

SUBJECT:

**Security Instruments for Compliance
with Low- and Moderate-Income
Housing Deed Restrictions**

**POLICY NUMBER 300-10
ADOPTED 3-26-86
REVISED 11-28-01**

It is the policy of the City Council to require security instruments for compliance with low- and moderate-income housing deed restrictions. For density bonus projects, the security for compliance with the deed restriction reserving units for low- and moderate-income households at affordable rents shall be a promissory note, in the amount of \$50,000 per bonus unit, secured by a deed of trust against the subject property. For projects located in the coastal zone requiring low- and moderate-income housing pursuant to the Coastal Act, the security for compliance with the deed restriction reserving units for low- and-moderate income households at affordable rents/sales prices shall be a promissory note, in the amount of \$50,000 per reserved unit, secured by a deed of trust against the subject property (or other property of equal or greater value to the subject property). If a project is both a density bonus project and located in the coastal zone, the coastal zone requirements shall apply.