

# BAY TODAY NEWS

SAN FRANCISCO EDITION

01

SEPTEMBER, 2018

ISSUE NO. 1

**TAX PRO REALTY**

**BRINGING YOU THE BEST IN BUSINESS NEWS, LOCAL HISTORY, COMMUNITY AND LIFESTYLE STORIES.**



Great photo by Christopher Jacquez.

**Bay Today** is a publication designed specifically for our local community. Both Chris and David are avid readers, who enjoy writing stories and articles on a variety of topics. We hope that you will enjoy this publication and share with us your own views and insights about our neighborhoods. We welcome your feedback and your involvement, please contact us if you would like to contribute content.

**Tax Pro Realty**, is your local professional services firm, providing both real estate sales, tax compliance and advisory services, to area residents. The company is owned and operated by Christopher Jacquez. Real estate sales are brokered through his affiliation with Coldwell Banker. Chris has been an active real estate agent for the past fourteen years and a tax accountant for over 21 years. David has been a licensed real estate broker and area tax consultant since the late 1970's.

# MARKET PULSE

By Christopher Jacquez. Copyright 2018

An overheated property market, traffic congestion and an influx of big business, appear to be the norm around the Bay Area these days and conditions show no signs of reversing direction anytime soon. For existing property owners this can be both a blessing and a curse. While owners do in fact watch their property values soar, which can undoubtedly be very exciting, many also experience difficulty getting around town, long lines at supermarkets, overcrowded schools and an ever-increasing cost of living.

Still the area holds a lot of attraction, as evidenced by the continuing strong demand for area real estate. The quality of education, proximity to major employers and international airports, high salaries, relatively mild weather patterns, and the growing focus on tightknit communities, all make the the bay area a very desirable place to live. Even with all of this however, opinions about the area are very much split. In fact, a recent poll cited by ABC7 News, indicated that a whopping 46% of Bay Area residents plan to leave the area for what they deem to be greener pastures within the next few years. Based on what we've seen and heard to date, we expect local housing trends to continue in the short-term, largely on the trajectory they've been. There is a widely held assumption, that net migration to the Bay Area, will continue to remain positive into the near future. However, the winds of change are beginning to blow, as evidenced by a new report on the Southern California housing market.

## BAY TODAY NEWS

PUBLISHER: DAVID JACQUEZ

CHRISTOPHER JACQUEZ

EDITOR: CHRISTOPHER JACQUEZ

According to the National Association of Realtors, "the supply of homes for sale increased annually in June for the first time in 3 years", but "sales fell for the third straight month." There is typically a lag between the time sales start to fall, and a stagnation or drop in prices catches up to it. The decrease in sales may be attributable to a number of factors, including rising mortgage rates, housing affordability, the ongoing trade war, global uncertainty, and a significant drop in investment from mainland Chinese investors, following China's recent tightening of restrictions on the outflow of capital.

There are also some big changes coming to the area, you should be aware of. For one, developers continue to build new housing wherever they can find suitable land for building. The focus is predominantly on luxury townhome developments and multi-family over retail centers. Some of the largest projects are taking place in the East Bay redevelopment area surrounding Tesla and the new Warm Springs BART station,

Although there is a boom in new construction, the current approved projects, are still not anticipated to be sufficient in meeting the continued demand for housing. Most obviously lacking is the creation of affordable housing opportunities, as luxury developments provide a higher return on investment for property builders and many in city government expect to attract large technology companies and their employees.

Just this past month, it was made public that one of largest technology companies in the Bay Area, Facebook, has recently leased a whopping 754,000sqft of office space in Fremont. This will undoubtedly create a significant influx of technology professionals, filling new permanent job positions, and seeking housing in the Tri-City area. In addition to creating increased pressure on housing supply, it will no doubt also create increased pressure on the public-school system, public transportation systems and crowded roadways.

If you would like information on value for your home in your part of the city call Christopher Jacquez.

(CONTINUES ON PAGE 4..)

# JEDEDIAH SMITH

## Trapper, Trader and Traveler

### MISSIONS OF THE BAY AREA

By David Jacquez

Oh Jedediah-Jedediah Smith. Fur trapper, explorer and man of letters. Jedediah Strong Smith would write of his explorations into California and his many adventures. He would be the first American to cross the continent by foot and enter into California. He would also be the first American to enter into Niles Canyon and the immediate vicinity.

Jedediah, then a man of only 25 and of average height, was already bearing scars around the ear from his fight with a grizzly bear. He arrived at Mission San Jose nonetheless in August of 1827.

He would receive a letter requesting information as to his identity and purpose for being in the country. The letter that he wrote in response to Father Duran, then a priest at Mission San Jose read:

“Reverend Duran:

I understand through the medium of one of your Christian Indians that you are anxious to know who we are, as some of the Indians have been to the mission and informed you that there were certain white people in the country.

We are Americans, on our journey to the River Columbia. We were at Mission San Gabriel (Los Angeles), January last. I went to San Diego and saw the General and got a passport from him to cross the mountains.

The Indians here, also, being freindly, I consider it the most safe point for me to remain until such time as I can cross the mountains with my horses, having lost a great many in attempting to cross 10 or 15 days hence.

I am a long ways from home and anxious to get there as the case will admit. Our situation is quite unpleasant, being destitute of clothing and most necessaries of life, wild meat being our principal subsistence.

I am Reverend Father, your strange, but real friend and Christian. May 19, 1827. “

In his autobiography, Jedediah speaks of traveling in the great Sacramento Valley. He speaks of asking some Indians for the path to Mission San Jose, and of being directed through a narrow canyon with a large mouth, that opened up onto the bay. The Mission he was told, existed only a few miles beyond this point. The description he gives of that canyon, sounds very much like what we now recognize as Niles Canyon.

Jedediah Smith would appear at Mission San Jose, only a few short months after writing his letter to Father Duran. Accounts indicate he was then detained for a short time, as an illegal alien, by the Mexican authorities. Only once his passport and its pertaining conditions had been reviewed, was he set free and allowed to sell his beaver and otter furs, allowing for the refitting of his company with new horses and supplies. They would then begin their journey to the Northern reaches of Oregon.



Photo by Christopher Jacquez

# SAVING TAX DOLLARS

BY DAVID JACQUEZ AND CHRISTOPHER JACQUEZ

There has been much discussion of late, over the recent federal tax overhaul, This is due in large part, to one of the more important provisions in the Tax Cuts and Jobs Act. More specifically, the Sec. 199A deduction for qualified business income (QBI).

Under the new code section, a deduction for up to 20% of qualified business income may be allowed. The deduction itself applies to income taxes only, but nonetheless may prove quite beneficial. Businesses which qualify, include sole proprietorships, partnerships, limited liability companies (LLCs), S corporations and trusts.

Income qualifying for the deduction must be “effectively connected with the conduct of a trade or business within the United States (within the meaning of §864(c)”. Consequently, for purposes of the §199A deduction, a U.S. business entity or resident, or even a foreign company or non-resident alien may qualify, so long as they are not specifically excluded and are conducting business within the U.S. as required. It is worth noting that “Qualified Business Income”, also includes interest received which is related to business activities. Dividends, as well as capital gain(s) or losses, do not affect the computation for QBI. It should also be mentioned, that current year business losses, are required to be carried forward to offset QBI in the subsequent year. A penalty for losing money!

*(CONTINUED FROM PAGE 2... MARKET PULSE)*  
Thankfully we know that Fremont is at least planning to add one new public school in the near future. That school will be located within the Warm Springs area. After a plan to build a new elementary school near the intersection of Fremont Boulevard and Decoto Road was scrapped by the City last September, this a welcome endeavor, although it is unlikely to provide any direct benefit to North Fremont residents. Fremont is already known to be in bad need of space for incoming students.

The deduction is equal to the sum of 20% of the qualified Business Income (QBI) of each of the taxpayer's qualified businesses. QBI is determined separately for each business activity of the taxpayer.

In the simplest scenario, a small business would determine business activity gross income, subtract normal and necessary business deductions and thus obtain their QBI. They would then calculate twenty percent of the determined QBI, to figure their deduction. As with most deductions and credits however, there are several limitations which can come into play.

For example, various income thresholds can determine the amount of deduction allowed. Once the applicable income threshold has been reached, the deduction begins to be phased out and is eventually eliminated at the highest income levels.

Another limitation applies to what the code defines as a “specified service trade or business”. The nature of your business activities, if related mostly to professional services, may limit or even eliminate your QBI deduction. Further limitations may also apply to businesses involved in the manufacturing and sale of goods, agricultural and horticultural cooperatives and those operating within the Commonwealth of Puerto Rico. For businesses with employees, limitations factoring in wages and/or ownership of the business, also must be considered. Continued on Page 5.

On a more positive note, Fremont continues to add great entertainment and recreation opportunities to the area. Included in these projects is the much-anticipated Town Fair Plaza, which will feature family friendly games, gourmet food trucks, mini-golf and a beer garden amongst other things.

Contact us by phone, email or on Social Media.

By Phone: [510.766.0771](tel:510.766.0771) | [info@baytodaynews.com](mailto:info@baytodaynews.com)

Facebook: [www.facebook.com/baytodaynews](https://www.facebook.com/baytodaynews)



(CONTINUED FROM PAGE 4 SAVING TAX DOLLARS)

It is not only small businesses who are asking questions about the new deduction. One of the more widely asked questions is coming from owners of rental real estate. While we know that real estate professionals such as property managers, real estate brokers and developers may be able to take advantage of the deduction, landlords and owners of more passive real estate activities, want to know if the new deduction is available to them. Presently, most professionals agree that the intent of the legislation, seems likely to include these more passive rental activities. The new law however, does not directly address this specific issue in clarity. Moving forward, we are all looking to further clarification on this issue, from the U.S. Treasury.

Another hot question among the real estate community, has to do with how real estate is owned and the impact of the ownership structure on the QBI deduction. While §199A does specifically exclude some types of business entities, such as corporations, it does not state that real estate assets must be held within any specific entity type. Consequently, as before, many factors should still be taken under consideration, when deciding how to hold title to real property.

Certainly however, an allowance of a QBI deduction for landlords and owners of investment real estate, would be most welcome.

If you would like to learn about the how the new deduction may apply to you specifically, we would love to help.

We are offering no-cost seminars to the local community, aimed to educate small business owners and real estate investors on these issues. We also offer one-on-one assistance. We invite you to call or email us at any time to learn more.

Reach us directly by phone, email and/or social media.

Phone: [510.766.0771](tel:510.766.0771) | eMail: [chris@etaxrelief.com](mailto:chris@etaxrelief.com)

[www.eTaxRelief.com](http://www.eTaxRelief.com)



## TIPS TO STAY COOL THIS SUMMER

**A Personal A/C:** For those without a traditional air conditioning unit, if you place a bowl or tray of ice in front of a blowing fan, your room will become cooler as the ice melts.

**Shut Out the Sun:** Invest in some quality blackout curtains and keep them closed during the hottest times of the day.

**If Outdoors Seek the Shade:** It's advisable to keep to the shade from 11am - 3pm during the summer months. Temperature variation from sun to shade can be extensive.

**Keep your feet cool:** Cooling your feet in a bucket of ice or cool water can help take your temperature down.

**Enjoy Cooler Activities:** An afternoon trip to the theatre, a day at the waterslides or by the pool, or even a shopping trip can provide some much needed relief from the heat.

**Always Remain Hydated:** Water, while always essential, is even more critical during times of intense heat.

## THE BARBARY COAST

By David Jacquez

Known initially as Yerba Buena (the good herb), San Francisco began with what was a fitting name for a city, poised to become a hippy hangout for a generation. At the time, the good herb, was a fragrant mint varietal which grew in the area. The native peoples would use the mint to make tea. In 1847, the "Alcalde", or major idea, was that more cities should be named after saints. Consequently, it was declared this wonderful place should be called San Francisco.

San Francisco found itself located at the entrance to a large bay. A bay so expansive, it could easily hold all the ships of the known world, at the time of its discovery. In fact soon, it would become the most important port on the West coast.

No. 1 Portsmouth Square, was the place the first few steps were taken as the row boats landed, bringing in their crew and passengers. It was little more than a horseshoe indentation on the shore. Today Portsmouth square is at the lower part of Chinatown, more than half a mile from today's shoreline. Landfill stretching for city-block after city-block.

It was here at Portsmouth Square, where the harbor master had his offices under a tent in 1835. One Captain Richardson, an American appointed by the Mexican government, set up four redwood poles and a ship's canvas, and thus his first official harbor office was established. It may even have been the first "building" established on the site, which would later become San Francisco.

Years, later, on January 30, 1847, the Portsout, a sloop of war helmed by Captain Montgomery, would see placed a flag on what was now the plaza and site

of the custom house and harbor master offices. On occasion, while driving down present day Montgomery St, I have imagined just such a day.

Over the years the area became a plaza. The first hotels, businesses and bordello's springing up around it. Businesses being the preoccupation at the time however, would see the bordellos pushed further out, but only so far as to make room for a new business district just taking shape.

The Barbary Coast of legend, ran along what once was the waterfront of San Francisco. At first, it was comprised of mostly tents, makeshift sheds and open air shelters, with only poles marking each persons specific dwelling or building. Crude restaurants, lodging houses renting tables to sleep on, and rooms shared between several men, were the order of the day. With sparsely available facilities, rents were on the moon. Sound familiar?

Nonetheless, the Barbary Coast would become famous for it's gambling, prostitution, pickpockets and opium dens. At the time, you may of found yourself in the company of a man carrying lanterns. Lanterns necessary to find your way down dark and muddy streets, without the light from which, you may find yourself laying in the street, less your money.

It was the gaming and drinking that provided entertainment for many American men of the time. Not so much a surprise! With a population of 90 percent young men, who had come for the gold fields, this dancing, drinking, sex and gambling, provided a welcome escape. Gold dust and nuggets formed the currency of the day. The name, Barbary Coast, was given due to the areas similiar association with crime, vices and other such activities, to that of the North African coast.

Old-timers of the city may still remember the tales, rumors of the BELLA UNION. A saloon which put the sin in sin city. The dance hall girls, gamblers of loud voice, the newly minted men of wealth, even miners coming down from the gold mines spent freely. They emptied their pockets in riotous living; believing another trip to the gold fiields would see them wealthy once again. To be ontinued in the next issue.



THE PHOTOGRAPHERS PAGE.



PHOTO BY MARTIN C SELUDO - NICE  
A BLUE MONSTER LIVES IN THE TOWER.



PHOTO BY CHRIS JACQUEZ - THE DAYS OF OUR LIVES.

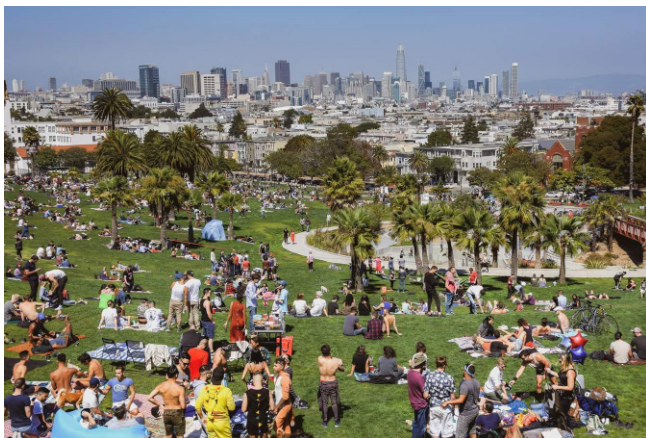


PHOTO BY WESLEY PUTTZ - A DAY AWAY AT THE PARK



Photo by David Jacquez Golden Gate Park



the publisher aka balloon man

THE PUBLISHER AKA BALLOON MAN.



I was only going to use one page of the San Francisco Edition for pictures, but I found this new site on Facebook where San Francisco photographers show their artistic pictures and I was just blown away. Having been born in Oakland in "51", you can imagine that San Francisco has been my haunts and running around town all my life. Please enjoy some more photo's from this creative crowd. David Jacquez/ Publisher. San Francisco Photography on Facebook is the site. Once again - Thanks guys and gals for letting me post the photo's.



Awesome photo by Tonly Cheng .



PHOTO BY DAVID JACQUEZ      TEOTIHUACAN - DE YOUNG MUSEUM EXHIBIT



First edition of Bay Today News - San Francisco Edition. Special Photo Section.



MARKET ST - SAN FRANCISCO 1911. ON JULY 12 AT 9:15 AND 3 SECONDS. YEAH RIGHT!



PHOTO BY CHRISTOPHER JACQUEZ

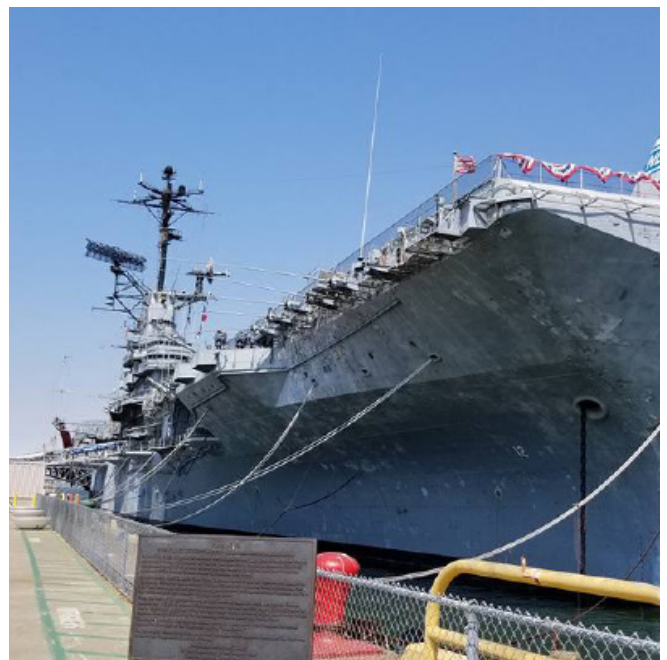


PHOTO BY CHRISTOPHER JACQUEZ

## Public Service Announcement

### Five Easy Ways to Spot a Scam Phone Call

“The IRS continues to warn the public to be alert for telephone scams and offers five tell-tale warning signs to tip you off if you get such a call. These callers claim to be with the IRS. The scammers often demand money to pay taxes. Some may try to con you by saying that you’re due a refund. The refund is a fake lure so you’ll give them your banking or other private financial information.

These con artists can sound convincing when they call. They may even know a lot about you. They may alter the caller ID to make it look like the IRS is calling. They use fake names and bogus IRS badge numbers. If you don’t answer, they often leave an “urgent” callback request.

The IRS respects taxpayer rights when working out payment of your taxes. So, it’s pretty easy to tell when a supposed IRS caller is a fake. Here are five things the scammers often do but the IRS will not do. Any one of these five things is a sign of a scam. The IRS does not:

1. Call you to demand immediate payment. We will not call about taxes you owe without first mailing you a bill. 2. Demand that you pay taxes without giving you the chance to question or appeal the amount they say you owe. 3. Require you to use a certain payment method for your taxes, such as a prepaid debit card. 4. Ask for credit or debit card numbers over the phone. 5. Threaten to bring in local police or other law-enforcement to have you arrested for not paying.

If you get a phone call from someone claiming to be from the IRS and asking for money, here’s what to do:

If you know you don’t owe taxes or have no reason to believe that you do, report the incident to TIGTA at 1.800.366.4484 or at [www.tigta.gov](http://www.tigta.gov). Also contact the Federal Trade Commission at [FTC.gov](http://FTC.gov). Use their “FTC Complaint Assistant” to report the scam. Please add “IRS Telephone Scam” to the comments of your complaint. Remember, the IRS currently does not use unsolicited email, text messages or any social media to discuss your personal tax issues. For more information on reporting tax scams, go to [www.irs.gov](http://www.irs.gov) and type “scam” in the search box.”

This information was taken from the IRS web site so as to inform the public about this important issue. This publication is not associated or affiliated with the Internal Revenue Service or any official government organization.”

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