

## ATTACHMENT 3

<b>Example of Allowable Rent Increase Without Triggering Relocation Assistance</b> Compounding Annual 5% and 10% Rent Increases				
Year	Rent (P+I)	Increase @10% (I)	Increase @5% (I)	Rent Increase over two year period
1	\$1,000.00			
2	\$1,100.00	\$100		10%
3	\$1,155.00		\$55	15.5%
4	\$1,270.50	\$115.50		15.5%
5	\$1,334.03		\$63.50	15.5%
6	\$1,467.43	\$133.40		15.5%

Note: Assuming maximum annual rent increases of 10% and 5% and considering compound interest, the rent increase over a two year period would not exceed 15.5%.

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<b>Example of Allowable Rent Increase that <u>Would</u> Trigger Relocation Assistance</b> Compounding Annual 7.5% Rent Increase			
Year	Rent (P+I)	Increase @7.5% (I)	Rent Increase over two year period
1	\$1,000.00		
2	\$1,075.00	\$75	7.50%
3	\$1,155.63	\$81	15.56%
4	\$1,242.30	\$87	15.56%
5	\$1,335.47	\$93	15.56%
6	\$1,435.63	\$100	15.56%

Note: Assuming maximum annual rent increases of 10% and 5% and considering compound interest, the rent increase over a two year period would be 15.56%, which exceeds 15.5%, thereby making tenants eligible for relocation assistance.