

Managing Change During Program Instability



**HOUSING
CREDIT
CONNECT**



NCSHA
50 YEARS

PANELISTS

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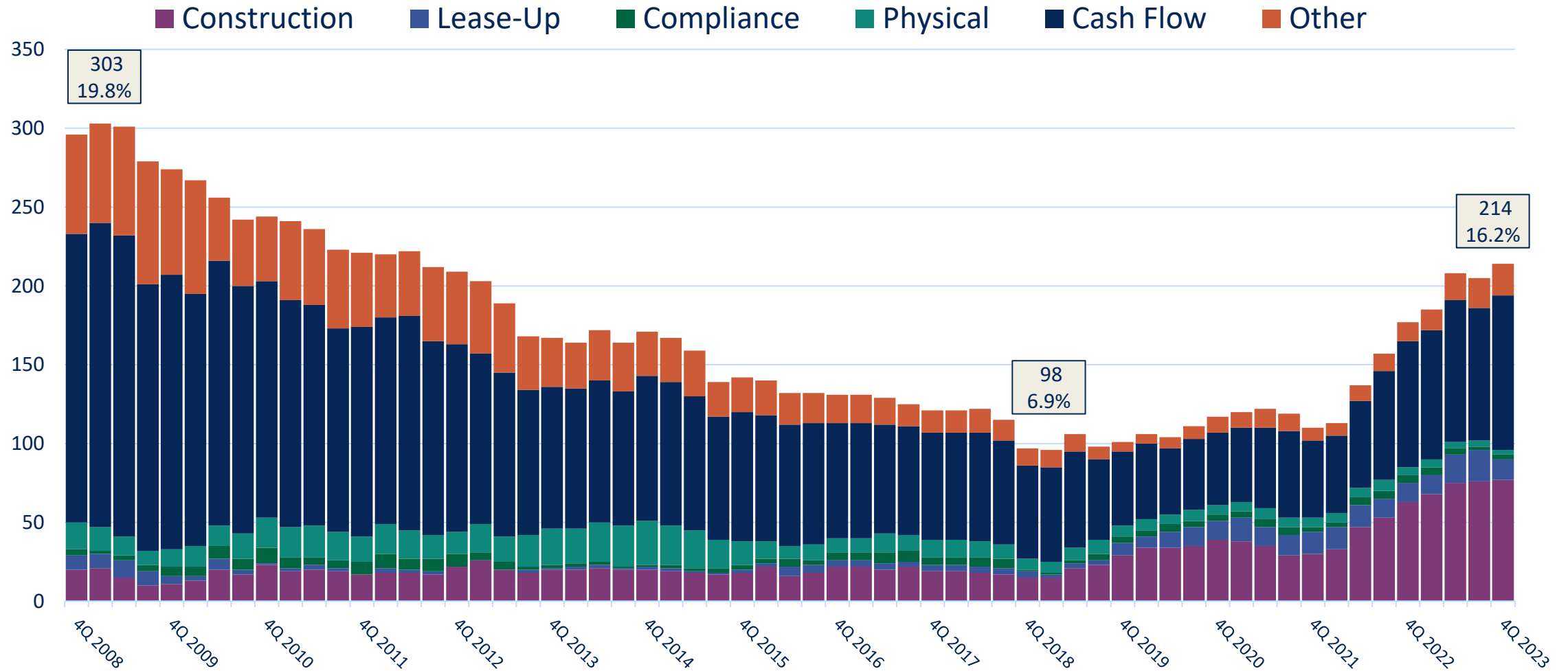


HOUSING CREDIT CONNECT

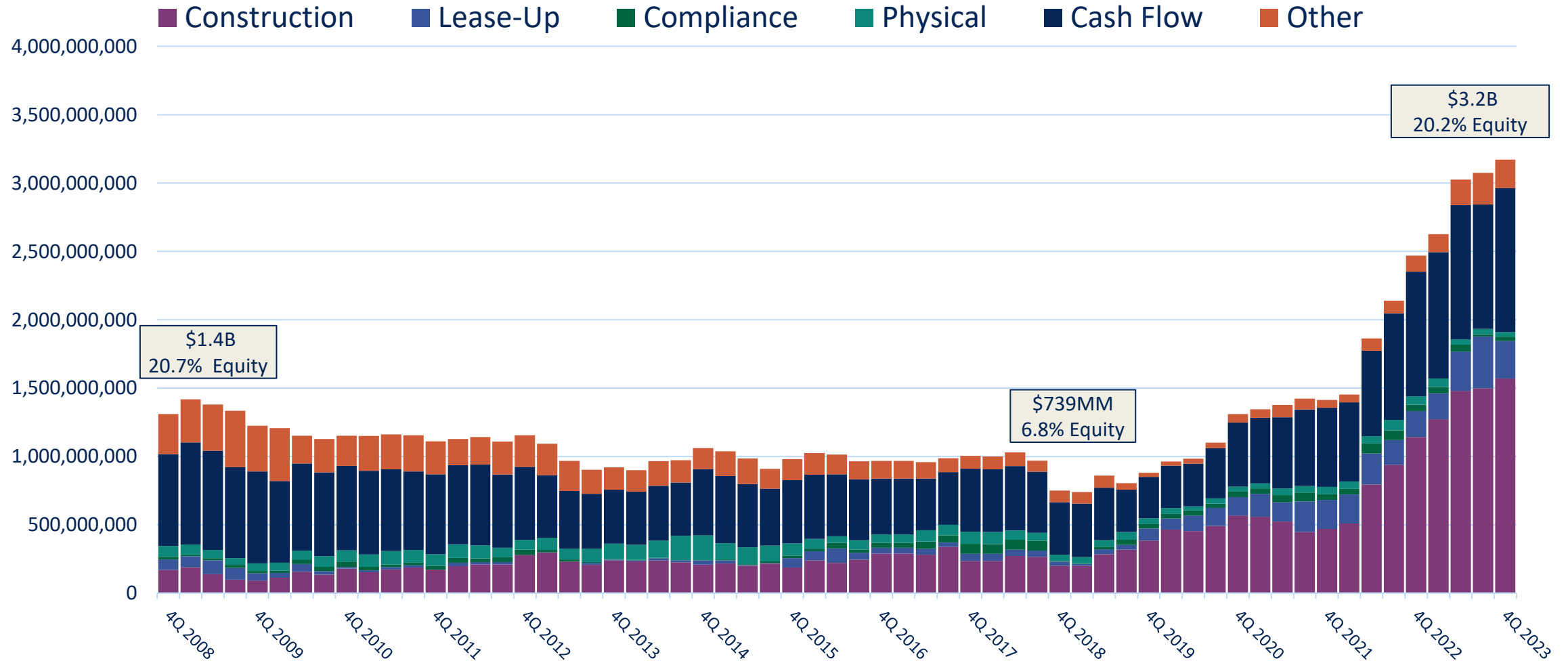


National Council of
State Housing Agencies

15 Years of Watchlist History – PPL Count by Category



15 Years of Watchlist History – PPL Equity by Category





The Power of Water Optimization Data

Managing Uncertainty and Improving NOI





Consequences of Water Waste

Annually in the Affordable Housing Industry



240B

Gallons Wasted



\$3.6B

Excess Expense



14,695

Metric Tons CO₂e



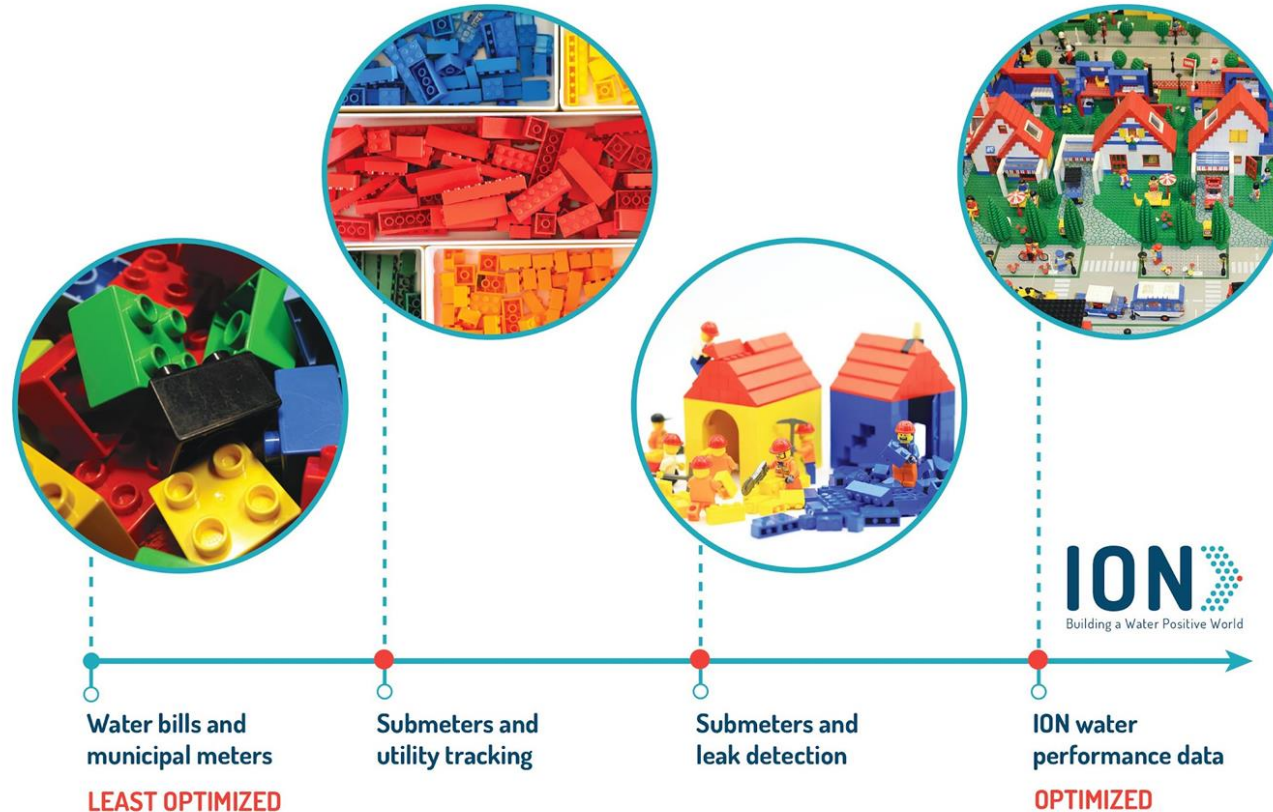
Optimized Data = Double the Efficiency

THE EVOLUTION OF WATER DATA

10K Unit Sample
w/o Optimized
Water Data

102

Gal/Bdrm/Day



27K Unit Sample
Using Optimized
Water Data

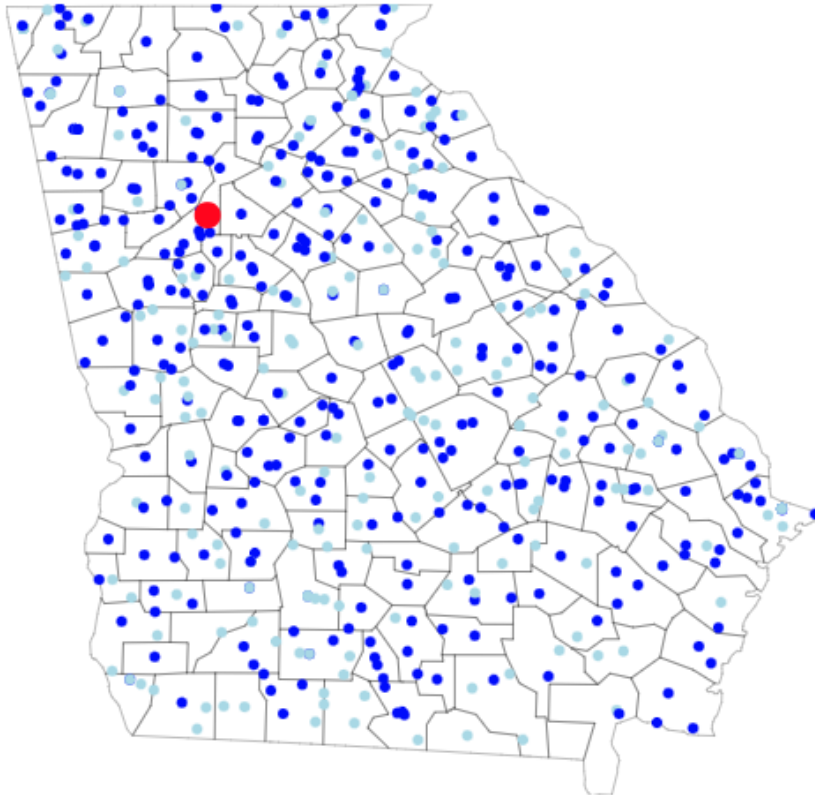
45

Gal/Bdrm/Day



Optimized Performance vs Benchmarking

Water Rates are Rising 2.6X Inflation Nationally



344 rate structures compared

Sample Property (100 Units / 200 Bedrooms)		
	Optimized	Benchmarked
Gal/Bedroom/Day	45	100
Consumption	3,285,000	7,300,000

2.2X
efficiency

Range of Georgia Rates		Optimized Expense	Benchmarked Expense	Improved NOI	Capitalized Value
Low	\$0.002	\$6,570	\$14,600	\$8,030	\$114,716
Median	\$0.013	\$42,705	\$94,900	\$52,195	\$745,655
Atlanta	\$0.024	\$78,840	\$175,200	\$96,360	\$1,376,593
High	\$0.030	\$98,550	\$219,000	\$120,450	\$1,720,741

up to
15X \$



Low Flow Design is Not Optimized

Over 50% of Water Consumed in Affordable Housing is Wasted

	Property A Efficiency Measures (2018)	Property B Efficiency Measures (2020)	Property C Efficiency Measures (2017)
Toilets	1.28 GPF WaterSense	1.28 GPF WaterSense	1.1 / 1.8 GPF WaterSense
Showerheads	1.75 GPM WaterSense	1.5 GPM WaterSense	1.5 GPM WaterSense
Bath Faucets	1.2 GPM	1.2 GPM	1.2 GPM
Kitchen Faucets	1.5 GPM	1.5 GPM	1.5 GPM
Performance	148 Gal/Bedrm/Day	121 GBD	250 GBD

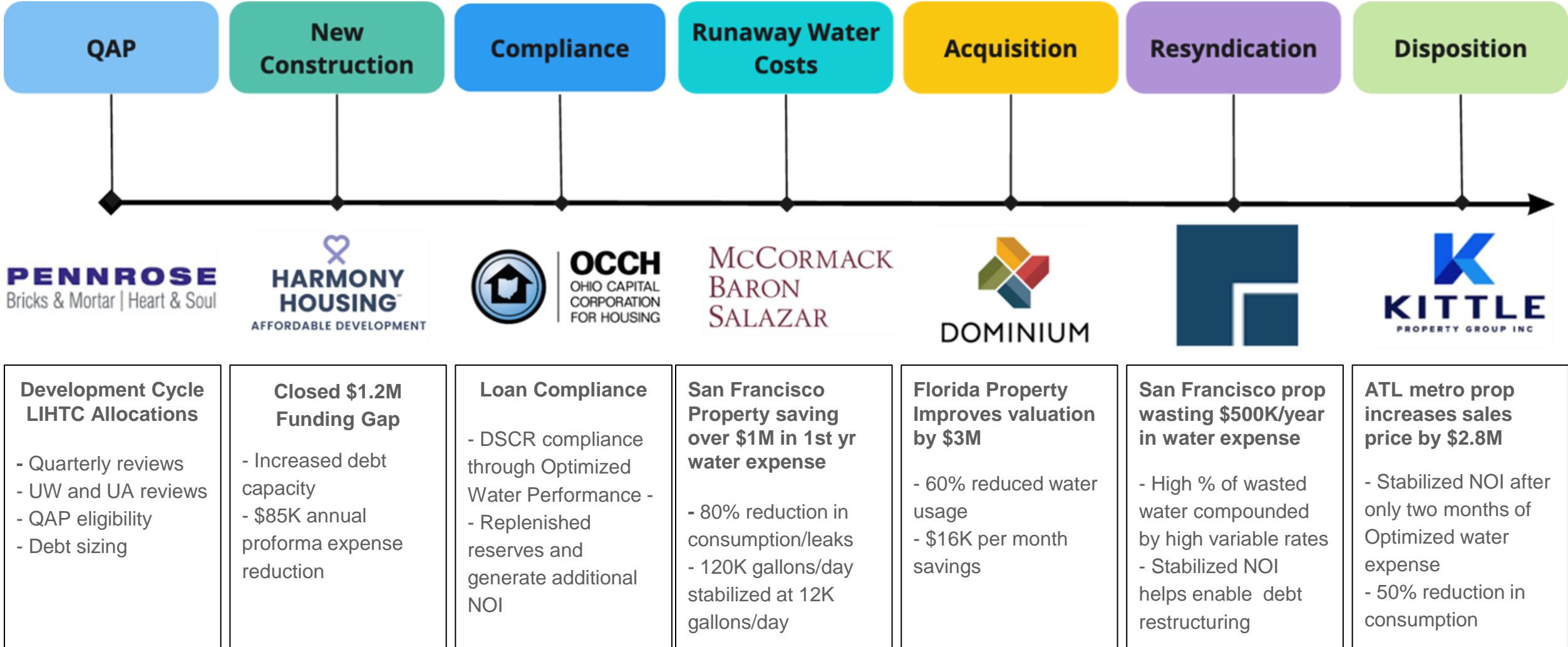
Leak Volume	103 Gal (69%)	76 Gal (62%)	205 Gal (82%)
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Wide Range of Performance in Similar Properties

- Same Developer/Owner
- Similar vintage and construction specs
- Comparable efficiency measures
- All performing well below Optimized Consumption of 45 GBD



Water Optimization - Lifecycle Value



Managing Program Change

And Creating ROI While Doing It



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Jeffrey Promnitz

Chief Executive Officer, Zeffert & Associates, Inc.



Jeffrey is a CEO, adjunct professor, board member, motivational speaker, and current doctoral student. His work emphasizes profitable compliance solutions for investors so they continue developing and managing new housing inventory that is critically needed throughout communities. Multifamily ROI and the affordability of housing are not a zero-sum game, but regulations make them inherently complex, and so the strength of compliance operations is critical.

As the Chief Executive Officer of Zeffert & Associates, the leading provider of multifamily compliance and training products in the country, he oversees strategic direction and the alignment of Core Priorities with the Mission. As a scholar at the University of Missouri - St. Louis, he teaches in the College of Business Administration, serves on the Marketing Advisory Board, and is a student in the Doctor of Business Administration program, one of the select few accredited that is accredited in the nation.

He holds multiple professional certifications in affordable housing, a Master's Degree in International Business Administration, and a Bachelor's Degree in Medical Microbiology.



ZEFFERT & ASSOCIATES

ZEFFERT UNIVERSITY

Technical Change Management

TECHNICAL KNOWLEDGE

PROGRAMS AND COMPLIANCE

→ Specifically, where the rubber meets the road; training.

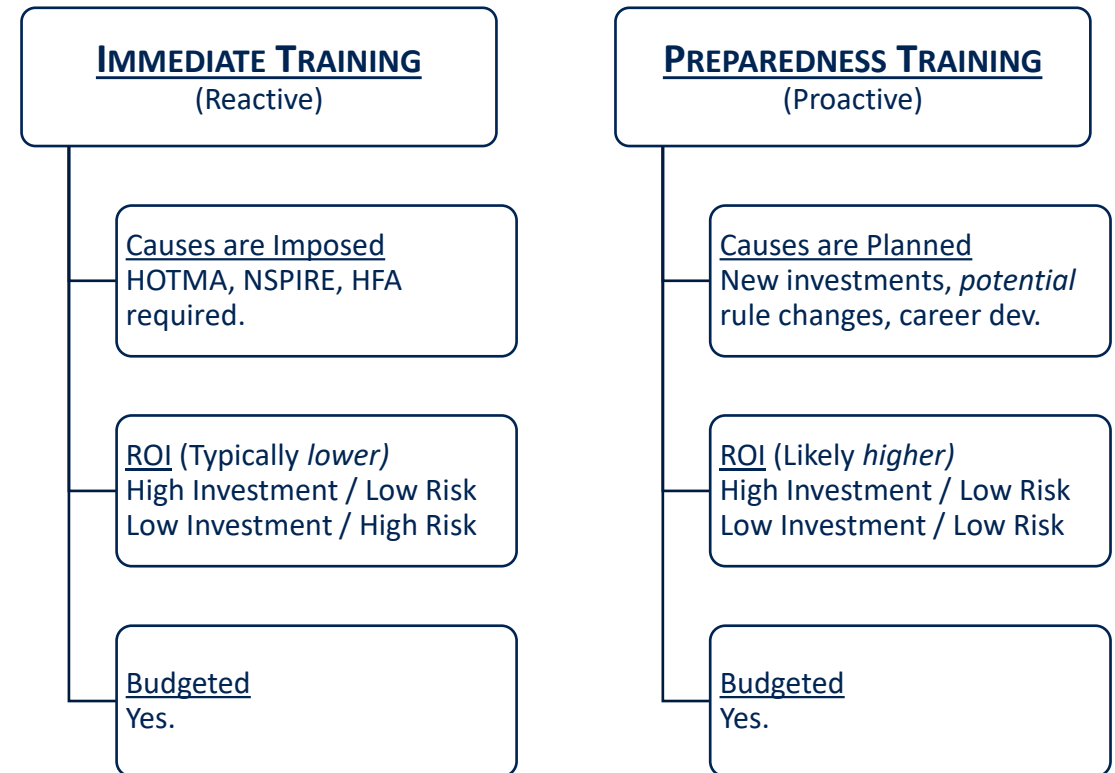
Most operating budgets include compliance training; fail to make it strategic.

- Where absence of strategy becomes apparent.
- Results in inability down the line to materialize or calculate ROI.

Strategy to achieve this.

Determined by risk-appetite; both are necessary.

- *Immediate* compliance training (reactive).
- *Preparatory* compliance training (proactive).



Functional Change Management

FUNCTIONAL KNOWLEDGE

PROCESSES AND SYSTEMS

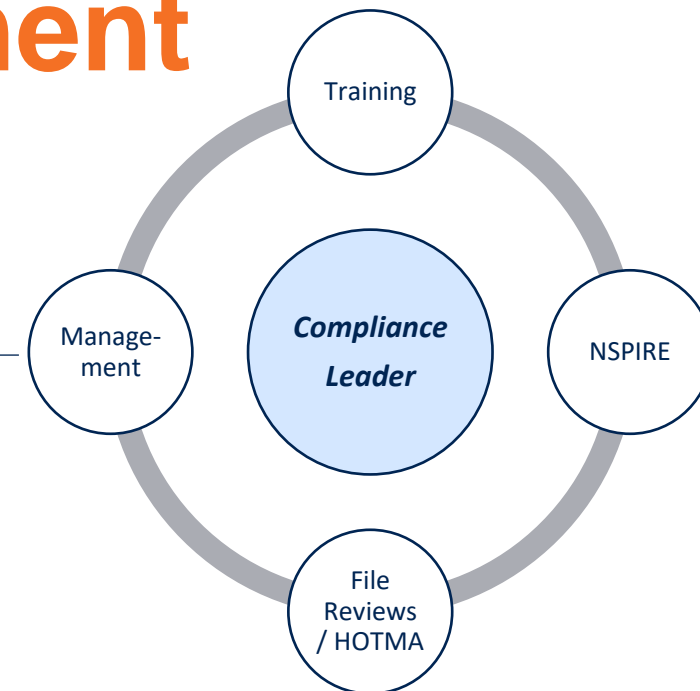
→ *Requirements of measuring efficiency, a function of ROI.*

Functional knowledge is developed most effectively via *leader-team exchange*.

1. Enables the development of *relevant* processes that smooth learning curves.
2. Establishes a framework for the transfer of this knowledge.
3. *Creates a basis for calculating ROI benchmarks at an organizational level.*

Strategy to achieve this.

- What the leader knows vs ‘who they are’ and how they necessarily fulfill the role (*asking the right questions, leading the conversation, reporting on findings, etc.*).
- Efficiency-driven ROI is (now) measurable; and under ownership of a specific person.
- New understandings¹ on *conducting* exchange, e.g. communication in multigenerational teams.



Not leader-developed process, but rather *engagement* through the team.

¹ Promnitz, J., Franz, M., Heise, A., & Merritt, S. (Submitted) “Do we hear each other? Interpretive Phenomenological Analysis of Leadership Communication in Today’s Multigenerational Workplace.” Engaged Management Conference 2024. Executive Doctorate in Business Administration.. <https://edbac.org/ems2024>

Creating Return on Investment

Technical Knowledge

Functional Knowledge

Immediate Training

Planned Training

Lowest ROI

- Reducing compliance errors.
- Most reactionary.
- Least understood dollars.
- “Effective training.”

Moderate ROI

- Increasing revenue, decreasing costs.
- Scheduled in advance.
- Expected dollars.
- “Training that is effective.”

Highest ROI

- Work-group efficiency goal.
- Prioritizes leadership role.
- Invested dollars.
- Advances systems.

The bottom line is that ROI may increase dramatically when applying these lessons.

Training Budget Percentile (relative to comparable organizations)	ROI ²
25%	\$1.82
50%	\$4.67
75%	\$13.91

² Mehra, A., et al. “Estimating Returns to Training in the Knowledge Economy: A Firm-Level Analysis of Small and Medium Enterprises.” MIS Quarterly 38(3): 757-771.