

Mock Exam (60 questions)

The enclosed material is a mock exam for the certification examination for Sustainable Neighborhood Developers. The questions of the mock exam (60 questions) come from the nine course materials.

On the Actual Certification Exam

The Southern University EDA University Center will administer the **ACTUAL** Certification Test (80 questions) on Saturday, **May 18, 2019**, 9:00 - 11:00 AM. Candidates should be seated in the examination room (Room 313) by 8:30 am and **the testing room doors are closed by 9:00 am**. The certification exam covers Nine Topics: Course 1: Sustainable Neighborhood Development; Course 2: Firm Structure, Regulations, and Taxes; Course 3: Advanced Acquisition-Cooperative Endeavor Agreements; Course 4: Financial Capacity; Course 5: QuickBooks; Course 6: Developer's Institute Funding Sources; Course 7: Understanding Blueprints; Course 8: Estimating and Bidding Projects; Course 9: Project Management, Contract Management, and Scheduling.

1. Which of the following most accurately describe "Creating sustainable neighborhood developer program"?
 - a) the process of renovating and improving a house or district so that it conforms to middle-class taste
 - b) the process of training, mentoring, and cultivating individuals who want to improve and develop a house or district where they live.
 - c) the process of renovation of deteriorated urban neighborhoods by means of the influx of more affluent residents

2. Jason Jackson's rebuilding a historic house became revitalizing Soulsville neighborhood in south Memphis. Which of the following is NOT a factor of the sustainable neighborhood development based on his story?
 - a) Simple creative solutions, such as street paint to slow down traffic and artistic crosswalks to increase pedestrian safety
 - b) Having a priority street strategy where mass transit, automobile, bicyclists, and pedestrians are External funding sources are in order of importance
 - c) Amenities and local businesses that the people in the community could design and implement themselves

3. What is a tax credit?
 - a) Money given to you by the government to pay your taxes
 - b) Programs and projects that individuals can invest in that will allow them to reduce their tax liability
 - c) Borrowing from the bank so that you can have enough credit to pay all your taxes from development projects

4. Which of the following is the first recommended step when starting a business?
 - a) Register Your Business Name
 - b) Create a Business Plan
 - c) Register with the Internal Revenue Service

5. Based on Louisiana Law, is it required for a developer to be a licensing Contractor in order to conduct business?
 - a) Yes
 - b) No
 - c) Maybe

6. Starting and Financing a small business requires time and funds. What agency assists individuals with the startup process?
 - a) Louisiana Economic Development
 - b) Louisiana Housing Authority
 - c) Louisiana Small Business Development Center

7. Which is NOT hazard associated with abandon or blighted properties
 - a) Crime
 - b) High overgrown grass

c) Heavy pedestrian traffic

8. A homeless person living in an unoccupied property is an example of

- a) a strong indication of a blighted property
- b) an indication of economic growth in an area
- c) a heat-resistant fibrous silicate mineral that can be woven into fabrics, and is used in fire-resistant and insulating materials such as brake linings, roofing material and floor tile.

9. What is an Energy Ecosystem?

- a) A network of powerful tools and resources that integrate to boost your business performance
- b) A complex network that is not connected to any system
- c) A biological community of interacting organisms and their physical environment

10. To evaluate whether or not a worker is a contractor or employee, which of the following type of test would be performed by an auditing agency.

- a) 3-fold Test
- b) 2-Fold Test
- c) Employee Checklist

11. Which of the following most accurately describe "Opportunity Zones Incentive?"

- a) It incentivizes investors to save and re-invest unrealized capital gains into any community development projects.
- b) It is a new community investment tool established by Congress in the Tax Cuts to encourage long-term investments in low-income urban and rural communities nationwide.
- c) It is a new tax-exempt investment tool that can be invested in any 501C 3 organizations operating in economically depressed areas.

12. According to the Louisiana Economic Development website at

<https://www.opportunitylouisiana.com/business-incentives/opportunity-zones>, Gov. John Bel Edwards nominated certain low-income census tracts in Louisiana as qualified opportunity zones. The Secretary of the Treasury certified them. These low-income tracts were determined based on a strategic review of feedback from local, state and federal elected officials; economic and community development organizations; private developers; private equity firms; non-profit organizations; churches; and individuals. Currently, the State of Louisiana has

() qualified opportunity zones.

- a) 100
- b) 150
- c) 75

13. If the property has been adjudicated for less than (), the tax debtor/owner of the property has the absolute right to redeem his or her property at any time within that (). If the tax debtor/owner redeems the property within that () period, you will not be able to recover any sums you have paid to the City-Parish in connection with your purchase.

- a) 3 years
- b) 5 years
- c) 7 years

14. Since 2016, the East Baton Rouge Parish Attorney's Office have partnered with a New Orleans-based company. The partnership is to give the public an online process for the sale of adjudicated property in excess of five years. Which of the following firm currently provides the online sale process?

- a) New Orleans Redevelopment Company at www.norc.com
- b) Civic Source at www.civicsource.com
- c) Louisiana Housing Corporation at www.lhc.com

15. The mission of the EBR Redevelopment Authority (EBRRA) clearly calls for neighborhood revitalization not gentrification. Neighborhood reinvestment can occur and improve the quality of life for existing residents without the widespread displacement associated with gentrification. Which of the following is LEAST a characteristic of sustainable neighborhood development in line with the EBRRA mission?

- a) The distressed community transitions into a mixed income, mixed wealth and diverse community.
- b) Existing neighborhood businesses are supported while additional viable businesses are created in the community.
- c) Neighborhood improvement not only focuses on improving the physical environment but focuses on creating wealth and opening opportunities (such as employment) to existing residents.
- d) The arrival of relatively more affluent and educated households into neighborhoods that have historically been occupied by lower income households
- e) An economic development aimed to create a neighborhood for longstanding community members

16. As of 2018, how many properties were held in the EBRRDA's land bank?

- a) 29
- b) 119
- c) 250

17. Which of the following correctly differentiate a strategic plan from a business plan?

- a) A strategic plan is used to provide focus, direction and action in order to move the existing organization from where they are now to where they want to go. Whereas a business plan is used to provide a structure for ideas in order to define a new business.
- b) A strategic plan is critical to prioritizing resources (time, money and people) to grow the revenue and increase the return on investment. Whereas a business plan is critical if the business is seeking funding.
- c) Both A and B.

18. The EBR Redevelopment authority can donate its adjudicated properties to qualified individuals, non-profit organizations, or profit organizations through "Cooperative Endeavor and Intergovernmental Agreement." A recipient of the transferred property has to complete property development within ().

- a) Twenty-four months
- b) Thirty-six months

c) Forty-eight months

19. When a proposal is submitted to the community development project of a Government agent, which of the following proposal is least likely to win the project?

- a) A proposal will be undertaken by development teams with experience on similar projects.
- b) A proposal includes fully developed realistic marketing plans.
- c) A proposal adopts high-quality technology that requires many subcontractors.

20. Which of the following best describes the acquisition process adopted by Xavier University?

- a) Negotiate sale – locate owner- renovation – lease – identify property
- b) Identify property – locate owner – negotiate sale – renovation – lease
- c) Identify property – renovation – locate owner – lease

21. The Community Reinvestment Act (CRA) is a law intended to encourage commercial banks to help meet the credit needs of the communities where they operate, including low- and moderate-income (LMI) neighborhoods. The CRA performance of large commercial banks, such as Woodforest National Bank, is rated under three CRA categories: Lending, _____, and services, whereas the performance of smaller commercial banks is primarily measured by their lending activities.

- a) savings accounts
- b) investment
- c) checking accounts

22. Which of the following is NOT the examples of Woodforest National Bank's community development services activities?

- a) Providing credit counseling, homebuyer or home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing; which may include credit counseling to assist low- and moderate-income borrowers to avoid foreclosure on their homes
- b) Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving low- and moderate-income housing or economic revitalization and development needs.
- c) providing programs that enhance existing businesses and create new venture opportunities with a special focus on job creation and workforce development, advancing entrepreneurship and innovation, and promoting entrepreneurial ecosystem

23. (_____), the most important basic financial management understanding for small businesses, is used as a "financial report/statement" for the purpose of setting goals/budget, and ultimately knowing your company's profitability?

- a) Balance Statement
- b) Cash flow Statement
- c) Profit and Loss Statement

24. A simple definition of cash flow is the balance of cash received less the amount of cash paid out over a period of time. Which of the following is one that is essential component for proper cash flow management?

- a) A minimal owner draw out of the net profit
- b) Projecting whether cash receipts will be sufficient to cover projected cash disbursements
- c) Keeping a minimal inventory for sales

25. For a single owner firm or a partnership firm, net profits (NOT revenues) pays for _____.

- a) Business interest payments
- b) Owner's draw
- c) Property taxes

26. With a budget and understanding of your profitability in hand, there are the three types of agencies that an entrepreneur can apply for a business loan to: Bank, Regional Lending Organization, and _____.

- a) FDIC
- b) CDFI
- c) HUD

27. Most rent payments are not being reported to the credit bureaus. As a result, a renter can make on-time rent payments for years and still find themselves with little or no credit and no dream of owning a home. Under the Section 8 voucher program, if your monthly adjusted income is \$1,850, you will pay for the gross rent for the unit minus () of monthly adjusted income.

- a) 40%
- b) 30%
- c) 50%

28. Ms. Seidda Hines lays out a 3-step approach of property development.

Step 1: Acquisition – The act of gaining ownership or control of real property (real estate) or an interest in real property.

Step 2: Construction – the building of something or replacing old with new.

Which of the following is Step 3?

- a) Step 3: Reinvestment – an act of your initial property reinvestment in the other properties
- b) Step 3: Securitization – a process of turning undeveloped property over a regional land bank corporation or a Redevelopment Authority
- c) Step 3: Exit Strategy – a planned approach to get rid of real property in a way that will maximize benefits or make an impact.

29. The Chart of Accounts in QuickBooks is the core of your accounting system. It lists all the types of income and expenses you can expect to have along with all bank accounts, credit cards, loans and other sources of capital to be used. Which of the pulldown menus allows you to access to the Chart of Accounts in QuickBooks?

- a) Accountant
- b) View
- c) Lists

30. You can alter the chart of accounts in QuickBooks at anytime. However it's best to spend time creating an accurate list when you first create the file. When reviewed critically, your chart

of accounts should meet the following three requirements. First, there should be no redundant accounts. When entering a transaction, it should be perfectly clear which account is to be used. Second, each account should be used for at least _____ transactions per year. If it is not then you should consider making the account more general. Third, the chart of accounts list should ideally print out on less than _____ pages. Longer lists are cumbersome to scroll through and often contain redundant accounts.

- a) 2; 3
- b) 5; 5
- c) 10; 3

31. The Louisiana Housing Corporation was created in 2011 when the Louisiana Legislature merged the Louisiana Housing Finance Authority with housing programs from other state agencies, including Louisiana's Office of Community Development. The Louisiana Housing Corporation strives to ensure that every Louisiana resident is granted an opportunity to obtain safe, affordable, () housing.

- A. community-based
- B. energy-efficient
- C. environment-friendly

32. Which of the following is INCORRECTLY stated regarding the Louisiana Housing Corporation's HOME Rental Housing Program?

- a) Provide home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers
- b) Site acquisition or improvement, demolition of dilapidated housing or make way for HOME-assisted development
- c) Issued HOME funds to local politicians' constituents as a form of "entitlements."

33. Which of the following PROPERLY defines a geographical "Neighborhood?"

- a) A geographical area of two miles delineated by major streets encompassing one municipal jurisdiction
- b) A geographical area that is larger than a subdivision in a parish
- c) A geographical area run by a housing association.

34. The Notice of Funding Availability (NOFA) is a notice published each year in Grants.gov for HUD's Discretionary Funding Programs. Projects under the NOFA must meet eligibility requirement under one of two HUD entitlement grant programs: CDBG and _____.

- a) HOPE
- b) HOME
- c) FDIC

35. Any entity receiving federal funds from Baton Rouge City/East Baton Rouge Parish is excess of (____) must comply with all reporting of Section 3 regulations.

- a) \$25,000
- b) \$100,000
- c) \$250,000

36. In everyday conversations, funding and financing are interchangeably used. However, there is a tangible difference between these two terms. Which of the following statements clearly differentiate these two terms?

- a) Funding is the gradual infusion of capital into a new or recapitalized enterprise, whereas financing is the money that lenders and equity holders provide to a business.
- b) Funding is actually the money provided by companies or by a government sector for a specific purpose. On the other hand, financing is a process of receiving capital or money for business purpose, and it is usually provided by financial institutions, such as, banks or other lending agencies.
- c) Funding is the act of providing funds for business activities such as purchasing or investing; financing is a type of investment institutional investors may utilize for its low-risk, fixed-income characteristics.

37. Both a business loan and a line of credit involve a lender's approval process. Which of the following properly list three major factors that lenders consider on business funding applications?

- a) Tax exempt; sales; the size of a business;
- b) Credit score; liquidity (cash flows); revenue-to-expense ratio
- c) Duration of a business; a business type; liquidity (cash flows)

38. Which of the following properly list the items that you need when you apply for a business loan?

- a) Business loan application; personal financial statement, spouse's personal information, history of the business, business debt schedule
- b) Business loan application; personal financial statement, management resume, history of the business, business debt schedule
- c) Business loan application; personal financial statement, management resume, history of the business, business physical capital depreciation schedule

39. The five C's of credit is a system used by lenders to gauge the creditworthiness of potential borrowers. The system weighs five characteristics of the borrower and conditions of the loan, attempting to estimate the chance of default. The five C's of credit are character, capacity, capital, collateral and conditions. The credit history of a borrower refers to:

- a) Capacity
- b) Conditions
- c) Character

40. Currently, there are 150 opportunity zones in the State of Louisiana. Most areas of north Baton Rouge are designated as Opportunity Zones. However, a few areas are not designated as such. Which of the following areas is not designated as Opportunity Zones?

- a) Exxon Mobile Co.
- b) Cortana Mall
- c) Southern University and A&M College

41. Construction drawings are also known as _____.

- a) Blueprints

- b) Sheets
- c) Working Drawings
- d) A & B
- e) A & C

42. What do we use Construction Drawings for?

- a) To build
- b) To obtain permits
- c) To prepare estimates
- d) To obtain bids
- e) All of the above

43. Architects and engineers use symbols to describe _____.

- a) Materials
- b) Doors and Windows
- c) Thickness
- d) Heights
- e) A and B

44. Walls on a floor plan are shown as _____.

- a) A single line.
- b) A symbol.
- c) A fixture
- d) Two parallel lines
- e) B and D

45. Dimension lines show the _____ of a dimension.

- a) Arrowheads
- b) Length
- c) Extent
- d) Thickness
- e) Width

46. Masonry units, brick and cinder block, are dimensioned to the

- a) Center
- b) The edge
- c) Door
- d) Window
- e) Width

47. Name the basic parts of a drawing sheet.

- a) Title block
- b) Border
- c) Drawing area
- d) Color
- e) A, B, and C.

48. The site plan locates the building _____ on the site or lot.

- a) Height
- b) Footprint
- c) Roof
- d) Stairs
- e) Gutters

49. The roof plan shows

- a) The elevations
- b) The roof pitch or slope
- c) The windows
- d) The kitchen
- e) All of the above.

50. Structural plans focus on what components of a building?

- a) Framing
- b) Structural
- c) Piling
- d) A and B
- e) A and C

51. Each and every year, the East Baton Rouge Parish Sheriff holds a tax sale for properties whose owners are delinquent in paying the prior year's taxes. At this tax sale, the public is allowed to bid on the taxes for these various properties. Those parties that are successful bidders are granted () to those properties.

- a) property title
- b) sales title
- c) tax title

52. Does the City – Parish Own Adjudicated Property?

- a) Yes, the City-Parish has right to enter the property. The City-Parish is also liable for the property.
- b) No, adjudicated properties are still considered to be "owned" by whomever owned the property prior to the adjudication.

53. State law allows the City-Parish to sell its interest in adjudicated property. Through () approval, and various legal notices and time delays, a person may buy the property through the City-Parish.

- a) Baton Rouge Redevelopment Authorities
- b) Baton Rouge Housing Authorities
- c) Metropolitan Council

54. The City/Parish has partnered with CivicSource to create an online process for the sale of Adjudicated property. CivicSource only handles the sales of adjudicated properties that have been adjudicated in excess of () years.

- a) 3 years
- b) 5 years
- c) 7 years

55. Although you open the file, there is a public bidding. If no one appears on that date and signs up to bid against you, your initial bid is presented for approval. That amount is up to you. The Parish Attorney's Office will provide you with some information on the property as to taxes owed, lien amounts, (), etc. The amount you ultimately decide to bid is left to your discretion. However, it is the Metropolitan Council that will ultimately decide to accept your bid or not. If your bid is rejected, there is no refund for your expenses to that point.

- a) appraised value
- b) market value
- c) deposit amount

56. Which of the following traits is NOT considered the characteristics of the best project managements as defined by a major client?

- a) Follow through
- b) Handles multiple priorities well
- c) Retroactive

57. The successful PMs involve:

- a) Controlling and monitoring budget and schedule
- b) Managing account collections
- c) Compromising whatever is negotiated

58. Which of the following activities is considered to the marketing role of the project management?

- a) Scheduling
- b) Bill the client
- c) Sell all your firm's services

59. Which of the following is not considered the elements of a project management plan?

- a) Contingency/risk management plan
- b) Vision statement
- c) Quality control process

60. There are four methods to budget a project. Which of the following methods is NOT one of those?

a) Upward (Zero-Based)

b) Staff level

c) Sales-cost principle