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What's Nick Inzunza Got That You and I Don't?

By [Matt Potter](#) | Published Thursday, May 1, 2003

Richard Russell makes no bones about it. He feels like an old man these days, though he won't say quite how old. The same goes for a lot of what Russell says about himself and his life and times. In his elliptical style, he'll give you a general outline, then leave you wondering about the rest. He says he's had his share of heart troubles. He'll tell you about a big farm somewhere in the Ozarks, where he's spending more and more of his time these days. He'll talk a little about his son, who he says is in the military's Special Forces, serving somewhere in the world, though he doesn't know where. "He doesn't tell me, and I don't ask. He's okay. He's still alive after 28 years. I talked to him yesterday at 11:00 at night. Doing fine. He was on the cover of *Soldier of Fortune* a couple of months back."

Russell can go on for hours about his opinion of the city's deal with John Moores for the downtown ballpark (a "downright scandal") and what he thinks about the city's housing-code inspectors ("not much") but hesitates when asked about why he sold off a big chunk of his holdings, mostly rundown residential units in Barrio Logan, to none other than Nicholas Inzunza, the new mayor of National City and brother of San Diego city councilman Ralph Inzunza. The brothers are confidantes and close political allies of state assemblyman Juan Vargas.

"I met him and I liked him. That's the end of the discussion" is how Russell put it a couple of months back, when a question about his ties to Inzunza was first posed over the phone. Russell says he doesn't list his properties for sale, just sells them to buyers who have somehow become part of his informal network, people who stop by and express an interest in buying or know somebody itching to buy some fixer-uppers at a reasonable price. If he takes a shine to them, they've got a chance, Russell says. "I own a lot of real estate down there, and the city is very vindictive, so I'm not saying anything more about any of that stuff."

He would much rather talk about what he says is his history in the neighborhood. He lives in La Jolla now but got his start in the barrio. "It's almost 50 years of history. I was raised in Logan Heights. I went to school there," he says, calling the sprawling district of mostly ramshackle old houses and apartments by its long-ago, original Anglo name. "I was the largest private owner of property down there at one time. I pretty much knew everybody in the neighborhood. When I started buying, the white man wouldn't even go down there. I couldn't get brokers to go down. They kept saying, 'I don't want to get killed, don't want to get shot to death,' things like that."

Warming to the topic, he remembers his battles in the early 1980s with a young Mexican-American female firebrand and an Anglo city councilwoman, both of whom he continues to hold in low regard. "Yeah, I'm plenty familiar with that neighborhood, all right. See? I'm familiar with the rezonings that went on, which I think fucked all the people who own property there. That's what I'm familiar with."

The property owners listened to Rachel Ortiz and Lucy Killea, and they screwed themselves. I'll never understand those people as long as I live."

He says he knows who has influence and power in what he describes as the once-untouchable ghetto, now increasingly coveted by shadowy speculators who are betting that next year's opening of the nearby Padres ballpark and accompanying office and condo towers will shoot prices into the stratosphere. These days, the dirt of Logan Heights can be gold, Russell says, if one knows the right people. "The Ayyads are the biggest owners. Live up in Rancho Santa Fe somewhere. The mother is the power behind that family. I met them about ten years ago. They are very big, very powerful. They have a lot of crews out working. They have made a lot of money. Millions of dollars, as a matter of fact.

"I wouldn't sell to them. I didn't like their approach. They charge premium rents." Asked to elaborate, he changes the subject. "Owning rental property in California is not very pleasant. There are so goddamn many laws and rules and regulations, it's downright impossible. There are no laws controlling the tenant. The tenant can rape you ten times over, and you can't do a goddamn thing.

"If you were an old property owner, you would know the city is forcing the old property owners out. They are harassing the shit out of you because they want the tax base increased. So if you are forced to sell, you aren't going to give it away; rents are going to go up."

That's why, Russell says once more, he's getting out, pulling the plug, spending a lot more time in the Ozarks and out in Borrego Springs, where he owns a bunch of small lots he's been picking up at county tax auctions. "I was going to give this all to my kids. All this stuff I had put together over the years. Let them run it. Get their hands dirty. Be landlords. I thought we'd be one big happy property-owning family, like the Ayyads, only smaller.

"But they didn't want anything to do with it. Not interested. They're scattered all over now. Can't blame 'em. This is a lot of hard work. A lot of lifting and bending, screwing around with the city. They are all over your back, believe me, the city is. I had a couple of tough months. Had a heart operation. So I'm getting rid of my units. Slowly but surely. I physically can't do the work. When you are pushing 70, you can't do the same things you are doing when you are 50 or 55."

Thus, says Russell, he's been selling off his units to Nick Inzunza, offering him extremely favorable terms in the bargain. Since 1995, records show, Russell has deeded eight separate parcels of real estate scattered around Barrio Logan and environs to Inzunza, purchased by the National City mayor for a total of about \$2 million. In each case, Russell, not a bank or other lender, financed the transactions. In the biggest purchase, an apartment building at 234 Francis Street South, valued at \$1,050,000, records show Inzunza made a down payment of just \$50,000, and Russell took back the balance in a million-dollar note. The down payment is much lower than a bank would require, say those familiar with local real-estate financing.

A property on Newton Street sold for \$160,000, with a down payment of \$5000, about 3 percent of the total value. Units on Ocean View sold for \$150,000, with a down payment of \$5000, less than 4 percent. A property on Dewey Street sold for \$150,000, also with \$5000 down. A house on Quail Street sold for \$127,500, with \$5000 down. Another set of units on 17th Street sold for \$250,000, with \$5000 down, or 2 percent of the total value.

The National City mayor recently told a writer for San Diego Metropolitan that Russell had given him his start in Barrio Logan real estate. Nine years ago, at the age of 23, "I'd saved up enough money to buy my first property from a gentleman by the name of Richard Russell, who from that moment on served as a mentor to me," Inzunza was quoted as saying. "He was selling me properties considered

undesirable. He sold me maybe 20 percent of his portfolio. This guy had a lot of property, lived on Mt. Soledad.

"He taught me about economics, urbanism, about inflation, the cost of housing, and how, if I were to work hard and invest in real estate in the inner city, someday it would pay off. Most folks were putting their money into IPOs, but I put my money where my mouth was and invested it back in the community. Through a seven-year period of acquiring property, I was able to make acquisitions totaling \$3.2 million."

In a telephone interview last week, Inzunza described how he first met Russell. "He's such a great guy. I think he had an ad in the paper, and I was kind of very young and gullible. He had an ad in the paper wanting to sell some property and was willing to carry the note. It was a vacant structure, considered to be undesirable. It was a pretty good interest rate at the time, considering the inner city and where it was economically in those days."

According to Inzunza, in those days it was hard for inner-city landlords such as Russell to unload their units at virtually any price. "There were no buyers. Nobody wanted to buy 'em. He was offering nothing down to some folks. There was vacant housing all over the inner city. There was no conventional financing."

But Inzunza had more than his mentoring relationship with Russell going for him. A scion of one of the South Bay's most politically influential families, both he and his brother have long worked for some of the barrio's most influential politicians. His father, Ralph Inzunza Sr., was on the city council of National City for many years and is widely regarded as one of the godfathers of South Bay politics.

Nick's brother, Ralph Inzunza Jr., now 33, began his political career in 1991 as chief of staff to then-city councilman Juan Vargas and served six years there before moving over to Sempra Energy, otherwise known as San Diego Gas & Electric, as a public relations man and lobbyist. In November 2000, Vargas was elected to the state assembly from the 79th District, which includes Barrio Logan. For more than a year before that, Ralph Inzunza Jr. had quietly been raising a stash of campaign money to run for his former boss's council seat.

He easily bested a large field of less-connected opponents and was elected to fill the vacant city-council seat in a 2001 special election. Campaign filings for Vargas -- widely expected to eventually make a bid for Congress in the district now represented by Democrat Bob Filner -- and the Inzunza brothers show that they share many of the same contributors. Many political observers note that Vargas and the Inzunza brothers often wage a well-coordinated effort to deliver government perks and influence to their favored constituents. Six of the eight properties Russell sold to Nick Inzunza are within his brother's eighth city council district, which overlaps Vargas's assembly district.

"I'm very proud of him," Vargas told a Union-Tribune reporter the night Ralph Jr. was elected to the city council. "We really are a team, and we're going to operate as a team. He's already asking for things from the state for the district, and I'm going to help him."

Ralph Jr. has repeatedly spearheaded efforts to funnel more government redevelopment money into Logan Heights and surrounding neighborhoods. In April of last year, he and fellow councilmember Toni Atkins held a news conference to tout a proposal to use downtown property-tax money to float \$60 million in housing-subsidy bonds, proceeds to be used in neighborhoods including Barrio Logan. In June 2001, he waged an unsuccessful effort to block a \$615,000 redevelopment-agency loan to St. Vincent de Paul Village for construction of a 90-unit low-income apartment building on the border of Logan Heights. Twenty-five of the units were reserved for the mentally ill, drawing strong opposition from Barrio Logan residents and property owners.

Shortly before he bought his first units from Russell, Nick Inzunza cut his teeth in politics as a 23-year-old aide to then state assemblywoman Denise Ducheny, today a state senator whose district includes Barrio Logan. From 1997 to 1998, he worked as a "legislative assistant" to San Diego County Supervisor Greg Cox, whose district includes Barrio Logan.

In 1999, he served as executive director of Neighborhood Opportunities Corporation, a nonprofit affiliate of Neighborhood National Bank. The corporation was supposed to "provide financial literacy and first-time homebuyer education to individuals in the community," according to a note on the bank's website. Inzunza earned \$5417 a month, according to a tax return filed in November 2000 by the nonprofit. He's also reportedly been a political consultant and once worked for a labor union.

Inzunza has also benefited from \$15,000 in federal grant money set aside for a barrio-area group by county Supervisor Cox. In a letter to county auditors dated October 19, 2000, Benjamin Hueso, executive director of the Inner City Business Association, outlined Inzunza's role as a consultant to the association, for which, according to the records, Inzunza received a total of \$12,000 during 2000.

Attached to the letter was a series of invoices from Inzunza to the association describing the date and nature of his services. "June 20th -- Made presentation before the San Diego City Council to discuss issues pertaining to the Maintenance Assessment District and its ratification by the city council," said one entry. "Met with San Diego Unified School Board President Ed Lopez to discuss issues pertaining to the three new School sites in Logan Heights -- 3 1/2 hours," said another. "April 7th, Willie Ayyad - - Barrio Lofts grand opening event. Attended the most recent major affordable housing rehabilitation in the Inner City -- 3 hrs," said yet another.

Around the time he was working for Cox, Inzunza married Olga Martinez of Tijuana. In a March 1998 interview with the Los Angeles Times, Inzunza was quoted as saying, "It's like going back to the Old Country to get married, except the Old Country is just 20 minutes away." At that time, the couple was living in the upscale San Diego neighborhood of Mission Hills, the Times reported. Olga, the paper said, was employed as an accountant and studying for the state's Certified Public Accountant exam. In addition, according to the story, the couple were running a periodical distribution business south of the border. Besides their San Diego holdings, records show, Ralph and Olga also own a building in El Centro, purchased for about \$900,000 in May 2000.

Until recently, records show, Olga worked for an enterprise run by Willie Ayyad, one of the Barrio Logan area's most successful developers of multi-unit low-income housing. His company, Premier Communities, has also developed upscale condominiums in Chula Vista, Escondido, Bonsall, La Jolla, and Alpine. In a 1998 county disclosure filing, Inzunza listed his wife's position at the Ayyad-owned ACDW Inc. as "Accounts Payable." She is now reported to be spending a large portion of her time managing the couple's real estate.

Ayyad and his relatives, employees, and partners have made numerous campaign contributions to local elected officials, including Inzunza's brother. Many of the same people have also contributed heavily to the state assembly campaigns of Vargas. A biography of Ayyad on the website of the Del Mar-based Bank of the Internet, where he is a board member, touts his history with low-income housing.

"With approximately 3000 units owned and managed, William specializes in and is one of the largest owners of affordable apartments in the nation," according to the statement. "When he was 13 years old, his mother purchased an apartment and made William the head maintenance man. This began his real estate career that now spans over 21 years.

"William began purchasing apartments in 1979 at the age of 17. William specializes in acquiring under-valued apartment buildings, most of which were poorly maintained and run down. William then rehabilitates the apartments and restores them into a community pride [sic]. He built up a renovation crew, management, and operations staff for the properties that are located in three Southern California counties. William trains and retains an experienced, well-trained bilingual property-management staff."

Inzunza says he's never had a business relationship with Ayyad. "He's very successful at what he does, but I've never had the pleasure of partnering up with him. He didn't contribute to my campaign when I ran for mayor. He didn't give me a dollar."

Records show that Inzunza has obtained a \$97,000 mortgage loan from Bank of the Internet, which he confirms.

Russell, who says he believes that Inzunza sometimes employs some of the same tradesmen who work for Ayyad, which Inzunza denies, briefly excused himself during a recent telephone interview to answer the door and accept what he said was a mortgage payment personally delivered by Olga. "She is a fine woman," he said. "They just had a new baby. They're an admirable couple. I wish I could say the same for the city. They've really put me under the gun."

In fact, much of Russell's property isn't exactly in mint condition, and the city has been leaning on him hard to fix it up or sell it, though it's just a coincidence, he says, that the buyer of much of his real estate has turned out to be Nick Inzunza. Many of Russell's units have been cited by San Diego housing inspectors for code violations, and city records show that in at least one instance, Russell was ultimately forced to divest himself of real estate under duress after repeated threats from city officials. That case, involving a city-designated historic site called the Sherman House, began in December 1998, when the city attorney's office sent Russell a letter demanding that he clean up an old house with two units he owned on 19th Street.

The property happened to be just across the street from offices owned by William Ayyad. Nick Inzunza says he doesn't know anything about the property or Russell's problems there.

"You must repair all electrical light conductors which are exposed," said the letter, signed by Deputy City Attorney Aaron Harp. "You must provide a guardrail on the second story balcony." Harp added that "the structural building components at the front porch, supporting roof, and floor systems are deteriorating." He concluded by saying that if Russell failed to repair his building, he could be subject to "civil penalties up to \$2500 per day; a criminal prosecution carries a \$1000 fine and up to six months in jail. If you are not in compliance with the law by January 22, 1999, a criminal or civil complaint will be filed in this matter against you."

A week later, after talking to Russell on the phone, Harp followed up with another letter. "I have decided to give you until June 1, 1999, to either correct the violations outlined in my December 17, 1998, letter or to sell the property." Harp wrote Russell again on February 26, 1999, reiterating his demand that the units be immediately repaired or sold and asking for a progress report. "If you could provide me with this status report by March 19, 1999, I would appreciate it."

In May 1999, Russell wrote a letter to Harp, begging for more time. "This letter is long overdue but has to be written before I go into the hospital on Monday, May 17, 1999," it began. Russell went on to explain how he had attempted to cope with the alleged violations, including the porch railing. "I worked on this for a while but had to stop for health reasons (I will explain later), but unless I misinterpret the law, as long as I don't rent and/or not allow public passage, I am not in violation." He

added, "I have guard dogs and a part-time watchman/security guard to protect the property along with a six-foot fence.

"For additional information and to let you know what is happening with me since my availability may play a roll [sic] in future events, I have been under a doctors care since Feb. 8, 1999, and will be entering the hospital on Monday, May 17, 1999, for quadrupal [sic] bi-pass [sic] surgery. I will be in the hospital for approximately seven (7) days and then in recovery for the next sixty (60) days.

"Part of the reason I could not put the railing up on the porch was that my doctor warned me about any physical work which could lead to a heart attack prior to the operation. I do not know why they have taken so long to get me into the operating room, but they have been testing me weekly and in between, I have collapsed twice and taken to the hospital (once to Paradise Valley Hospital- Trauma Ctr. 4-11-99).

"Life would have been much simpler if I could have sold the property, but the offers I got were way to [sic] low. I did sell another property, so I am slowly eliminating my work load. I have sold four (4) properties since December 1998, so I am trying to get rid of them."

More than a year later, in October 2000, the house had still not been sold, and the city was growing impatient. "Over the course of approximately one year, Deputy City Attorney Aaron Harp exchanged several correspondences with you in the hopes of achieving voluntary compliance," Deputy City Attorney Susan Y. Cola wrote Russell. "Your responses indicate that you were unwilling to address certain code violations because the structure was unoccupied. As a result, the structure has deteriorated to a point that endangers its historical integrity, in violation of San Diego Municipal Code section 143.0250(f).

"The purpose of this letter is to give you one last chance to meet with me and address these issues amicably. For this reason, I have set aside October 19, 2000, at 1:30 p.m. to meet with you or your authorized representative(s) in my office."

Despite the city's intensifying pressure, Russell did not bow. In a letter dated June 28, 2002, the city stepped up its demands. "The City of San Diego Neighborhood Code Compliance Department has attempted to arrange for inspection of your property to determine if violations of the San Diego Municipal Code and state law are present," wrote Kathleen Hayden, a criminal investigator for the city attorney. "The issues concern the structural integrity of the building along with zoning violations."

Russell responded in a handwritten letter to Hayden dated August 20, 2002. "I apologize for all the delays, but certain things still have to go on! And I cannot ask people to stop and drop everything they are doing to just work on my stuff. If the city is so interested in my property, why don't they just buy it? IT IS FOR SALE."

Two months later, on October 18, 2002, according to city records, the city attorney's office posted a notice at Russell's 19th Street property of an interior inspection to be done, "pursuant to an Inspection Warrant issued in San Diego Superior Court." But by that time, records show, the house had already been sold to Travis Ahern. The \$300,000 sale was initiated on October 4 and closed two weeks later on October 21. Records show Ahern paid \$60,000 in cash and Russell took back a \$240,000 mortgage.

Russell experienced similar problems with the city on several of the Barrio Logan parcels that he eventually sold to Inzunza. On June 8, 1998, Peter Armstrong, the city's "vacant properties

coordinator," wrote Russell a warning letter. "As you know, you own two properties that the City of San Diego has found to be vacant properties.

"These properties are 633 Dewey Street and 544 S. 40th Street. For the property at 633 Dewey, you have filed a statement of intent with my office, but you have failed to make a good-faith, diligent effort to rehabilitate the property. You have also neglected to keep this property free of graffiti. For the property at 554 S. 40th Street, you have failed to file the required Statement of Intent, and you have allowed weeds and debris to accumulate on the property."

In his letter, Armstrong demanded that Russell "clear all weeds, graffiti, and other debris from the 40th Street property" and "implement a routine maintenance program to ensure that the property remains free of weeds, graffiti, and other debris in the future." He made the same demand for the two units on Dewey Street. "Should you fail to meet any of these requirements by the June 22 deadline, you will be subject to a \$250 penalty," warned Armstrong. "If you fail to provide evidence that you are making a diligent, good-faith effort to return your properties to productive use or fail to maintain your properties at the minimum standards described in this letter, you will be subject to additional penalties."

On August 12, 1998, according to a city log of the case, an inspector visited the Dewey Street property and found graffiti. On December 3 of that year, a note in the log says, "Property remains vacant and boarded, no progress evident." Two weeks later, according to county records, Russell sold the property to Inzunza for \$150,000, taking back a \$145,000 note. There is nothing more about the case in the city inspection file, but a spokesman for the code-enforcement division says computer records indicate the problems were taken care of and the case was closed on January 1, 2000. Today, neighbors claim, the property still appears "rundown" to them. Records show Russell still owns the 40th Street property.

In 1999, Nick Inzunza was cited for numerous code violations at 822 and 822H Quail, which county records show he purchased from Russell on December 22, 1998, for \$127,500, with a \$5000 down payment. According to an entry in the inspector's log book, dated March 12, 1999, he "found front yard...Porta Potti and heavy storage. I was allowed access to 822 Quail: I found front entry porch 4x4 post not fastened to footing, non-operable and lack of rear exit lighting.

"Lack of smoke detector, Window glass @ living room broken, reported inoperable dwelling heating. No toilet in bathroom and bathtub plugged up, rear porch area: exposed electrical, water heaters installed w/o permits. Rear yard dug up and unsafe. At 822H I spoke with [a tenant]. Inspected dwelling and found bathtub and lavatory faucets leaking, broken window glass @ bedroom. Reported heavy rat infestation."

In a "Notice of Violation" to Inzunza dated March 15, 1999, city "combination inspector" Joseph Ortega listed ten separate code violations he said needed to be remedied. They included "inadequate exit lighting," "Faulty/ defective live electrical components found at a rear porch ceiling," "No toilet at bathroom," and "Deteriorated wall endangering the health or safety of occupants. The 6' x 10' hole/opening at living room is creating an imminent hazard," along with "lack of smoke detectors."

The case would remain open for more than three years. An August 8, 2000, log entry says, "Duplex. No permits to date." More than a year later, on November 8, 2001, there were still "no permits to date." A month after that, a log entry dated December 3, 2001, records that a city inspector made a "T/C [telephone call] to Mr. Inzunza's office at city of S.D., 66668, left msg."

The telephone extension is that of Nicholas Inzunza's brother, city councilman Ralph Inzunza Jr. Asked what the purpose of the call was, a spokesman for the city's code-enforcement division said

there were no other details of it in the record. The property in question is not within Ralph Inzunza's eighth city council district.

On December 12, 2001, the log shows, an inspector finally reached Nicholas Inzunza. "Discussed case. He will get permit." But by March 21, 2002, there was still "no permit on file." On April 4, 2002, a log entry says the inspector made another "T/C to [owner] -- left msg -- Still no permit."

A week after that, on April 11, 2002, the log says, "Reviewed case. Open Since 3/99." Then, on April 15, "T/C on V/M [voice mail] from owner. He needs more info about what permits to get. Sent him NOV [notice of violation] from '99 and copies of photos w/notes." Finally, on April 22, 2002, the city closed the case after Inzunza got a permit to fix the dwelling's plumbing. There is nothing further in the log or on the city's computer system to indicate whether any of the other problems cited in the original violation notice had been corrected.

Asked about the entry in the file about the inspector's call to Ralph Inzunza's office, Nick Inzunza says he knows nothing about it and insisted his brother has never done him or Russell any favors. "That's silly. I don't even know if Mr. Russell knows my brother."

Nick Inzunza says his problems with city inspectors are not unique. Many owners of the area's rental units, he says, have been adversely impacted by what he says were bad public policies of the past, such as placement of welfare offices, which contributed to urban decay and the inability to retain good tenants. "I can't tell you anybody who wasn't [affected]. Code enforcement would tell us to take out a permit for changing a light bulb. We would turn around and tell code enforcement to get the welfare office out of our community. It was a very difficult situation. I think it was a different time; I think everybody was kind of frustrated and everybody was blaming the city.

"The city had introduced welfare offices in the middle of the city, and Caltrans had cut freeways right through the middle of older neighborhoods. They created a very depressed situation."

Many of the code problems he experienced, Inzunza explains, were the fault of bad tenants who were difficult to evict. "I had some tenants in there, and they were just a tough bunch. I wanted to encourage them to leave the units so we could rehab them. But you have to go through eviction court if they don't want to leave, and it becomes very hard on the property owner."

Two other properties Inzunza purchased from Russell have also been cited by the city. On July 29, 2002, the city sent Inzunza a notice of violation for property at 3263 L Street, alleging "outdoor storage violations. Miscellaneous nonincidental items stored in the required front, side, or rear yard is not a permitted use of the zone."

According to a log entry dated August 26, 2002, "Olga Inzunza, claims to be owner of 3263 L Street, called in re: NOV [notice of violation]. She says Prop in violation may in fact be vacant lot next door. Olga says she inspected her prop but did not see anything in violation." Tony Khalil, a city spokesman, says the case was subsequently closed, but there is no record of whether the inspector verified Olga's story or whether the debris was cleaned up. "The inspector doesn't even recall the case. She might have driven by, but it's not recorded in the log."

On January 26, 2000, inspectors opened a case file on a set of units at 2749 Newton Street, which at the time were still owned by Russell. Khalil says the records indicate that the city was concerned about whether a second-story roofed patio was up to code or had been built without a permit. In a log entry dated January 31, an inspector wrote that she "spoke to Efrin Rubio of Victory Outreach. They were moving out. Showed me around. House is nearly vacant. There is a set of stairs going to attic with an exit doorway...leading to the roofed patio." Another entry dated February 11, 2000, says

"closed case," but a subsequent entry on May 4, 2001, says, "from street can't tell if patio area at rear still exists -- need to send insp. notice."

According to county records, Inzunza bought the property from Russell in June 2000 for \$160,000 with \$5000 down. Though the log has no entries after May 4, 2001, Khalil says the city's computer records show that the case was closed in June 2001, after all patios like the one questioned by inspectors at Inzunza's Newton Street property were exempted by the city from further compliance requirements.

These days, Inzunza says, he's put his codecompliance problems behind him. He adds that he and his wife are refinancing their property holdings in order to begin another round of rehabbing, though he says the couple is worried about upping the rents on longtime tenants.

"It's a Catch-22. I can go in and put Section Eight [federal rent subsidies] in, and I would have to kick everybody who is there out to put in other folks. At some point we are going to have to do something; we are going to have to find a transition plan for the tenants. The fortunate thing is that because interest rates have gone down, my wife says we can rehab the units without dramatically increasing the rents.

"We are moving towards getting a professional manager. Olga, she takes care of the family; we have two sons and myself. I don't think we're qualified to manage our property. It's not what we do well."

And, Inzunza adds, he's through buying up rental property in Barrio Logan, from Russell or anybody else. "It's out of the question for me. I'm pretty focused on National City. I ran for mayor and got elected to that, and I have a lot of goals to accomplish here. We're not going to buy any more. We've just totally changed our focus."