a look at what a solution might look like. And as this has been stated earlier, we've met just about every other week since last fall. The committee with the support of the planning department and the law department have looked at a number of programs in other communities, what they have implemented, what has worked, and at what level those-- those solutions have worked, and the varying levels of success that we have seen those communities realize. We've also met with many stakeholders to listen to their comments and ideas. I remain open minded as to what a solution might look like. I think as others have stated, education will be a large component of whatever that solution is. So I'm-- I'm here testifying against LB85 not from what it's trying to do but from the standpoint of I think the city certainly recognizes the magnitude of the issue. I think we are well positioned, well staffed to come up with a proper solution. And the program that we come up with has to be

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manageable. It's got to meet the expectations of the community. And it's my belief that Omaha is well suited and capable to come up with the policy to do that. It's got to be practical. It's got to be effective. It's got to be fair. It does have to be affordable, but it also has to be enforceable. Thank you for your time. And I'm here to answer any questions as well. Thank you.

HUNT: Thank you, Councilman Harding. Are there any questions from the committee?

BRINKER HARDING: Thank you.

HUNT: Thank you for that information.

DAVE PALADINO: My name is Dave Paladino. It's spelled D-a-v-e P-a-l-a-d-i-n-o. And I'm in opposition of LB85. And, yes, I do want to do the right thing. You've heard my name come up twice and not in a positive light. I'm also-- just so you know what I represent. I'm-- I'm an owner of a significant amount of real estate in Omaha. I own and manage 2,000 units. In addition to that, I have 125 employees. In addition to that, I'm a member of IREM, Institute of Real Estate Management and Metro Omaha Property Owners Association and I'm on the board for Nebraska Association of Commercial Property Owners. Let's face it, Nebraska is a great place, and it's not just because Scott Frost is our head coach. What we want to do here and what I want you to think about is what do we need to do to encourage more people to be entrepreneurs. We heard a gentleman earlier talk about he's anti-capitalism. Well, is that what we want to encourage? I'm sure that you all know that there's been a lot of people here sitting and talking: city officials, community advocates, and landlords. Why can't we already use the system that the city of Omaha already has in place? They already have a good system for dealing with code violations. Why can't these three groups sit down and come up with a reasonable way to deal with this. Let's not add more cost and make it more difficult to be a business owner. But let's encourage more people to be entrepreneurs. And yes, just-- just like another person said that the tenants are our customers, we want to take care of our customers. That's it.

HUNT: Thank you, Mr. Paladino. Any questions from the committee? Thank you, sir, appreciate it.

DAVE PALADINO: Thank you.

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HUNT: Next opponent of LB85.

MATT KIRKLAND: Thank you, Senators. My name is Matt Kirkland, M-a-t-t-K-i-r-k-l-a-n-d, and I'm here to speak to you today on behalf of the Nebraska Realtors Association and also on behalf of myself as a real estate investment owner and property manager. I am a licensed realtor in the state of Nebraska for 17 years and an owner of 40- plus units of residential real estate in Lincoln. I'm a member of the board of directors for the Realtors Association of Lincoln and I represent RealtyWorks. My company in 2018, we were awarded the Lincoln Homeless Coalition's Realtor-- or excuse me, Landlord of the Year Award. We manage over 400 property-- rental property units in Lincoln. And although I have no claim of perfection, we work very hard to provide clean, safe, affordable housing for our-- housing options for our tenants. In a recent meeting I was in with an employee of the Lincoln Chamber of Commerce, the shortage of affordable housing in Lincoln alone is in the thousands of units. The number was over 5,000. That's just Lincoln. We have concerns that rising costs incurred by property owners will inevitably be passed on to tenants in rent increases making the gap in servicing the affordable housing shortage more difficult. Property owners will pass these fees on to the tenants. For property owners, we recently have been hit with the requirement of providing trash service to all rentals, increasing of real estate taxes with ever increasing property assessments, and insurance costs that constantly increase. With this bill adding inspection fees and annual registration fees, I am concerned that real estate investors will begin considering real estate in Nebraska to be less appealing and look elsewhere to find a more investor-friendly climate. I'd be open for any questions.

HUNT: Thank you, Mr. Kirkland. Any questions? Seeing none, I thank you for your testimony.

MATT KIRKLAND: Thank you.

HUNT: Welcome.

DENNIS TIERNEY: Thank you. Good afternoon, Senators. My name is Dennis Tierney, D-e-n-n-i-s T-i-e-r-n-e-y. I am a resident of Omaha and I own single family and multi-family property in Omaha and Council Bluffs. I can tell you that the vast majority of the people I've met who are landlords are small business owners and we do not need more regulation and more government oversight because that will just add more burden to the small business owners. As a multi-family owner, an apartment

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owner in Council Bluffs, we've owned an apartment there since 2005. We had paid annual inspection fees since 2005, and in those 13 years we've had one inspection. As Mr. Chatelain had stated, the city of Council Bluffs recently lost a lawsuit, a class action lawsuit by the landlords against the city because the state of Iowa passed an unfunded mandate the city of Council Bluffs could not fulfill. They didn't do their job. They just collected the fees and so \$238,000 they lost in a lawsuit because they were made by the state of Iowa to do a mandate that they couldn't fulfill. And I just urge you not to do that to the city of Omaha. I think you'll have the same result. There are not enough inspectors in the city of Omaha, and I doubt they'll be able to hire enough inspectors to fulfill this type of a program. That's all I need to say.

HUNT: Thank you, Mr. Tierney. Any questions from the committee?

DENNIS TIERNEY: Thank you.

HUNT: Seeing none, thank you for your testimony. Anybody else here in opposition? Thank You.

SCOTT LANE: Hi. My name is Scott Lane, S-c-o-t-t- L-a-n-e, and I am the chief city housing inspector for the city of Omaha. I'm actually here as an opponent simply because of what was already been previously mentioned was the fact that we have been working on this for quite some time and I'd appreciate if we can continue to do that at the local level. Really, I just want to talk just about a couple of the comments that were brought up earlier and anticipate a few questions referenced-- that were asked to some previous speakers. One of the things that was brought up is the hammer or what teeth do we have. I will just tell you, once an individual is beyond their attempts of repairing it and it gets to what we call the citation pending mode, we do have the opportunity to issue them a citation or have a police officer issue them a citation. At which time, each violation, not each-- each property or each parcel, but each violation could carry up to six months or a \$500 fine or both maximum. So I wanted to get that up just in case you didn't hear that sooner. I heard the fact that the city had abandoned the registration plan. Well, I can tell you, for the last four months every two weeks I beg to differ is that we have been in meetings diligently discussing this with the city council and the planning department, as well as some of the other advocacy groups. We have not abandoned anything. We are working very, very difficult-- through difficult times to try to get those things resolved. I find-- I found a lot of confusion about what has been said today with the

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inspection and I wanted to clarify the code enforcement versus some of the OHA inspections. We have nothing to do with what OHA inspections are all about. Those are for the lower income properties. I'm not familiar with how they operate or what they do or what their-- we strictly work off of the complaint system and we don't have anything to do with what OHA is. I will, however, tell you that I do have a meeting set up next week with the OHA inspectors. I finally reached out. They have some turnover. I made contact with members of them and their inspectors are going to come meet with my team and we're going to try to figure out where we can get on the same page with that. Because I too am confused with how they pass these and how they don't reinspect them, and then all of a sudden the city is the one that has not allowed-- or has allowed these folks to get into these homes that should not be rented out. I am very confused with the term systematic failures of the city code enforcement. I can tell you I've only personally been in this position for seven months so I do feel as though we're making progress. We're working hard to get things where they need to be. I do know that there was some previous settlements and we have a consent decree that we have to go off of as a result of, maybe, what some of those failures were but we-- we are working on those. I guess the last thing I'd like to say before I answer any questions is I want to continue to highly encourage the advocacy groups to continue-- to continue to do the wonderful difficult work that they do. They are the ones bringing the things to the forefront for us, the violations to the forefront for these tenants that are unwilling or afraid to complain. And I think I have a fairly good working relationship with those groups and hope to have-- have that continue. With that I'll leave it for questions.

HUNT: Thank you, Mr. Lane. I have a question for you. In your testimony you talked about the maximum fines and penalties that negligent landlords can receive for not keeping their properties up to code. How often does the city collect the maximum fine on those landlords?

SCOTT LANE: From what I understand, not very often. And I anticipated that question. I have been and probably weekly contact with our prosecutor's office and our legal team to see about getting some of that changed. I can tell you just the other day, last week, with that progress we had an individual had a zoning violation. He was put on probation. He has failed his probation for a year. They still didn't want to do anything with it. We encouraged them to-- at his show cause hearing to give him what is the mandatory to-- to have him stop his

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nuisance zoning violation in the Aksarben area, and the judge did, in fact, put him in jail for 30 days that day.

HUNT: OK.

SCOTT LANE: So, I think that that progress is working with the prosecutor's office and our office.

HUNT: What-- I know that you may not have actual numbers here, but what do you guess is the ratio of landlords you have who could be fined and the ones that actually are.

SCOTT LANE: Say that one more time.

HUNT: How many-- how many landlords could be fined or cited for these infractions and get these fines versus the number that actually receive them?

SCOTT LANE: If I may first--

HUNT: To say nothing of the maximum fine, but just anything.

SCOTT LANE: If I may first, I will tell you that the staffing levels of the-- of the city code enforcement has not been completely maximized prior to my arrival. We have since have the maximum budgeted amount of inspectors. That being said, we have started going through all of the what we call the citation-- citation-pending cases for the first time that what, from what I'm told, for the first time in years our division is almost completely caught up on all cases that were old, that were in citation pending. We've gone back out redone the inspections for the citation pending. We've arrested two or three people in the last month. And I anticipate there's going to be several more coming up that have exhausted their attempts to make the repairs that they're not doing.

HUNT: Thank you.

SCOTT LANE: Hopefully that answered your question.

HUNT: Thank you. Senator Crawford.

CRAWFORD: Thank you, Vice Chair; and thank you, Mr. Lane. I wonder if you could clarify for us one of the earlier testifiers mentioned that a code enforcement officer could be on his property doing code-- doing code enforcement and a property right across the street might have

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obvious code violations, but he said your hands were tied. I wondered if you would explain what that means or-- or argue that that is not necessarily the case.

SCOTT LANE: The consent decree has caused us to have blinders on when we're out doing our work.

CRAWFORD: Can you explain what the consent decree is.

SCOTT LANE: That is the lawsuit that MOPOA settled with the city a couple of years ago.

CRAWFORD: And so that does not allow proactive inspections, is that--

SCOTT LANE: That is accurate. That is accurate.

CRAWFORD: That is a court case.

SCOTT LANE: We have to go off of the complaint based system, and if we don't have a complaint on that home, we cannot inspect it.

CRAWFORD: Thank you.

HUNT: Any other questions? Senator Lowe.

LOWE: Thank you, Vice Chair. Thank you, Mr. Lane, for being here. If this bill makes it to the floor and it passes, do you have any idea how many more inspectors you will have to hire to comply with this?

SCOTT LANE: In the discussions and the research that we've conducted, we've done 1-, 3-, 5-year plans and it's anywhere from 4 to 55 inspectors depending on what it is. Those are the true numbers that come up through the other states. I think what the 3-year plan they were looking more somewhere in the area of 8 to 15 possibly.

LOWE: OK. Thank you.

HUNT: Any other questions from the committee? Thank you, Mr. Lane, appreciate your testimony.

SCOTT LANE: Thank you.

HUNT: Any other opponents of LB85? Is anyone here to testify in a neutral capacity? Are you an opponent? OK, go ahead. Thank you.

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PIERCE CARPENTER: My name is Pierce Carpenter and that's spelled P-i-e-r-c-e.

HUNT: I spoke to you on the phone, didn't I?

PIERCE CARPENTER: Yes.

HUNT: Thank you for coming.

PIERCE CARPENTER: Pleasure. C-a-r-p-e-n-t-e-r. And I think it's a mistake to implement a law of this nature. It-- it is a nanny state law and it creates a, at least in Omaha, you know, \$3- to \$5 million dollar bureaucracy that will never end once it's started. It's just something that I don't think we need and I don't think we should have. I really found it appalling and I'm going to give an example, I had a buddy, he was wiring a ceiling fan. He needed an extra wire, so he had two-wire with a ground go up to light. He wanted to wire the ground wire, which is a-- it doesn't have any insulation on it. He wanted to wire that in so he could switch the fan off and on. And I told him that if you did that, I would go down to the city and file a code report on you that you had done this, because that is a huge fire hazard. What I found was appalling was all of the people here who were from the advocacy groups who see these horrible things out there and they know they're horrible. They told us they were horrible. And they just don't want it-- they don't have the spine to step forward and say we need to put an end to this. I need to call code. I need to call the health department. I need to call somebody. I mean, you want to put an end to all of this at no cost, pass a law that says that these people really feel that there's a human danger involved, they are legally obligated to report it to the correct agency. That would put an end to the whining. And it would do two things, it would-- it would end the nanny state to a large degree. It would empower the tenants, because they would see, oh, this is what I've got to do. But if you-- if you pass a law like this, a lot of tenants that would call the code people or-- or the health department will simply wait around for the inspection. They'll become more and more affiliated with the nanny state. OK. You know, one of the things about code violations is, and, you know, these inspections are actually forced code violations-- or forced code inspections. And when you force a code inspection, a lot of stuff comes out. And there's simple stuff that you absolutely have to have. You have to have deadbolt on the door of a rental unit. And then you have to have CO detectors. These are trivial. But one of the more expensive things is, I'm sure you guys have been down in people's basements and they have crawlspace and dirt, you can't do that in

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Omaha anymore. You have to cover that with plastic and two inches of cement. Now that-- there's no grandfather clause on that. If they go down there and discover that, that has to be done. Now these are just a few things that I've run across. I have 40 units I rent out. And I have not had a lot-- I've only had one actual code violation against me. It seems like everything I buy has a code report on it. But, you know, so I've dealt a lot with the code people, but I've only actually had one filed against me and that was an enlightening type experience. OK. I had a lot of stuff prepared, but I'm really not-- but most of it has been covered, and so I tried to talk about other stuff. So, but that's my closing. Any questions?

HUNT: Pierce-- Mr. Carpenter, thank you very much for coming.

PIERCE CARPENTER: Thank you. It was an honor.

HUNT: Are there any questions from the committee? I have a question. I'm sorry. Sorry. You said that you're a-- you're a business owner right, and you--

PIERCE CARPENTER: Yes.

HUNT: Do you own rental properties?

PIERCE CARPENTER: Yeah, I have-- I have 10 buildings and 40 units in those 10 buildings; 2 single family houses, 2 duplexes, and then it goes up from there.

HUNT: And you understand and believe in the market power to hold you accountable as a business owner is what you're saying?

PIERCE CARPENTER: Yes, I do.

HUNT: OK.

PIERCE CARPENTER: But I am still horrified by all the advocacy groups that come in and tell these horror stories where they are there and they should, you know, I mean, those are the people that are the frontline people that should step up to the plate and say, you know, we're going to report this and get it fixed or we're going to drop you from advocacy group. That's what should happen.

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HUNT: Thank you. Thank you so much for coming. Any other opponents of LB85 here? Anyone testifying neutral? Come on up. How many other neutral testifies are in the audience today? OK. Take your time.

CHAD BLAHAK: Senator Wayne, Madam Vice Chair, and committee, thank you for allowing us to come down here and talk about this. My name name's Chad Blahak, C-h-a-d B-l-a-h-a-k. I'm the director of building and safety for the city of Lincoln and we're down here to testify neutral for the current proposal LB85. I would like to provide the committee with a little bit more information about what we do here in Lincoln. Lincoln currently conducts rental property inspections through our apartment licensing program, that's what we call it, for properties with three or more dwelling units, and then also through a complaint based property maintenance code enforcement program that applies to all residential properties. An initial apartment license is required for all newly constructed buildings and three or more-- or with three or more dwellings, or any existing building that undergoes alterations that result in three or more dwelling units. Each building seeking an initial apartment license is inspected both interior, so each unit, and exterior for code enforcement through the building permit process. Complete interior and exterior are also-- or inspections are also completed for any properties that have a license that change ownership. We call that the certificate of compliance process. Each apartment license is required to be renewed on an annual basis. The renewal process includes a required inspection of the exterior of the property and any interior common spaces, like have been mentioned before: stairways, entry ways, hallways, etcetera. Lincoln's program allows for a two-year inspection cycle or a six-month inspection cycle based on a set of violation history thresholds. Whole building inspections, which include dwelling units, common spaces, and exterior are required when a property has a history of violations within a calendar year. These threshold triggers allow us to focus resources on properties that are likely to have violations and need further oversight. We continue to evaluate what additional circumstances could be included as a threshold triggers for interior inspections such as violations across multiple buildings with a common owner or unpaid fines and fees. And just as it happens, after recent conversation with local neighborhood representatives and other government-- local-- local governmental officials we have begun discussing about the implementation of a registry-- a rental registry for all. We call them ones, twos, and threes, so single family duplexes and three or more complexes with three or more units that is it is registry. The information required for the registry would be the owners contact

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information, as well as the designating of a local representative, if it's not the owner for those outside owners outside of the city Lincoln and this designated representative will be required to have the authority to cause corrections or repairs to come out of any of-- any violations or non-conformance issues. Currently we have about 3,000 active apartment licenses in town that are renewed annually. We process anywhere from a thousand to 1,200, give or take, complaints annually. And those two programs combined we do about 8,000 inspections annually between those two. If the committee does choose to advance the bill, we'd like to have a chance to work with-- work with you all to lessen the local fiscal impact without taking away the intent of the legislation. And I guess with that I'd thank you for your time and answer any questions if you have any.

HUNT: Thank you, Mr. Blahak, for sharing your expertise. Senator Crawford.

CRAWFORD: Thank you Vice Chair, and thank you for being here to share your experience. This is very helpful. I wondered if you could tell us what you think the estimated compliance rate is in terms of the people who have rentals who actually register in your rental license program? Do you think it's--

CHAD BLAHAK: We've had the license program for a long time, since the 80s. I don't-- I don't know the actual number. My guess is that it's-- it's pretty high. If-- if one landlord who owns rental properties are paying to \$200 to \$400 a year in registration fees, they know if somebody else who is not, I am guessing it has self-corrected over the many years that we've had the program.

CRAWFORD: So there's some self-enforcement.

CHAD BLAHAK: In terms of making my department aware of-- of multifamily structures out there that don't have a license, yes.

CRAWFORD: Great. Thank you.

HUNT: Other questions? Thank you very much, sir. I'll ask again, are there any other neutral testifiers on LB85? Seeing none, Senator Wayne, you're invited to close. There's also several letters that have been sent in, which is something you can always do if there's inclement weather, and we certainly appreciate all of your presence

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here today. So go ahead, Senator Wayne, and then I'll read these into the record.

WAYNE: Thank you. First, I want to thank OTOC, Appleseed, and other organizations who helped work on this bill and provide data to support what I consider as a very flexible bill. You know, what I was thinking about, Senator Lowe, I was thinking about was what you asked me and we require if you buy a one-ton truck in a surrounding state, Colorado, South Dakota, Iowa, anywhere but in Nebraska, it must be inspected before you can get it licensed. We give people who drive cars or trucks more rights and ability to protect themselves than we do people who rent a house. That's why this bill is important. It's important because there's other regulations we require, lead, when you buy a new home, it's required. They have more protection because they're buying a home. We are setting a class-- classes of [INAUDIBLE] up by our ability not to treat poor and people who can afford to actually buy a home the same. What has happened in the private sector that helped them when buying a home not have state laws is they now, most banks, that was testified to here, which is true, require inspections. They self-regulate it. This industry, particularly in Omaha, has not. I did a press release in September. It's January. What has been produced by renters to say we can self-regulate, that we can do it ourselves? Then there's this logical fallacy that I don't understand, and I don't hardly-- people who know me, I don't really get this passionate about one or two hot topics, but the testimony I was hearing today infuriated me. You guys aren't that dumb. The cost, whether you file a complaint to fix a code violation or whether it's inspected to fix a code violation, is the same, construction costs are the same. Whether you negotiate with your landlord, whether you don't, the construction cost is the same. So to say that there's going to be some huge increase on a-- on a renter because now they have to do more compliance doesn't make sense to me. If you have to spend \$10,000 to get plumbing redone because people filed a complaint in your apartment complex, I guarantee rent is going up. That's the nature of the business, construction costs cost. Now if we're saying \$100, \$120, most I've seen expensive was \$150, which I don't think we'll get to in Nebraska, over a 12-month period, \$12 a month is too expensive to make sure people have safe housing? That doesn't make sense to me. I'll volunteer my services, I'm a general contractor, licensed Class A, I can inspect them all. I'll take the extra classes and I'll do it for free if the city wants to contract with me, I won't charge anything. It has to be done. But the most-- let me get to the next one. We talked about maximum fines and the long drawn out process. Councilman,

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that's not underneath your discretion, that is truly under the mayor. The city prosecutor reports directly to the mayor. If they don't take maximum fines, they can change that immediately. And they could have changed it when Yale happened, when I did my press release. Yet September to January there's been no changes. They're getting better. But to say it's not systematic failure when you see a code violation and you can't go in because the city council didn't sign a consent decree, which talking to all law professors strictly at Creighton, go back and read the articles, MOPOA came out against it saying you can't sign this decree. You, the city, put their hands behind their backs and handcuffed them themselves. That's how-- they have to take responsibility of that. And the only way they can change that, is through here. I just read this-- I was sitting over there reading the entire consent decree. If they change any future ordinances without that organization at the table, they can take them back to court. The only way they get around that, because all consent decrees, if the Nebraska law or federal law changes that a consent decree is out the window. We have to change that. At a bare minimum, that has to be the change. But we're really-- and I like the quote about 4 to 55, that's better than the crap tables that I get as far as wide range of outcomes that could happen. These are stall tactics to me. And what really offended me is this notion of 10 percent. Ninety percent do it right, but 10 percent don't. Think of how many laws would not have been passed if we had that mindset. Ninety percent of the farmers don't have weeds that have nuisance, but only 10 percent do. So let's not make sure farmland is taken care of the way you don't hurt your neighbor. We have-- we have laws on the books for that. Ninety percent of people don't commit crimes. So let's not have laws for that, because only 10 percent, we don't go after bad actors. And to compare going to probation to going to an inspection is mind boggling. If you're-- if you're financed and have a agreement that you have to have an inspection year, year-to-year, year-to-three years, that can be used in lieu of the cities and we can put that in an amendment to make it clear. But to say 90 percent does it right, well that 10 percent felt to me people who came here and testified. And that 10 percent fails many people in my district. So it's not about just trying to say we want to do things right, it's about making sure we enforce it. And I had this fundamental belief, what is the point of having a law on the books if we don't enforce it? What is the point of having the ordinance if we don't enforce it? That just makes no sense to me. So I want to make sure that the majority of the people who are living in the 10 percent, who are often below the poverty line or right at the poverty line, have a voice. And that's what I'm doing here today. And

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we have to decide as this committee moves forward, is passing on, if that's what they want to do, \$12 a month, making sure a little kid doesn't have to go to school with bedbugs because the entire apartment is-- not just the apartment, the entire complex is covered in them in a land where it won't do anything is \$12 a month more important for that renter to maybe-- still break even or maybe still have a profit, but he's not losing money, or she's not losing money. They're business people, they're going to figure out how to pass it on. And if you don't, you're probably not a good business person anyway. But we have regulations on all types of thing that gets passed on and we do it in the name of health, safety, and what we deem Nebraska values, and that's all this bill is trying to do. And I will say that again, for four months I haven't heard from anybody. But I have a lot of opposition, but it's the same opposition, and why I'm so upset is because those were the same arguments used in the 50s and 60s about why we shouldn't do certain things to make sure there is equality and make sure that everybody has a chance at a better life. Saying it's going to cost too much. Saying 90 percent does OK. We don't need more regulations. You're right. We don't. But you guys have failed to regulate yourself. And that's when government has to step in. I'll take any questions.

HUNT: Questions for Senator Wayne? Thank you, Senator.

WAYNE: Thank you.

HUNT: I'm going to read these letters into the record in support of LB85. We have letters from Tom DeCook; Kimberly Seipel; Betsy Timmerman; Tom Champion; Carol Gilbert; Chase Vanderveen; Molly Siobotski; Pamela Font-Gabel; Margaret Jones; Ann Dyke; Aubrey Schieuer; Paul Romero, III; Mark Loscutoff; Rondalyn Schacht; Jeannette Loscutoff; Gerald Weible; Zach Davy; Janet Gilcrist; Kara Foster; Blake Dickinson; Mary Laaker; Kaela Volkmer; Joanna Lindberg; Anna Sully; Dennis Walsh from Omaha Together One Community; Policy Research and Innovation. And we have letters of opposition for the record from Jon Rademacher; Tom Massey; Ryan Reinke; Charlotte Ralston; Dana Steffan. And we have a neutral letter for the record from the Douglas County Health Department. And that will close our hearing today on LB85. Thank you all so much for being here today.

WAYNE: We are going to take a short five minute break. I just want to talk to our committee to see who is staying in Lincoln.

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[BREAK]

WAYNE: OK. All right. Welcome back to your Urban Affairs Committee. Next we have the illustrious Matt Hansen presenting LB67. Go ahead.

M. HANSEN: All right. Good afternoon Chairman Wayne and fellow members of the Urban Affairs Committee. My name is Matt Hansen, M-a-t-t H-a-n-s-e-n, and I represent Legislative District 26 in northeast Lincoln. I'm here today to introduce LB67, a bill that simply updates sections we missed when we passed an Urban Affairs bill in 2017, in addition to-- a couple of other cleanup items. An identical bill was passed last year, but was unfortunately caught up in the Urban Affairs package of bills that was vetoed due to other issues late last session. So-- and in history, in 2016, I introduced LR526 which was an interim study to examine municipal classifications. Following that interim study, we passed LB113 which clarified references to municipal population thresholds in a number of statutes. While LB113 was passed in 2017, during the Enrollment and Review process for the bill, Bill Drafters Office identified a few additional sections which also contained references to municipal population thresholds but were not included in that first bill. Ultimately, we decided they were-- there were enough changes to result in a new bill, last year, LB748. That bill and this identical one is designed to clarify those municipal population thresholds which were not previously addressed with the passage of LB113. The crux of the issue is, while most current statutes reference the federal decennial census as the point at which municipal population thresholds is legally met, a handful of such sections do not include a reference to the census and are generally unclear as to when the threshold is legally met. LB67 provides any remaining thresholds are generally met based on a official census data, either the most recent federal decennial census or the most recent revised certified count. This bill would also correct a change from LB113 which inadvertently excluded cities with certain exact populations from receiving grants under the Civic and Community Center Financing Act. I'd like to thank legal counsel and Bill Drafters for tracking and drafting all these updates and working on this issue for what is now over two year. With that I will close my introduction and would be happy to work with the committee to advance LB67.

HUNT: Oh man. OK. Anyone on the committee have a question for Senator Hansen? Seeing none--

M. HANSEN: Thank you.

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HUNT: Come back up here. Hello.

CHRISTY ABRAHAM: Vice Chair Hunt and members of the Urban Affairs Committee, I promise I will be brief. My name is Christy Abraham, that's C-h-r-i-s-t-y, Abraham is A-b-r-a-h-a-m. I represent the League of Nebraska Municipalities. And forgive me one indulgence for Senator Arch and Senator Hunt; the League of Municipalities is a nonprofit member organization and we represent the interests of municipalities here in the Legislature, as well as doing other things. We're governed by 15 member board and we have over 400 members of our organization. And with that I just want to thank Senator Hansen for introducing this bill. It's clarifying. We are so grateful for his work to continue to update these statutes. And although it is very clarifying, I just want to add that this morning I actually had a call from a city asking about one of the sections that's in this bill. And if this bill would have been passed last year, it really would have been a huge help to that municipality. They had annexed something and they realized they're going to have to use the census data all the way back from 2010 because this bill hasn't been updated. So it's a small change, but it is really important to our cities. So I just wanted to mention that. Thank you so much.

HUNT: Thank you so much, Ms. Abraham. Any questions from the committee? Thank you.

CHRISTY ABRAHAM: Thank you.

HUNT: Are there any other proponents? Any opponents? Anyone testifying in a neutral capacity? All right. We have no letters for the record on this bill. Senator Hansen if you'd like to close. He waives closing. So this will close the hearing on that LB that I didn't catch the number of-- LB67. Thank you. So next we will hear LB194. Mr. Fitzgerald, you're welcome to open.

TREVOR FITZGERALD: Good afternoon, Vice Chairman Hunt and members of the Urban Affairs Committee. For the record my name is Trevor Fitzgerald, that's T-r-e-v-o-r F-i-t-z-g-e-r-a-l-d and I'm introducing LB194 on behalf of the committee. As returning committee members are aware, in 2015 the Urban Affairs Committee began a multi-year effort to update and modernize statutes governing the various classes of municipalities. The first stage of that effort in 2016, the committee introduced LB705 which served as a cleanup bill for statutes governing cities of the first class. LB705 was ultimately incorporated into one of the committee's bills that year and became law. In 2017, the

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committee continued that multi-year modernization effort with the introduction of LB133, a cleanup bill for statutes governing cities of the second class and villages. During the committee's work on LB133 it became apparent that a number of sections governing cities of the first class had not been amended as part of LB705 to clarify that those sections only applied to cities of the first class. LB194 would amend a number of sections in Chapter 16 of the statute which govern cities in the first class to clarify that those sections only apply to cities in the first class. Kind of following up on Senator Hansen note on the previous bill, an identical bill to LB194, LB765 was introduced by the committee last session. LB765 was ultimately amended into a committee omnibus bill that was subsequently vetoed by the Governor due to other provisions that were also in the omnibus bill. I would note that LB194 does not include any of the other provisions from the omnibus bill that led to the Governor's veto. There are at least one individual behind me to testify, the League of Municipalities, but I'll be happy to answer any questions the committee may have at this time.

HUNT: Thank you, sir. Any questions from the committee? Seeing none, any proponents are welcome to testify.

CHRISTY ABRAHAM: Greetings committee and Vice Chair Hunt, my name is Christy Abraham, C-h-r-i-s-t-y, Abraham is A-b-r-a-h-a-m. I represent the League of Nebraska Municipalities. The League executive board voted to support this bill last year. We voted to support it again this year. We are ever grateful for this committee and your excellent staff for continuing to update and clarify the municipal statutes. So thank you very much and I'm happy to answer any questions.

HUNT: Thank you, Ms. Abraham. Any questions? Seeing none, I would invite any opponents of the bill. Seeing none, anyone in a neutral capacity? Seeing none, would you like to close?

TREVOR FITZGERALD: I'll waive.

HUNT: Mr. Fitzgerald waives closing. There are no letters for the record, so this will close the hearing on LB194. Next we'll hear an opening statement on LB193.

TREVOR FITZGERALD: Good afternoon, Vice Chairman Hunt and members of the Urban Affairs Committee. Again for the record, my name is Trevor Fitzgerald, T-r-e-v-o-r F-i-t-z-g-e-r-a-l-d. I'm introducing LB193 on behalf of the committee. As I mentioned in my prior testimony, in 2015

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the Urban Affairs Committee began a multi-year effort to update and modernize statutes governing the various classes of municipalities. Over the past few years, the committee has introduced bills to update statutes governing cities of the first class in Chapter 16, and cities of the second class and villages in Chapter 17. In 2017, the committee introduced LR84, an interim study to examine statutes in Chapter 19, which govern some but not all classes of municipalities.

Municipalities in Nebraska are classified into five different categories based off population which are listed in your committee memo. Last session, the committee introduced LB873 which was the work product of the LR84 interim study. LB873 was ultimately turned into that fateful committee omnibus bill that was subsequently vetoed by the governor due to other provisions that were also in the omnibus bill. LB193 is effectively a reintroduction of LB873. But I would again note that LB193 does not contain any of the other provisions from the omnibus bill that led to the Governor's veto. Because LB193 amends more than 200 separate sections, I will not review each individual change contained in the bill. A section-by-section summary which is about 20 pages long is contained in your materials and the changes can largely be grouped into 13 general categories. First, the bill alphabetized terms in several areas. Unlike the previous chapters that the committee has done cleanup work in, Chapter 19 contains a number of named acts which include defined terms, so in those places where the terms were not previously alphabetized the bill would do so. The bill also outright repeal Section 19-924 which contained a list of defined terms for municipal planning commissions. Upon review, these terms didn't actually match their usage in the relevant statutes, so the outdated terms were repealed instead. Second, the bill changes and corrects terminology. For example, changing "governing body" to "city council," "municipality" to "city," "first class city" to "city of the first class." Third, the bill changes subject verb agreement in a number of places; i.e. singular to plural and vice versa. Fourth, the bill contains provisions related to the commission plan or city manager plan of government. Nearly all cities in the state of Nebraska have a mayor- council form of government with the city council holding legislative power and the mayor holding executive and administrative powers. Currently 10 cities have a city manager form of government where the city council appoints a professional city manager to carry out the day-to-day administrative functions and a mayor is selected from among the council members. The city of Nebraska City is the only city in Nebraska which has the commissioner form of government where an elected board of commissioners holds both legislative and executive powers with one commissioner designated as the mayor and each

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commissioner responsible for one aspect-- aspect of municipal governance such as parks, public works, finance, etcetera. While Chapter 19 as a whole is more up to date than either Chapter 16 or 17 were, much of the statutes governing cities that have adopted either the commission plan or city manager plan of government have not been amended since Nebraska statutes were recodified in 1943 and some language may even date back to the late 1800s. LB193 basically updates these statutes giving them a complete overhaul. Naming the two sets of statutes the Municipal Commission Plan of Government Act and the City Manager Plan of Government Act respectively. Fifth, the bill clarifies references to cities and villages extraterritorial zoning jurisdiction, or ETJ. As returning committee members may recall, past cleanup bills have defined the default ETJ of cities of the first class, cities of the second class and villages. LB193 clarifies a small number of references in Chapter 19 so that they align with those existing statutory definitions. Sixth, the bill updates references to business improvement districts and off street parking districts, both the Business Improvement District Act and the Off Street Parking District Act are contained in Chapter 19 and needed significant work to update and modernize, particularly the Off Street Parking District Act. Seventh, the bill clarifies references to legal newspapers. As the committee has found with previous cleanup bills, various sections of statute will refer to newspapers used for legal notices in different ways. They will either use phraseology such as "located in the city," "published in the city," "of general circulation of the city." Additionally some-- additionally some statutes specify that notice must be published in a legal newspaper, while others just specify a newspaper. LB193 would use the same phrasing in all cases, "published for period X in a legal newspaper in or of general circulation in the city." The bill uses the term "legal newspaper" since there is an existing statutory definition of legal newspaper and every newspaper in the state of Nebraska currently meets that definition. Eighth, the bill corrects references to various city or village officials clearly identifying the city council, city clerk, village board of trustees, etcetera. Ninth, the bill corrects gender references, typically replacing "his" with "his or her." Tenth, eleventh, twelfth, the bill corrects internal statutory references, eliminates a number of run-on sentences, and harmonizes references to other sections within Chapter 19. Finally, LB193 replaces or eliminates antiquated or obsolete language in a number of places. While Chapter 19 as a whole contains less antiquated language than found in previous cleanup bills, the bill does repeal a number of references to something called an excise board in cities of the

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primary class. Apparently at one point in the early 1900s, there was an elected excise board in the city of Lincoln whose purpose was to set tax rates within the city, but no such board exists currently and the statutes which reference the excise board pre-date the statutory recodification in 1943. The bill also repeals several sections of statute which established the city of the Primary Class Development Fund and the City of the Metropolitan Class Development Fund. Both of these funds terminated in-- on July 8, 2017. Prior to the introduction of last year's bill, the bill was reviewed by the League of Municipalities and was submitted to city attorneys and other city officials around the state. In particular, the bill was brought to the attention of those cities which have adopted either the commission plan or city manager plan of government. A number of suggested changes from city officials were incorporated into the green copy last year and have not been changed this year. The representatives from the League of Municipalities are behind me to testify, but I would be happy to answer any questions the committee may have at this time.

HUNT: Any questions for Mr. Fitzgerald? Seeing none, I will recognize any proponents of LB193.

CHRISTY ABRAHAM: Thank you again. I promise, this is my last time today. My name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m and I just want again thank the committee for the immense amount of work that this bill is. And Trevor took so much of my testimony, but he is correct. We-- we did circulate this widely among our members to ensure that they didn't have any concerns. Chapter 19 deals with a wide range of topics: the city manager form of government, the commissioner form of government, the Civil Service Act. So we just wanted to make sure that all the changes that were being made were fine with our members. And as Trevor mentioned, we did have a few and this committee was very gracious about accepting those. The only thing I'm going to mention is the issue of legal newspapers. Trevor testified that, and I believe the testimony was last year, that all newspapers in the state are legal newspapers. There is a definition of legal newspaper. It's-- I think you have to have 300 subscribers and you have to be in circulation for 52 weeks. We had a situation several years ago where there was a small paper in Hickman that we don't believe met those definitions, but it was widely circulated in Hickman and I think a lot of the official proceedings that is required in Chapter 19 for cities to publish were published in this small Hickman newspaper. So we just want to throw that out to you. In 19-1102 is a statute that the cities take very seriously because it is a requirement that we publish our

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official proceedings in the newspaper. Current law says "newspaper", this would change it to "legal newspaper." So I just wanted to point that tiny little kerfuffle out. So thank you again for all of your time and I'm happy to answer any questions.

HUNT: Thank you so much, Ms. Abraham. I'm going to resist my temptation to ask any questions about this pirate newspaper in Hickman. But does anyone else have serious questions?

CHRISTY ABRAHAM: I'm sure it was very well done.

HUNT: Seeing none, thank you again.

CHRISTY ABRAHAM: Thank you so much.

HUNT: Is anyone here in opposition? Anyone here in a neutral capacity to testify? Seeing none, I'd invite you to close on LB193.

TREVOR FITZGERALD: Unless anyone has questions about newspapers, I'll waive.

HUNT: Mr. Fitzgerald waives closing. There are no letters for the record so that closes the hearing on LB193. I now invite you to open, Mr. Fitzgerald, on LB196.

TREVOR FITZGERALD: Good afternoon, Vice Chairman Hunt and members of the Urban Affairs Committee. Again my name is Trevor Fitzgerald, T-r-e-v-o-r F-i-t-z-g-e-r-a-l-d and I'm introducing LB196 on behalf the committee. Good news, this is a new bill, so it's not just a bill that was stuck in the package last year. As returning committee members will no doubt recall, last session the committee introduced LB874 which was a comprehensive rewrite of Nebraska's tax increment financing or TIF statutes. One of the minor changes that was included in that bill was a update to the process by which municipalities give public notice of TIF-related hearings to neighborhood associations. LB196 would amend the requirements for neighborhood association notices in other portions of the statute so that the requirements mirror the provisions under the Community Development Law which is where the TIF statutes are. For a little bit of history, in the early 1990s, both the TIF statutes and the statute for zoning changes in cities the metropolitan class were amended to provide the neighborhood associations could ask to receive planning notices for actions being taken in or around the association's area of interest. Basically, the initial process was designed so that neighborhood associations opted

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in to receive planning notices and they were sent via certified mail around the same time that other notices were published. In 2014, the Legislature passed LB679 which allowed neighborhood associations which opted in to receive notices to elect a preferred method of notice as opposed to just requiring certified mail. The concern at the time was that some neighborhood associations were missing the certified mail notices because the association member whose address was on file with the city worked during the day, so neighborhood associations were allowed to select from among four options: e-mail, regular mail, certified mail, or registered mail. In 2016, the neighborhood association notices were expanded to also apply to the formation and expansion of business improvement districts and the adoption or amended of zoning ordinances by cities of the metropolitan class. The general process remained the same in all cases with neighborhood associations opting in to receive notices and choosing their preferred method of notice. LB196 is effectively a cleanup of the neighborhood association notice provisions with the-- with the only substantive change being the elimination of registered mail as a potential method of notice. Both certified mail and registered mail provide that the recipient must sign for the letter or package as proof of delivery, but registered mail adds additional security steps such as transport via locked cages, safes, or sealed containers. Given that such measures are generally unnecessary for simply sending a simple letter giving notice of a public hearing, it makes sense to eliminate registered mail as an option. There are several individuals here to testify behind me, but I would be happy to answer any questions the committee may have at this time.

HUNT: Any questions for Mr. Fitzgerald on LB196? Seeing none, I would invite any proponents of LB196 to come forward. Welcome. Just please state your name and spell it for the record.

JACK CHELOHA: Good afternoon, Senator Hunt, members of the committee. My name is Jack Cheloha. That's J-a-c-k, and the last name is spelled C-h-e-l-o-h-a. I'm the registered lobbyist for the city of Omaha. And I want to testify in support of LB196 this afternoon and thank the committee for introducing it. We've reviewed it. We reviewed it in advance of introduction even and I sent it out to the various parties that work within our planning department that would do notices relative to zoning. And I've sent it out to other people that would do the notices relative to the business improvement districts, and neither one of them had a problem with it. In fact, we think this is a fair standard and consistency is good across the board. So this helps

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our clerical staff, you know, both from our end and the people receiving it. So for those reasons we support it. And I'll try to take any questions.

HUNT: Thank you, Mr. Cheloha. Are there any questions from the committee? Senator Lowe.

LOWE: Thank you. I thought we already heard from everybody from Omaha.

JACK CHELOHA: It was-- it was quite the-- quite the hearing on the first bill.

LOWE: Thank you.

HUNT: Any others? Thank you. Thank you very much, sir.

JACK CHELOHA: Thank you.

HUNT: Anyone else in support of LB196? Seeing nobody, is there anyone here to testify in opposition? Seeing nobody, anyone in neutral capacity? All right. You're invited to close. He waives closing. There are no letters for the record. And that closes our hearing on LB196. That closes our hearing for the day. Thank you, everybody.