

September 15th, 2010

T.S.: Why was PCRI founded?

M.F.: Are you at all familiar with Northeast Portland and the history of Northeast Portland, the redlining, the disinvestment, the situation that led to eventually having over a thousand properties throughout the city that were vacant and abandoned because throughout that era, when they started the block busting which was very common in real estate at that time, realtors would go through a neighborhood and say 'well, you know there are going to be minorities moving in' so then all the white folks would move out and eventually move to the suburbs and kind of left NE Portland specifically, left their homes and then you had a community that had cheap housing. And lower income people actually started to move in and set up here and lived here for generations actually. Apparently sometime in the early 1980's or late 70's an investor-broker came into the community and started doing business and eventually amassed a portfolio of about 350 houses—a few multiplexes—but for the most part single family homes. Then they started to prey on basically uninformed primarily minorities in Northeast Portland selling them houses on a land sale contract because none of the lenders would actually give them mortgage loans. That's where the redlining came in—it was actually proved and it was very common back in 70's and 60's and early 80's and throughout. So when they couldn't get traditional financing, a land sale contract was the only way that they could really realize their dream. So they purchased a home from Dominion Capital on a land sale contract. The difficulty in the fraudulent part of that is that the land sale contracts had negative amortizations so they would have a house and want to sell it in any kind of condition it was in, sometimes good but most of the time bad. Then they would ask the family: 'So how much can you afford to pay?' They would say, 'I can afford to pay \$250, \$350, \$500,' whatever it was that they could afford. They would sell them the house on that and at the same time they would have rates that would range from 13% to 18%. So the \$250 or on up to \$1000 a month payment wouldn't be enough to make the interest payment so every month they would add the interest back on so you would have a negative amortization and the family would end up owing more and they had a land sale contract with a five year term so at the end of the five years they would have to go out into a private market and get bank financing in order to pay off the land sale contract. The banks weren't making loans and so—

T.S.: —and the owners had no equity—

M.F.: --no, they didn't and they were totally upside-down because now it's similar to the situation we're experiencing now. They owed more on the property than when they paid for it five years ago because they would take and add back on that accrued interest that they weren't able to pay. Everybody knows when you buy a house especially with traditional financing, the first five years is primarily interest anyway. So, if you're not making enough to cover that required interest payment based on a thirteen to eighteen percent rate, it just gets added back onto the outstanding balance. So, they would end up owing significantly more. If they bought it at the time real estate in Northeast Portland was selling for thirty-five, fifty, sixty thousand dollars for a house quite contrary to what it is now. So they would end

up oftentimes owing as much as ten, twenty, thirty, forty thousand, even double what they initially purchased it for. So, they would have to walk away from it. After that happened for so many years, the people started complaining about it and finally got someone to listen to them and The Oregonian did the exposé that exposed Dominion Capital and their fraudulent practices. After that exposé they filed for bankruptcy so rather than let those 350 families that were living in those properties be displaced and the properties picked up by speculators, they formed PCRI to purchase the homes. At the time about 70 of those properties still had an active land sale contract so our goal was to work with those families to make them legitimate owners and keep the other 272 as affordable rentals because that's what they were at the time. So that's how we were formed—to purchase that portfolio.

T.S.: So the city helped put PCRI together?

M.F.: It was actually the community more so than the city, but the city definitely supported it. So, you had local leaders in the community who felt pretty bad that they had preyed upon very low-informed and poor people who had no other option to become homeowners but still had that desire even when they were capable, even when their credit was good, even when their income was satisfactory, even when they had all of the requirements of traditional financing, they were still denied it, so that was the option. I think the community overall felt pretty bad that so many people had been taken advantage of. So they came together: local elected officials; the city, of course, supported their gathering; and not only from the city perspective but also from the state and private financing. PCRI was formed and at the time, the reason the city was somewhat involved was it was a new organization. The organization needed ten million dollars to acquire the portfolio. No new organization—who's going to loan you ten million dollars? In addition to the ten million dollars you needed to acquire the assets, you also needed a little over two million to rehab it and keep it in good condition so someone could occupy it because at the time, and I'm not a Portlander—I was recruited from the Midwest—so when I got here to take over the portfolio and run the organization, a hundred of those units and properties were vacant. I want to give you our organizational report because at that time, similar to what you are doing right now, there was a rash of people that moved into the community that raised issues similar to the ones that are being raised now. So we felt the need to tell the story.

T.S: Since there are so many new people in this neighborhood there's not much sense of the history or knowledge of the continuity of the neighborhood. Has PCRI's mission changed since it was founded?

M.F.: No, not at all.

T.S.: But, you originally took over the Dominion Capital houses and are maintaining those as affordable rentals but you also have other programs?

M.F.: We do have other programs and if you look at our mission statement, it talks about development and preservation of affordable housing. It talks about the development of new rental housing and it talks about supporting PCRI residents into a position where they can build wealth and homeownership is that avenue that all Americans use to build wealth in their families. Where the mission hasn't changed, the strategic plan was expanded to include development for homeownership. Other than that, no.

T.S.: And how do you help people into homeownership?

M.F.: We have resident services here at PCRI. PCRI was the first community development corporation to provide resident services—we started our program in '94 or '95 and since then, most of the CDC's offer resident services. We realized that when you're low income and when you're working with minimal resources, you grapple with a lot of issues. When you don't have very much money, you're challenged when it comes to employment, you're challenged when it comes to transportation, you're challenged when it comes to health issues, you're challenged when it comes to the criminal justice system, and housing also. Instead of just coming into the community and offering people affordable housing, we decided we wanted to take a look at all the issues that they were grappling with and set up resident services to help them move out of rental housing and into home ownership whether we develop it or not. We've had a homeownership program since the early 90's. In 1994 the Meyer Memorial Trust funded PCRI so we could begin our homeownership program that dedicated resources and services for minority households since their homeownership rate is half the rate of the majority population and exploring why that is and addressing those critical issues that cause it to move forward to overcome them.

T.S.: So do you sell houses at a reduced cost to people or do you help people get into houses that aren't part of your portfolio?

M.F.: We help them get into other houses—that's primarily how we've always done it—help them get into other properties that aren't part of our portfolio.

T.S.: And you do that by helping them with skills, maintaining their finances and navigating the system?

M.F.: We have a counseling program that takes them right where they are. There are other counseling programs but they don't have the resources to spend a year, two years, three years, however long it takes to get a family to a position where they can move into homeownership. Since they are PCRI residents, we'll take them wherever they are and work with them if it takes two years and we fund our program through fundraising—it's not part of our operational cost.

T.S.: Does PCRI differ from other CDC's in Portland?

I think we do, I think we offer holistic services compared to some and I think more of them are moving toward that where they want to deal with their needs outside of housing. You have Central City Concern which has a niche in terms of the drug and alcohol addiction and the homeless population primarily due to drug and alcohol addiction. They do provide services because they have to if you're going to get people out of the situation where they are right now: criminal background, drug and alcohol abuse, you have to provide services. Then you've got other organizations that primarily provide rental housing and depending on the funding source, they may be required to provide services. Our funding source did not require that but we just knew that was something that was needed. We took over the

units in the rental portfolio that had been managed by Dominion—those people had suffered from a significant amount of abuse. Not only financially but mentally and we had this devastated population that we were dealing with that didn't trust anybody. That particularly didn't trust the leadership in the community or the people that they dealt with on a day to day basis. So you had this little Northeast community that was very close with respect their relationship to one another and kind of cut out from the outside world. I often talk about the rebirth of Northeast Portland and it actually started with the community development corporations that came in and eliminated the weakest links in the community because, after all, Northeast Portland is a great community. It's closest to the airport, it's closest to downtown. If you want to go the coast or you want to go to Mount Hood, it's just a great central location. It has some the best housing stock so when you have five or six community development organizations come in to this Northeast community and eliminate the weakest link, then all of a sudden the community became attractive. The housing prices were really cheap so people just started to move in. When we were on Wygant and MLK, it was a house that was owned by one of the community based organizations. They sold it for \$60,000. Within three years, I watched that house go on the market three times. It was purchased for \$60,000, lived in for a year, fixed up a little bit, because it wasn't a bad house to begin with, and then it sold for \$100,000. The next year they lived in it—probably not even for six months—and they sold it for \$180,000. Then the following year they put it on the market and it was listed for \$250,000. So that just gives you an idea of how the housing market started to trend up and price out people who had lived here forever. And many of the landlords who had moved out of the neighborhood and at the time took a loss, couldn't do anything with their property but rent it. When the properties started to rise in value again, they started to sell their houses. When they sold their houses they displace the people who had been living in them, many of them for years and years. In fact in a story featured in our organizational report, it talks about how this lady had lived in this house for eleven years and took really good care of it and her landlord sold it. She didn't even know it was sold. The new owner gave her 30 days to move. That's what we started to get people getting 30 day notices even though they had lived there for many, many years.

T.S.: How many housing units does PCRI own or manage?

Right now, we almost have 700 because in 2006, we took over a portfolio that had been owned by, actually, two community development corporations. Both of them started to financially falter, so the city who supported them significantly in terms of operations told them 'you guys got to figure out a way to work together because we can't continue funding you at the level that we are funding you.' They were covering maybe three, four hundred thousand a year depending on the operation. At the time all the community development corporations were eligible for operational support from the city. PCRI was getting \$50,000—we've never gotten huge amounts of money for operational support which is another thing most people don't realize. So they said 'you have to get together and merge' and at the end of the day we were about to lose the \$50,000 but since that was only about 1% of our operational support, we let it go because we knew it didn't make sense to merge with organizations that were failing. So they merged the two organizations and the city supported them for maybe about three years and once that support was gone, they failed again. The board of those organizations that had merged to form Albina

Community Development Corporation approached PCRI's board and asked that we take over ownership of and assume the debt from their portfolio and we did in mid-year 2006. That in effect doubled the number of units we owned and managed. That's what we are trying to adjust to to this day.

T.S.: How many or what percentage of those units are currently vacant?

M.F.: Right now we've got—with the doubling of our portfolio—we've got about 17% of them are vacant.

T.S.: On average, how long does a unit stay vacant?

M.F.: That varies but prior to us taking over the additional portfolio it would run from a couple months to seven, eight, or nine months; understanding that PCRI's portfolio is very different from a traditional rental portfolio. Rental portfolios are primarily multi-family. We have a single family, scattered site portfolio. When you go in and do a refurb, you don't just go in and paint an apartment and fix a few plumbing items. You actually, literally go in and rehab a house for the most part. That's a lot more expensive, a lot more time consuming. I have to acknowledge that we did have some internal challenges with the person that was managing the process. I think that's kind of gotten us where we are today which is the basis of some of the residents' complaints.

T.S.: How long have the units on 10th avenue been vacant?

M.F.: Now those units on 10th avenue were owned by Albina Community Development Corporation and we took over management of them about a year ago so all I can talk about is the situation since the last year. I don't what was going on with them prior to that. Even though we owned them, they were being managed by another private management company.

T.S.: The two south-most units have been vacant, I believe since early summer.

M.F.: I think they've been vacant since June. So they've been vacant for three months.

T.S.: Do they need work before you can rent them out?

M.F.: They do need some work but not a lot.

T.S.: And there's a single family home at 10th and Going that's been vacant for about a year according to the neighbors—it has a tarp on the roof.

M.F.: It could be.

T.S.: Is there a waiting list for all of your properties?

M.F.: We don't market until we have properties available but we have some project-based units and for those units we do have a waiting list. When we took over management of the portfolio from the previous property management company, they didn't manage that process in the way that it should

have been. So we had to take units that had been heavily subsidized through project-based and get those units taken care of before we can go through and do our own units that are not in any special program.

T.S.: So project-based is a HUD program?

M.F.: It is a HUD program so you basically have to get those units turned and back on line. And it was a group of them—prior to taking over the ACDC portfolio, we didn't have any project based section eight units. All of our units were just regular affordable units. With that portfolio came some complexities that we didn't have in our initial portfolio. Project based section eight is one of them.

T.S.: How are you able to provide the affordable housing? Are you taking section eight vouchers?

M.F.: Even before we assumed the additional units, about a third of PCRI residents had vouchers. There's project-based, which means the unit itself is subsidized and there is a voucher program, which means the resident has the voucher and brings the voucher to any landlord. Unfortunately, most landlords are not interested in providing housing for people with vouchers, so it's left up to community development corporations like PCRI to be welcoming to residents with those vouchers. Also, with vouchers, there is a lot of additional work that is involved. Anytime you participate in some kind of federal program like that, there are additional requirements, additional work that has to be done which is why private landlords don't like it that much. When private landlords do take families with vouchers, the rents are astronomical so then it gets charged back to the federal government, back to me because I pay taxes.

T.S.: So PCRI has moved away from the project-based section eight?

M.F.: That's not what I said. We didn't have any project based until taking over the ACDC portfolio, but they will continue to be project based.

T.S.: You had a private management company managing the units?

M.F.: We didn't—Albina did, we inherited that from them.

T.S.: And you stopped using that company?

M.F.: For a portion of that portfolio. Because I was having so many problems with resident complaints for that portfolio, even though we weren't managing it—the property management company who obviously didn't address the complaints coming from the residents in the area—subsequently I would get those calls and spend a lot of time managing that portfolio even though someone else was being paid to manage it. We decided that if we were going to have to spend so much time managing that portfolio we might as well bring it in-house where we'll have more familiarity with the portfolio and what's going on with it. That's what we've been doing for the last year. I think what the residents in the neighborhood are not aware of is that situation. It just takes time for you to take over and turn around a portfolio that had been poorly managed prior. It made it a little more challenging for us because now all of a sudden, I'm having to deal with a difficult portfolio after spending ten, twelve years stabilizing

our portfolio and getting it to where it functioned well—now taking over another one with even greater challenges—that’s what we’ve been dealing with.

T.S.: You got about half of your units from that merger?

M.F.: Yes, almost half of them. It was 300 units and brought in-house to manage 150 last year. So there’s another 150 that are still being managed by another property management company. They are doing really well because they manage the multiplexes and we manage the most difficult portfolio, the scattered site single family homes. Those are the ones we brought in house. The ones that are less complicated to manage are the ones that are still being managed by the property management company, Cascade Management. We brought in the difficult ones.

T.S.: How does PCRI fund its maintenance budget?

M.F.: We cover our operations from rental revenues.

T.S.: How many property managers do you employ?

M.F.: Actually we have two property managers and a manager of property management.

T.S.: How many properties does each have responsibility for? Do they each have a territory or do they work together?

M.F.: They each have a portfolio.

T.S.: So there are about 350 single-family homes?

M.F.: They are not all single family, there are some small plexes like the six units over on 10th and Alberta. I’m not 100% familiar with that portfolio as much as with our initial portfolio because we acquired it and just started managing it.

T.S.: So you are not exactly sure how much each property manager manages?

M.F.: It’s doable. It’s less than private property management companies have. For instance, the manager that manages our units, they have some 1,200 units. It is nowhere near close to that but at the same time, collectively we are managing in-house somewhere around 400, 450 of our units. And you’ve got two property managers.

T.S.: So the Cascade Management property manager has 1,200 units in his whole portfolio.

M.F.: No—I’m saying that *a manager for a private property management company* such as Cascade can have up to 1,200 or 2,000 units that they manage but it’s a different kind of portfolio. It’s primarily multiplexes. PCRI has primarily a single family scattered site portfolio and there is only one, maybe two in the nation with this kind of portfolio. We didn’t go into this process with the idea of rental housing. PCRI was formed to preserve some housing and to prevent displacement of people who had lived in the

neighborhood. We don't have a traditional rental portfolio. We have a very complex portfolio that we own and manage.

T.S.: So you manage all the scattered sites so you wouldn't have on-site managers for single family home but does Cascade have on-site managers at the multi-family units?

Yes, PCRI has the on-site managers—they do the management.

T.S.: What I mean to say is, do you have people that live in the multifamily units that act as on-site managers or monitors of the units?

Some of them live on site. They do have on site management—it's required. It's how you manage. If you have a multiplex with 80, 88 units like we do with one of our projects you have to have on-site management whether they are doing top level or the intermediate level, there are always some form of on-site people there. The only thing that I can say about the people in the neighborhood who complain about PCRI is that: You move into a community, and however that community is when move into it, is how it is but once you have a transitioning of the people and the kind of people living in the community the expectation now is that that community has to lose a culture, has to lose the way it existed, has to lose everything that was there prior to the new people moving in and there should be a way if you are going to move into a community that you engage people that live in that community so there can be a dialogue on how you can work through whatever issues you may have together. It's not good to have someone who understands the civic engagement process to use that process to further displace and to also disregard and disrespect the existing community. That's kind of what happens more often than not. When we first come into the community, I always went around and talked to all the neighbors and said 'this is what we're going to be doing with this house, this is who's going to eventually be moving in. If you ever have any complaints or anything that you're concerned about, our doors are always open. You can come and share with me and let's see if we can work through things together.' But that hasn't been the situation. These are ACDC units that we acquired in mid-year 2006. We took over management of them in 2009 because of the volume of complaints that I got. I said if we're going to have to deal with all of these complaints, let us bring the portfolio in and try and get it under control and manage it internally like we manage the rest of them. That's basically what we've been doing and we've been at it for a year and its going to take a little while—obviously longer than it's taken so far. In addition to bringing it in house, we had to ramp up organizationally. We had to hire more people. We had to get a new software program that allowed for us to manage the portfolio. We had to train staff on how to do it. So it's been a lot of changes and adjustments that we've had to make to be able to accommodate the transition.

T.S.: And you're still transitioning?

M.F.: Oh we're still transitioning but I see that we are much further along. It's been difficult—some of the units weren't maintained very well so when you go in them—our units, we've had them since '92 so when you go in them, you can do what you've got to do; but taking over a unit that you've never seen, there's lots you need to go in and correct. And not only do you get the complaints from the people in the neighborhood, you also get complaints from the people that lived in the housing because as you say,

they never came in and they never fixed anything. We always have. We focus on the living condition of the units with people are living in them and focus on the vacant units next. That's how we've addressed this.

T.S.: So if there's a backlog of maintenance on vacant units, that would be because you are prioritizing the ones that are still occupied?

M.F.: Right, you have to. Don't you think it's more important to take care of living conditions where people are actually living there? I think our efforts to keep the lawns cut, keep the houses from being messed up, being just really derelict looking is important. That's how we do that—we go in and take care of the people first then we go in and take care of the vacant units. That's kind of how we've always done it. Because when we took over the initial portfolio and it was 270 rental units, 170 of them were occupied and 100 were vacant. So we had to go in and take care of the living conditions and the living situations of the occupied properties first—we focused on the critical occupied first, then you go back and you take care of the ones that are less than critical conditions but nevertheless things that need to be done.

T.S.: Do you have a policy regarding graffiti on your property?

M.F.: Oh yeah.

T.S.: And what is that policy?

M.F.: Same as the city's policy—we don't allow graffiti. And good neighbors—we have a vacant house, and the lady's really, really nice, so anytime that there's somebody—in fact we had to go to one yesterday which is not an ACDC property, it's in a totally different neighborhood. It was some guys who saw the house vacant, and started squatting in the back. They started to erect a living station and build some kind of contraption that they were going to live in in the back of our house. So the neighbor calls me and she says: 'Maxine, this is what's going on at the house' and we immediately sent our property manager out there who also was able to get the police over and we were able to deal with the situation. Now, the situation that I'm dealing with with the residents on Alberta, and the residents of, I think, one other area is not the most common and neighborly way that we've had to deal with problems in the past. That could be because they know who we are and know what we've done as far as turning their block around, making their property more valuable than it was prior to us coming in there. They appreciate that and they work with us. But then there are some who formulate opinions I think that are just very biased and come across as unneighborly. I think that no one thought to pick up the phone to call me or the property manager and tell us what was happening that they were concerned about with our property but instead say things, send emails to PCRI's board of directors and to say things like: people are drug addicts, drug abusers and gang-affiliated. Those, to me, are very serious accusations to make. If you go by there and you look at that area, there's nothing that I can see. I've been through there as well as my board since this letter came out—all times of day: early in the morning, late at night. Just looking at the area it does not like gang—I don't know where they get their perception of what a gang-infested environment looks like but that is definitely not it. I wanted you too, Trace to talk to that lady whose daughter that the incident rose from at her house. Her daughter came over and then her

daughter got into it with the neighbor across the street and that's where the fight and everything erupted—it didn't erupt with the lady that lived there. It was her guest and the truth of the matter is: I'm responsible for the behavior of my guests. So she is definitely responsible for the behavior of her daughter. But I also think that when we look at what's going on, we have to look at it from everybody's perspective. That's one of the reasons they used to have this mediation at King Neighborhood Association. Because so many other people that were new people coming into the neighborhood were not getting along with the people that had lived in the neighborhoods before so they formed this mediation so that they could talk about whatever the issues were that were causing the problems.

T.S.: As you know there were shots fired outside one of your units on September 6th. After the incident, several neighbors contacted PCRI with concerns that you know about, about safety, drug dealing and maintenance issues. Did PCRI staff prior to the 6th understand that there was a problem at this site?

M.F.: From what I understand from the property manager, there was a gentleman or someone who lived there—now take in mind, we started managing these units in 2009 so there's history there that we're not aware of. It's just like I'm hiring you to take care of things for me and so when there's an issue, they were contacting Infinity and when it was serious enough and it was exhausted because Infinity wasn't doing anything, they would contact me.

T.S.: So Infinity was the prior property management company?

M.F.: Yeah.

T.S.: So you were telling me about someone that was living there and was evicted, is that right?

M.F.: He wasn't evicted. He moved on his own actually and that was probably within a few months of us taking over management of those units.

T.S.: And that's the person who the neighbors were complaining about drug dealing?

M.F.: I have no idea—I haven't had a conversation with the neighbors. But they did talk to property management and what I'm saying to you what the manager of property management told me. That there was someone there that some of the neighbors complained about. They had a conversation and he eventually moved on his own. I think that's one of the vacant units that's there now.

T.S.: My understanding from neighbors is that the fights and disturbances are due to adult non-residents coming to visit family or use the unit. Does your rental agreement give you the power to exclude some or all non-residents?

M.F.: That was only one situation though and our rental agreement—I'm not sure if the law, which is what we have to follow, gives us the right to exclude a certain person from another person's home. I don't know if it does that or not.

T.S.: Do you contract with private security companies to patrol any of your properties?

M.F.: No—why would we do that? Oh, at Park Terrace before they did Humboldt Gardens and you had that development in back of it that the housing authority redid, at one time there was drug dealing and stuff going right in that area there and we had private security that came in only at nighttime for Park Terrace but that's an 88 unit complex.

T.S.: But you don't have that anymore?

M.F.: I don't think we have private security—I don't think so. I don't know if it went away because Humboldt Gardens was built or if it went away because the police came in and kind of took care of the situation.

T.S.: Have the police been in contact with PCRI about the incident on September 6th?

M.F.: No, we contacted the police ourselves. They did talk to the property manager. I mentioned that in my response when I finally got to reading what one of the residents stated and their message was different than what the police indicated when the staff talked to them.

T.S.: So what did the police say?

M.F.: I'm not sure—it just was different. It was a different tone; it was a different set of circumstances; it was a different degree of violence. We see things differently, I understand that—people see things differently. So when the police reported out, it didn't seem to be as . . . it was a bad situation. Nobody's trying to minimize that but they didn't seem like 'it was a really, really horrible thing and you guys got to do something about it.' It was 'this happened and yeah, somebody did shoot a gun in the air and we're looking into it and that's kind of it.'

T.S.: So you don't know if they've found anyone? No one's been arrested, right?

M.F.: I don't know. I think you'll have to check with the police.

T.S.: Melvin Oden-Orr, PCRI Board Chair responded to neighbor concerns that were emailed to them by saying that PCRI was looking into the incident to see what action PCRI should take. He also urged concerned neighbors to call police when any criminal activity takes place. Has PCRI decided on a plan of action in this case?

M.F.: Um, in what case?

T.S.: The shooting and the fight in the street.

M.F.: From what I understand is that everyone who was involved in that wasn't even from the neighborhood. They didn't live there. They came from somewhere else. What the police tell us to do is when there are criminal activities; we are supposed to call the police. We are not police people, we are landlords. And what we try to do is to get residents to adhere to their rental agreement and abide by

the terms of it, respect our neighborhoods and things like that. The families that are living in that unit for the most part, I don't know that much about them. I didn't put them in that housing.

T.S.: So they were there before you got it?

M.F.: Exactly—I just told you, we just started managing that portfolio last year. Prior to that it was managed by Infinity. Prior to that it was owned by Albina. We inherited residents; we inherited everything that's there. I think the—I heard the property manager say that the lady who is living where the fight erupted has been living there for eight or nine years.

T.S.: What should concerned neighbors do to best help maintain a safe environment near your properties—do you want them to deal with police only or do you want them to contact PCRI?

M.F.: I think if they see situations involving our residents I think we would really appreciate it if they would notify our office and let us know what they see that's going on. If they see criminal activity, then they need to notify the police. I can't go there and interfere with someone that's obviously out on the street fighting and shooting a gun in the air or whatever. I have to call the police. Those things that are relative to their tenancy, that have to do with us as a landlord, then yes. But those things that are a violation of the law, then most definitely call the police. I think that if they call the police enough times and the police come out, they pretty exhausted with that and they will do something and that makes it better for us to be able to do what we have to do if it is a problem with a resident. Most residents understand that and we don't have a lot of problems. I have to say that the situation with the people over on 10th street—we had one other resident that we had to deal with that was in the new units and we had to deal with that situation in 2007, 2008 right after we acquired the portfolio. It was a really serious problem and we had to work with the police. This is only the second time that we've had a situation where residents are complaining about tenants. It's not that common.

T.S.: So no one has complained about these tenants prior to this shooting incident.

M.F.: Well, I just explained that somebody in the neighborhood complained about something and we went over right after we started managing and talked to the guy and he eventually—

T.S.: But, that was a different unit.

M.F.: I don't know—it was the complex, it was the neighborhood.

T.S.: Is there anything else you would like to add?

M.F.: No, thank you for coming in.