

The Lower East Side People's
Mutual Housing Association

228 East Third Street, New York, NY 10009

The Lower East Side People's Mutual Housing Association, Inc.
(Formerly Peoples Mutual Housing Association)
Updated September 2005

1. Who are we?

The Lower East Side People's Mutual Housing Association, Inc.

2. When were we founded?

Peoples Mutual Housing Association was incorporated in 1990, we merged with a smaller mutual housing or The Lower East Side Mutual Housing Association, Inc. (LESMHA) in 1995 and the merger legally changed our name to The Lower East Side People's Mutual Housing Association, Inc.

3. Why were we founded?

We were created through a memorandum of understanding with Community Board Number 3 (CB#3) to be the primary vehicle for the low and moderate income housing development portion of the cross subsidy program.

4. How long does the housing remain affordable?

For a minimum of 99 years which is set forth in our regulatory agreement with the city of New York.

5. What is Mutual Housing?

Mutual housing Association ("MHA") is an American invention, coined to describe certain European cooperative and resident involved nonprofit housing associations that both continually develop new housing and sustain the operations of this housing. Once developed, individual buildings remain part of the overall organization.

6. How does a Mutual Housing Association work?

Upon joining, members learn about and become part of the ongoing management structure. The membership forms various committees and a board of directors to deal with all aspects of running the Association. It has a professional staff and may contract with professionals to handle the aspects connected with development, but some tasks may be done by the members themselves, particularly in operating and maintaining the housing.

7. How is living in Mutual Housing Association developments different from renting or owning?

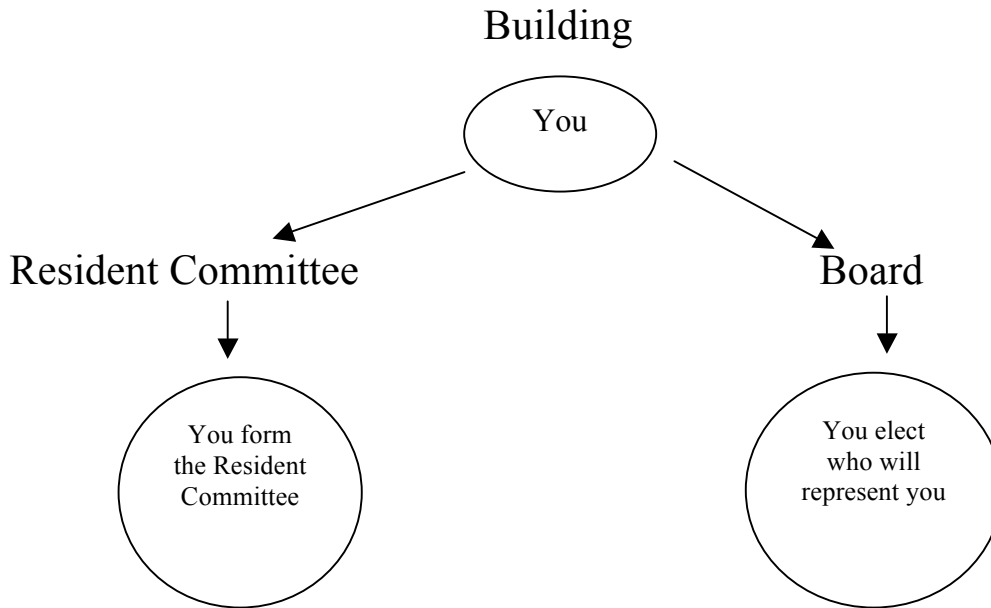
Joining an Association is neither owning nor renting, but membership in an organization combined with a lease arrangement. The Mutual Housing Association owns the housing, which members lease from it. Members do not build up equity, as an owner would, because individual units cannot be bought or sold. The major benefits of Mutual Housing Association membership over renting are:

7. (Continued)

- Security – Membership insures that members will have a place to live as long as they wish to stay, provided they do not commit any serious breach of Mutual Housing Association principles.
- Cost control – Because there is no return on equity in a Mutual Housing Association, housing charges remain stable, and cost increases are modest. New members do not need to buy out the equity of departing members, thus the development can continue serving the same general income mix of households.
- Democracy – Each member has a voice in the affairs of the Association by exercising his or her ability to elect board members and to vote on major policy issues.
- Community – Because of the participatory nature of a Mutual Housing Association, members recognize their mutual interests, and cooperate, feeling a sense of community with each other. Also representatives of the surrounding neighborhood are also formally brought into this "community".
- Better housing – Residents working with housing professionals create dwellings that are built with an eye to long-term multigenerational ownership. They are less costly to maintain while instilling greater community pride, thereby providing the best return possible to residents and the community.

Please refer to chart on the following page.

The Lower East Side People's Mutual Housing Association, Inc.
(Formerly Peoples Mutual Housing Association)



Resident's Council

↓

Composed of all the representatives elected from every building. Resident's Council is chaired by a President, a Vice-President, Secretary and Treasurer.

Board of Directors

↓

Composed of 7 resident members and 6 non-resident members. You have 7 tenants who represent you. All the decisions made by the Board will affect you, that is why if you do not have a representative in your building, your issues will not have an impact at the Board's level.
Do you know who your representative is?