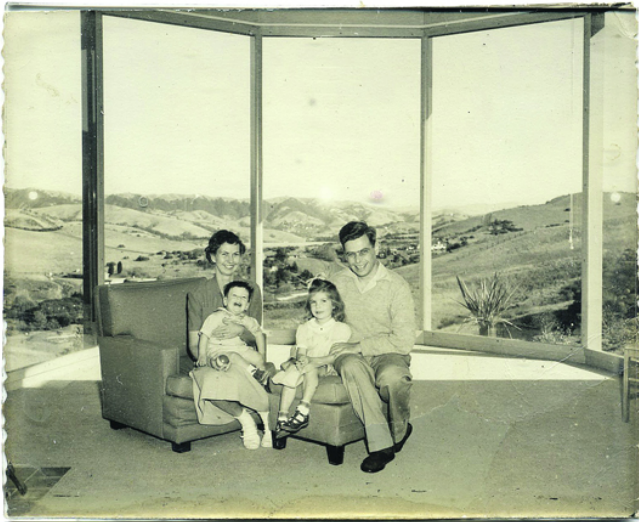


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All in the Family: Second Generation Homeowners

Cathy Dausman



The Jacobsen family in their living room Photo provided

Local realtors tout quality of life in Lamorinda, and residents tend to stay put. Some have even moved into the house their parents originally owned. They are proud Second Generation Homeowners.

Bill Leone is one example. His parents bought a single story rancher in Lafayette in 1965. Leone marveled at the home's "high" price (\$46,000) because it had a pool. After 20 years in a two-story Walnut Creek home, Leone and his wife were ready to downsize. "I started thinking about stairs," he says. His family had rented out the Lafayette home after his father's death, but it suffered water damage and needed remodeling. "Let's not rent," said Leone to his wife, "let's remodel and move in." Their children supported them, and Leone was ready to take on a project (he's doing some of the work himself). Renovations include a new master bedroom wing, new bathrooms and a new kitchen. He wants to make the house "as green as possible," and make it his own. There are even future plans for a wood shop. Leone admits it was "weird, at first, to move into my mom's house." But he loves the fact that it is single story, and close to schools and the Lafayette-Moraga bike trail. He brags playfully that he can even have an extra beer when

dining out because he can walk home. The couple expects to move in by Christmas.

As Miramonte classmates, Susan and Keith Jacobsen are longtime Orinda residents. Keith's grandfather built his home even before Susan's parents built their home in 1948. Susan's mother, Anne, grew up on Oahu and designed the living room bay windows "to bring the outside in."

The sweeping, west-facing view was bare hillside when the family moved there. Now mature redwoods and vegetation envelop the hills. Susan's mother died suddenly in 1971 and "Dad was by himself [in the house]." Two years later he married a neighbor who lived down the block and moved into her house.

At the time, the Jacobsens lived in Montclair. "I really would like you to live in the [family] house," Susan's father told her. A year later, they decided. "We're going!" she said. And they've been there ever since. Jacobsen's thought process was similar to Leone's: "this was my mother's house," she said. In time, though, she says you make it your own: "We redid things." Jacobsen's brother, who lives in Oregon with his family, has been supportive of the move. Even after leaving the house her father reminded Jacobsen to water "their" rhododendrons. He died in 1995; her step-mother lives nearby.

Cathie and Doug Barrows and their daughters live in the house Doug's father built in 1947. They moved in after Doug's mother died in 1995. The current Barrows are also Miramonte classmates. They say there are definitely challenges associated with living in an older home: "We have had to remodel a corner of the house to address foundation problems due to Orinda's famously sliding soil," Cathie says. "We've been continually updating over the years we've been here and have more yet to do. Our kitchen is still basically 1947." Overall, though, the Barrows' are "glad to be living in a house that has so much family history, and especially appreciate the mature redwoods, cedars and oaks that Doug's mom planted and nurtured decades ago."

Dana Farkas' family moved to Lafayette from the Oakland area in 1967 for the good schools and the "country feel" of the town. They bought a large home with a pool built in the early 1950's on land that was once walnut and pear orchards. When Farkas' father died 11 years ago, her mother converted part of the house to an apartment and found a renter. The renter left on good terms, but Farkas' life was changing directions.

Farkas, a professional chef and "lifelong renter" had tired of apartment noise in Los Angeles, New Jersey and the San Francisco Peninsula, and wanted to return to her beloved East Bay. She sold her business, went to work for a former client and asked her Mom if she would consider renting the apartment to her. Farkas' grandmother had lived with the family before her death, so both understood multiple generations living under one roof. As Farkas explains, the arrangement works because she and her mother live independently, but enjoy each other's company. They dine together weekly, and help each other out with house and yard work, an important component in caring for their aging home. Farkas says although the house has "issues," (their private road was built atop a creek) living there has allowed her to "get her feet wet in home ownership."

Living in a parents' home is not for everyone, as aging homes may require substantial maintenance, but it does have advantages. For the residents, there is continuity and a sense of history, and, as another homeowner happily volunteered, "Prop 13 is awesome!"

From Parent to Child:



Susan Jacobsen in front of living room bay windows her mother designed Photo Cathy Dausman

A Gift of Love and Lower Taxes

Moving into a parent's home can be a gift that keeps on giving; at least as far as tax assessments are concerned. Normally a change in property ownership triggers a tax reassessment at market rate. However, when one family member gives or sells his or her home to another family member, the parties can file for a parent/child exclusion (Proposition 58) or grandparent/grandchild exclusion (Proposition 193). Then even if the family to family sale price is at full market value, the tax rate may be discounted.

Donna Murdock, Associate Appraiser for Contra Costa County, gives an example: a home owned for 30 years and originally assessed at \$50,000.00 might be assessed at about \$85,000.00 today under its Prop 13 cap (2% per year rate increase, compounded annually). Comparable homes in that same neighborhood not eligible for such an exclusion might be assessed at \$200,000.00 or more and taxed accordingly.

The assessor's office deals purely with home assessments. The tax collector and auditor's offices then use the assessed home value to compute the taxes. Actual taxes on homes of similar value can vary based on the home location and voter initiative bond measures (which combined comprise the Part 1 tax rate) and set parcel tax amounts such as East Bay Trails (Part 2). Propositions 13, 58 and 193 details are available online at <http://www.boe.ca.gov/proptaxes/faqs/propositions58.htm>, and

<http://boe.ca.gov/proptaxes/faqs/caproptaxprop.htm#2>. Murdock suggests calling the Assessor's Office (925-313-7400) with questions. "We are here to help guide you through the process," she says.

C.Dausman

Reach the reporter at: cathy.d@lamorindaweekly.com

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