

# After selling a home, tell IRS — fast

By Pamela Reeves  
SCRIPPS HOWARD NEWS SERVICE

**T**HE NEW tax law contains a provision that forces home sellers to report their profits to the IRS right away, even if they owe no tax.

This may seem like a lot of bother, but the IRS considers it a positive move for two reasons:

- The government will get about \$250 million a year more in taxes than it now collects from home transactions because many homeowners have failed to report their profits in the past.

- Filing a report every time you move gives you a record that's likely to come in handy some day if you actually have to tally how much you owe the government. It's a fairly complex process, involving figures from every house you've ever owned.

Here's how it works:

The Nelsons buy their first house for \$100,000, paying closing costs of \$8,000. They add on a room costing \$12,000 before they sell the house six years later for \$180,000. Closing costs at the sale come to \$15,000.

To calculate the gain, the Nelsons must first figure out their "basis," which is the price they paid for the house, plus any closing costs, legal fees and the cost of permanent improvements.

In their case, that's \$100,000 for the house, \$8,000 in closing costs and \$12,000 in improvements — a total of \$120,000.

Next, they take the sales price of the house, \$180,000, and subtract any closing costs — in this case, \$15,000 — which gives them the "ad-

— See IRS, F-2

8/16/87  
27 WESTERN ADDITION

LIVING IN THE BAY AREA

VF-Western Addition

## Eclectic Fillmore neighborhood: changing everyday

By Bradley Inman  
SPECIAL TO THE EXAMINER

**T**AKE 10 minutes to walk the five blocks along San Francisco's Fillmore Street from California Street to Geary Boulevard and you see why it's hard to pigeonhole this neighborhood.

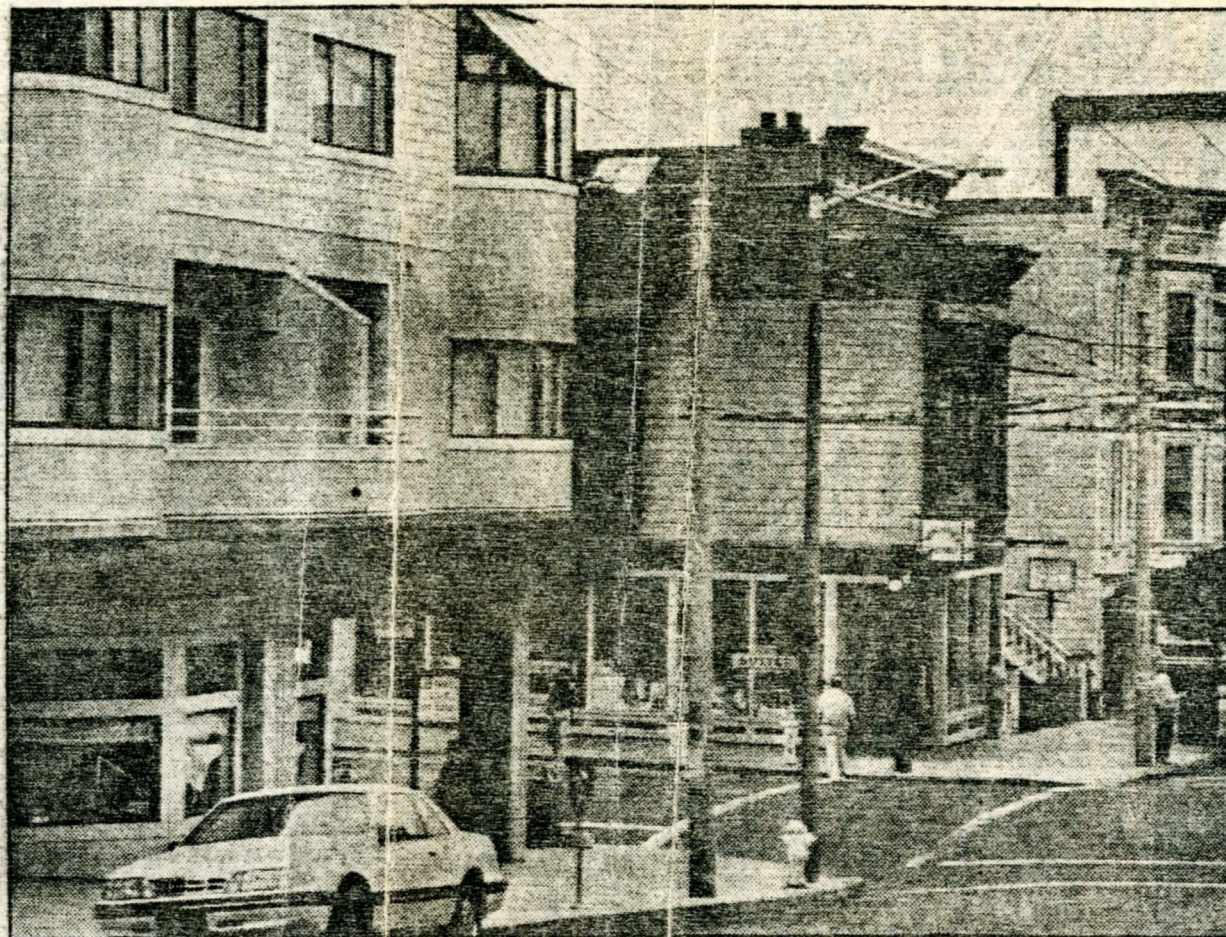
For now, it's rich, it's poor, it's white, it's gay, it's straight, it's Asian, it's black, it's old, new, it's funky, it's chic, it's dowdy, and it's glitzy. This part of Fillmore doesn't fit neatly into a neighborhood box.

You can buy a dress at Mio's for \$800 or a skirt for \$1.98 at the Goodwill store, own a \$1 million home near California, rent an apartment for less than \$500 around Geary, buy a 40 cent donut at Rolling Pin Donuts and dine on a \$17 steak at Pacific Heights Bar and Grill.

The stereotype that best fits Fillmore Street is that it's a changing neighborhood.

This explains why the people who live and work here are having trouble giving the neighborhood a name that sticks. Depending on whom you talk to, it's called Fillmore Street, the Upper Fillmore, the New Fillmore, Baja Pacific Heights, Western Addition, or Lower Pacific Heights. And nobody agrees on the boundaries.

Each name has an agenda. There are those who welcome gentrification, those who can't relate to the Pacific Heights crowd, those who can't relate to poverty, and those who pretend the neighborhood is something it isn't. Some want it more upscale, some want it to stay mixed and some wish it had never begun changing. The confusion will end soon.



Corner of Sutter and Fillmore streets, where new condos mix with old haunts

Examiner/Gordon Stone

You hear talk about a healthy diversity along Fillmore, but if the neighborhood continues its likely pattern, that description will become archaic. Like it or not, the gentrification was inevitable.

Fillmore is surrounded by economically successful areas that create a perfect context for neighborhood change: Pacific Heights to the north, Japan Town to the east and Laurel Heights to the west. The final loop in the squeeze will be closed when real estate de-

veloper Don Tishman tops off his 1,100-unit Fillmore Center just south of Geary.

Awakened from its long slumber, the Fillmore will become even more trendy.

Today, old redevelopment battlefields are being supplanted by new condo and apartment complexes, old-time businesses are moving out and boutiques are moving in. Union Street-style bars are taking hold and old jazz hangouts are long gone.

As merchant Ruth Garland Dewson says, her Nail Gallery shop and Leon's Bar-B-Que are the only two remaining black businesses north of Pine — an area that once had many black merchants.

It's not a conspiracy: These events seem to be inevitable in undervalued neighborhoods in San Francisco's hot real estate market — where lots of property is overvalued. For investors, Fillmore is like an ideal takeover can-

### At a glance

**Area:** The "new" Fillmore  
**Location:** Five-block area along Fillmore Street between Geary Boulevard and California Street in The City

**Description:** in transition and not easy to pigeonhole; very diverse; new condo projects mix with older, established homes

**Cost range:** New condos begin at \$175,000, but finding a single-family Victorian under \$300,000 takes lots of luck; apartments can be found for under \$500 a month

didate; for those who are forced out, it's akin to being bought out without a golden parachute.

In other neighborhoods, where gentrification has occurred house by house, change has been slower and a period of ethnic and economic diversity lasts longer.

But here, because of redevelopment agency actions and depressed land values, large sites were made available that led to the development of major residential projects — suddenly attracting hundreds of young singles from the Financial District. With them come their shops, bars and restaurants — Harry's et al. — which account for the changing face of the Fillmore commercial strip.

Furthermore, the changes on Fillmore are synchronized with the gentrification snowball that is

— See LIVING, F-3



# Discrimination charges

housing market place. Instead, they argue that the injustice is becoming less blatant.

"Nobody puts signs on their doors that say we don't want these types of people," says Earl Sullivan, Deputy Director of the DFEH. "But more subtle forms of discrimination continue to occur with the same frequency."

For example, some landlords use occupancy standards to discriminate against children according to DFEH Director Talmadge Jones. "When a landlord strictly dictates how many people can live in a unit, doesn't that affect large families?" asks Jones.

Acts of discrimination are also perpetuated by landlords who tell prospective tenants that an advertised apartment has already been rented or that there is a waiting list. In the 80s, racial and sexual slurs may be carefully avoided, but the result is the same if people are denied access to housing.

By using "checkers" to identify offenders, nonprofit fair housing groups are attempting to grapple with this more complicated form of discrimination. They send a white and then later a minority couple to seek an apartment in the same building. If the "checkers" are treated differently, there may be evidence that the manager or owner is engaging in a pattern of discrimination.

For example, the Westside Fair Housing Council in Los Angeles used this technique to build a court

case against a Westside apartment complex where their checkers experienced differential treatment on three different occasions according to WFHC Executive Director Blanche Rosloff.

Fair housing investigators also look for landlords who alter the terms of the rent or increase the size of the security deposit for those who the landlord or owner doesn't want to rent to. "The rent might be \$200 higher or the security deposit might be much larger," says Rosloff.

According to some experts, a statewide rental construction boom that has bumped up the number of vacancies may, in the short term, be helping to reduce housing discrimination. When landlords have more competition in the rental market, they are less likely to discriminate, according to Ann Marquart, Director of Operation Sentinel, a nonprofit fair housing group located on the Stanford campus.

Marquart believes that the overall atmosphere may be changing. "There is still racism and child discrimination, but I think the environment is improving; our population is getting better educated."

Nevertheless, Marquart and other fair housing leaders worry about the people who don't realize that they have been discriminated against as well as those who don't report it when they know they have been victimized.

"Like any crime, 80 percent go unreported," says Marquart.

## It smart owner needed

comfortable living in a genius house they do not understand.

As envisioned, the smart house will receive telephoned instructions, such as to turn on the oven, the homeowner to smoke or problems, and turn off lights if a person leaves the room. It will protect kids too.

The smart house is being developed by the National Association of Home Builders and its affiliate, the Smart House Foundation. Now in the laboratory stage, it might be demonstrated in late 1989 and made commercially available soon after.

Asked why it is being developed, a spokesman for the foundation observed that so many patchwork fixes for automating houses are being developed that they need to begin from

scratch and rethink the entire matter.

If it turns out as planned, a chip in each smart-house device and appliance will identify what is being plugged into any outlet, as well as the specific amount of current needed for its operation.

Only after this identification is made can the device receive current. Thus, a baby sticking a finger into a smart-house outlet would not be harmed because its finger is not an authorized device.

The smart house looks after its occupants, no matter how absent-minded. It can, for example, be instructed not to provide power to an electric guitar plugged into a

— See SMART, F-4

## LIVING

— From F-1

methodically rolling south down the hill from Pacific Heights.

Not too long ago, the changes seemed unlikely. For decades, Fillmore was plagued with the problems of urban decay — with redevelopment receiving the brunt of the blame. The threat spawned community activism, and grassroots leaders worked for decades to tame the redevelopment bulldozer, fight off redlining, improve the housing stock and fend off drugs and crime.

The issues have changed somewhat, but both the Fillmore Merchants Association and the Western Addition Neighborhood Association remain active and continue to monitor private and public development schemes.

Housing costs reflect the changing demographics. Prices in several new condo projects in the area begin at \$175,000. And anyone who finds a single-family Victorian in the area for less than \$300,000 is lucky, according to Aldo Congi of McGuire Real Estate.

Rents in the new 2000 Post apartment project start at \$695 for a studio and go up from there. You can find more affordable rents in the neighborhood, but you won't get the same health-related amenities featured in the Post development.

All of this leads me to believe that the reasons one chooses to live or do business in and around Fillmore Street today may not be the same reasons someone might decide to be there in a few short years.

**On My Livable and Sensible Scale:** Take a quick look. Fillmore Street is changing before your eyes.

### Concord leasing deal for Schneider realty

EXAMINER STAFF REPORT

Cal-Pac Roofing East Bay Inc. of Fremont has leased 3,600 square feet of industrial space at 4070 Nelson Ave. in Concord, according to Dan O'Connell of Schneider Commercial Real Estate, who represented the tenant.

The deal was valued at \$102,900. The lessor was Bedford Properties of Lafayette.

## AWARD WINNING ELEGANCE FOR SALE



The Opportunity is fast disappearing for YOU to own a completely new, luxurious condo within the palatial environs of this Spanish Revival landmark, with lush gardens, courtyard, fountain, and a fresco-domed recreation center. Across from a wooded park, spectacular city & Bay views are afforded almost every unit. With so few units left, your investment at Park Hill is secure, so don't hesitate to see for yourself why Park Hill is selling more rapidly than any other condo in the city.

One Bedroom, One Bath from \$139,000 to \$188,500. Two Bedroom, Two Bath, 180 degree view luxury end units, from \$230,000 to \$380,000. Some with decks, balconies, high cathedral windows, 12' ceilings, 2 stories and more.

**5 BAY VIEW TWO-BEDROOMS LEFT!**

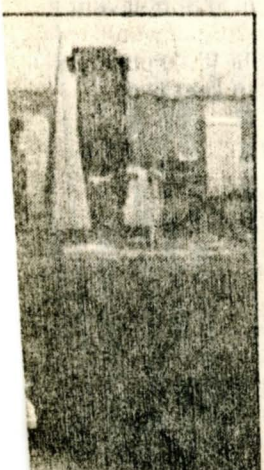
**Call us at 863-7400**  
for appointment

Models and sales office open 12-6 daily  
355 Buena Vista Ave. East, S.F.

**PARK HILL**

*Landmark living high above the city*

## TWO POINTS TO CONSIDER





# rimination charges

housing market place. Instead, they argue that the injustice is becoming less blatant.

"Nobody puts signs on their doors that say we don't want these types of people," says Earl Sullaway, Deputy Director of the DFEH. "But more subtle forms of discrimination continue to creep with the same frequency."

For example, some landlords use occupancy standards to discriminate against children according to DFEH Director Talmadge Jones. "When a landlord strictly dictates how many people can live in a unit, it's a way of discriminating against large families," Jones says.

Acts of discrimination are also perpetuated by landlords who tell prospective tenants that an advertised apartment has already been rented or that there is a waiting list. In the 80s, racial and sexual slurs may be carefully avoided, but the result is the same if people are denied access to housing.

By using "checkers" to identify offenders, nonprofit fair housing groups are attempting to grapple with this more complicated form of discrimination. They send a white and then later a minority couple to seek an apartment in the same building. If the "checkers" are treated differently, there may be evidence that the manager or owner is engaging in a pattern of discrimination.

For example, the Westside Fair Housing Council in Los Angeles used this technique to build a court

case against a Westside apartment complex where their checkers experienced differential treatment on three different occasions according to WFHC Executive Director Blanche Rosloff.

Fair housing investigators also look for landlords who alter the terms of the rent or increase the size of the security deposit for those who the landlord or owner doesn't want to rent to. "The rent might be \$200 higher or the security deposit might be much larger," says Rosloff.

According to some experts, a statewide rental construction boom that has bumped up the number of vacancies may, in the short term, be helping to reduce housing discrimination. When landlords have more competition in the rental market, they are less likely to discriminate, according to Ann Marquart, Director of Operation Sentinel, a nonprofit fair housing group located on the Stanford campus.

Marquart believes that the overall atmosphere may be changing. "There is still racism and child discrimination, but I think the environment is improving; our population is getting better educated."

Nevertheless, Marquart and other fair housing leaders worry about the people who don't realize that they have been discriminated against as well as those who don't report it when they know they have been victimized.

"Like any crime, 80 percent go unreported," says Marquart.

## it smart owner needed

comfortable living in a genius way they do not understand. As envisioned, the smart house receives telephoned instructions such as to turn on the oven, the homeowner to smoke or

scratch and rethink the entire matter.

If it turns out as planned, a chip in each smart-house device and appliance will identify what is being plugged into each outlet.

## LIVING

—From F-1

methodically rolling south down the hill from Pacific Heights.

Not too long ago, the changes seemed unlikely. For decades, Fillmore was plagued with the problems of urban decay — with redevelopment receiving the brunt of the blame. The threat spawned community activism, and grassroots leaders worked for decades to tame the redevelopment bulldozer, fight off redlining, improve the housing stock and fend off drugs and crime.

The issues have changed somewhat, but both the Fillmore Merchants Association and the Western Addition Neighborhood Association remain active and continue to monitor private and public development schemes.

Housing costs reflect the changing demographics. Prices in several new condo projects in the area begin at \$175,000. And anyone who finds a single-family Victorian in the area for less than \$300,000 is lucky, according to Aldo Congi of McGuire Real Estate.

Rents in the new 2000 Post apartment project start at \$695 for a studio and go up from there. You can find more affordable rents in the neighborhood, but you won't get the same health-related amenities featured in the Post development.

All of this leads me to believe that the reasons one chooses to live or do business in and around Fillmore Street today may not be the same reasons someone might decide to be there in a few short years.

On My Livable and Sensible Scale: Take a quick look. Fillmore Street is changing before your eyes.

## AWARD WINN ELEGAN FOR SAL



The Opportunity is disappearing for YOU. Own a completely new, luxurious condo within the historical environs of this Spanish Revival landmark, with lush gardens, courtyard fountain, and a fresco domed recreation center. Across from a wooded park, spectacular city Bay views are afforded in most every unit. With a few units left, your investment at Park Hill is secure, so don't hesitate to see for yourself why Park Hill is selling more rapidly than any other condo in the city.

One Bedroom, One Bath from \$139,000 to \$188,500. Two Bedroom, Two Bath, 180 degree view luxury condominiums, from \$230,000 to \$380,000. Some with deck balconies, high cathedral