

## Sustainable Neighborhood Developers Program Practice Exam (80 questions)

The enclosed material is a practice test for the certification examination for Sustainable Neighborhood Developers. The questions of the practice test (80 questions) come from the twelve (12) program modules.



**Choose the best answer.**

1. The Spring 2022 Creating Sustainable Neighborhood Developers' Program includes twelve modules: on (1) The State of Real Estate Development, (2) Entrepreneurship and Small Business fundamentals, (3) Real Estate Acquisition, (4) QuickBooks, (5) Team Management: Leadership, (6) Personal Finance & Funding, (7) \_\_\_\_\_, (8) Development & Construction, (9) License-Permits-Certifications-Insurance, (10) Understanding Blueprints, Bidding Projects, and Construction Documentation, (11) Xactimate, and (12) Construction Bonding Awareness and Project Management. Fill up the blank using the following.

- (A) Contractor Procurement
- (B) Provisional Capacity Assessment
- (C) Quantum Computing

2. Which of the following most accurately describes "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 community (i.e., houses, subdivisions, community centers, etc.) to which they belong.
- (C) the process of renovation of deteriorated urban neighborhoods by means of the influx of more affluent residents

3. Which of the following could be a good indicator of the expansion stage of real estate cycle?

- (A) fear in the general population
- (B) lower supply of property
- (C) lower home mortgage rates

4. According to the real estate cycle model, \_\_\_\_\_ is surely followed by sky-rocketing prices, over-developments, and a rising number of vacancies in the housing market.

- (A) stagnation
- (B) hyper-supply
- (C) recession

5. The real estate market is part of the economy. As a result, the economy and the real estate market, in general, move together. For instance, a decrease in the market interest rate tends to increase the economic investments (i.e. machinery purchases and new plant construction by firms), so does the real estate market. There are also many other factors that affect the real estate market. Which of the following is one of the factors that greatly affect the real estate market?

- (A) The Balance of Trade
- (B) U.S. Government housing policies
- (C) Inflation rates

6. Ms. Baaheth, former Louisiana Real Estate Commissioner, indicated that Louisiana real estate market is still a seller's market because:

- (A) people have less money to spend on real estate

- (B) sellers see few buyers for their real estate properties
- (C) the demand is larger than the supply of real estate properties.

7. According to Ms. Baaheth, there are two types of real estate investments in a broad sense. Which of the following is considered as a long term real estate investment?

- (A) Land Purchases
- (B) Flipping real estate properties
- (C) Purchasing a real estate funds

8. When is the best time to enter the Real Estate Market?

- (A) The year 2020
- (B) The year 2021
- (C) Now

9. Name five types of properties that need to be developed in neighborhoods.

- (A) Vacant lots, single-family homes, multi-family homes, commercial buildings and mixed-use facilities.
- (B) Vacant lots, single-family homes, convenient stores, commercial buildings and mixed-use facilities.
- (C) Vacant lots, pay-day-loans service centers, multi-family homes, commercial buildings and mixed-use facilities.

10. Which of the following correctly lists five criteria for when neighborhoods need to be developed?

- (A) According to civic center activities, according to crime-prevention programs, according to neighborhood strategic plans, according to local planning, zoning and building coded and according to agreed-upon completion schedules.
- (B) Individual initiative, according to local government policy, according to neighborhood strategic plans, according to local planning, zoning and building coded and according to agreed-upon completion schedules.
- (C) According to fire marshal codes, according the state government initiatives, according to civic center activities, according to crime-prevention programs, according to neighborhood strategic plans

11. What are five primary factors used by organizations in selecting developers?

- (A) Number of business employees, number of government contacts, community impact and diversity, and capacity building.
- (B) Experience and capacity, project strength, repayment ability, community impact and diversity, and capacity building.
- (C) Educational level of business owners, number of business employees, number of government contacts, community impact and diversity, and capacity building

12. What is the three major components of Entrepreneurship that you have to connect in your business plan?

- (A) Team, Policy, Finance

- (B) Opportunity, Team, Resources
- (C) Culture, Supports, Markets

13. What are the four phases of the Real Estate Market Cycle?

- (A) Over-supply, Contraction, Retention, and Recession
- (B) Recovery, Expansion, Hyper-supply and Recession
- (C) Recession, Depression, Hyper-supply, and Recovery

14. According to Dean Andrews, Small Business Owner is someone who owns or starts a business that already has an existing model such as a restaurant, whereas an entrepreneur is someone who \_\_\_\_\_.

- (A) Creates something new
- (B) Designs great ideas
- (C) Exports goods and services

15. \_\_\_\_\_ is a chart that allows you to create a more visual representation of what the business should look like. It maps out key features, the product design, and, once completed, it tells you the exact key points that you need to address when building your company.

- (A) The Production Possibility Frontier
- (B) The Income and Expenditure Circular Model
- (C) The Business Model Canvas

16. CHAAP program funds eligible projects proposed by CHDOs. CHDO stands for?

- (A) Community Housing Domicile Organizations
- (B) Charity Housing Development Organizations
- (C) Consumer Housing Development Office
- (D) Community Housing Development Organizations

17. Under NOAH program, the Louisiana Housing Corporation distributes HOME Funds to experienced nonprofit housing development organizations on an open noncompetitive basis for the development of a housing project with up to 4 units.

- (A) True
- (B) False

18. The Low-Income Housing Tax Credit (LIHTC) program represents the largest federal housing program in existence in terms of the number of units developed each year. The 9 percent credits are highly competitive, with many more projects requesting credits than can be funded.

- (A) True
- (B) False

19. Jericho Road Episcopal Housing Initiative (JREHI) of New Orleans is a neighborhood-based nonprofit homebuilder that provides families with healthy and energy-efficient affordable housing opportunities. To that end, the JREHI embarks on five focal areas: Housing

development, community engagement, \_\_\_\_\_, workforce development, and financial capability.

- (A) capacity building
- (B) project management
- (C) land stewardship
- (D) grant writing

20. Since its inception in 2006, the JREHI invested over 39 million dollars into Central City, Gentilly, Algiers, 7<sup>th</sup> Ward, and Jefferson Parish. A typical house size they have been working on in Central City is \_\_\_\_\_; that in Gentilly is \_\_\_\_\_.

- (A) 30 feet × 30 feet; 40 feet × 40 feet
- (B) 40 feet × 40 feet; 30 feet × 30 feet
- (C) 70 feet × 70 feet; 50 feet × 50 feet
- (D) 50 feet × 50 feet; 70 feet × 70 feet
- (E) 30 feet × 30 feet; 50 feet × 50 feet

21. In May, 2013, the JREHI completed Saratoga Square housing project and provided 14 total single family homes in the Saratoga Square subdivision. The housing project was co-developed with \_\_\_\_\_.

- (A) J.P. Morgan Chase Bank
- (B) Louisiana Housing Corporation
- (C) Bank of America
- (D) EDC Hope Credit Union

22. Recently, the JREHI is moving into the housing rental market as well. Which of the following housing project is for senior rental project?

- (A) Muses
- (B) Mirabeau Gardens
- (C) Front Porch Project
- (D) 7<sup>th</sup> Ward Revitalization Project

23. What is the name of the style of house, shown below, that is optimal for placement on a narrow and shallow lot?



- (A) Shotgun
- (B) Boutique
- (C) Camelback

24. What is the term that describes the discriminatory practice of fencing off areas where banks would avoid investments based on community demographics?
- (A) Assemblage
  - (B) Decoupling
  - (C) Redlining
  - (D) Conjugating
25. Which of the following is the U.S. Government affordable housing assistant program enacted as part of the Housing Act of 1937 that allows private landlords to rent apartments and homes at fair market rates to qualified low income tenants, with a rental subsidy administered by Home Forward?
- (A) Rental Assistance Payments
  - (B) HOPE VI
  - (C) Section 8
  - (D) Section 515
26. The MIT Living Wage indicates how much is “enough” to live in your county by comparing the living wage-based on the barebones cost of housing, food, transportation, and child and health care. What is MIT living wage for an average Louisiana citizen?
- (A) \$32.05
  - (B) \$26.42
  - (C) \$17.48
  - (D) \$29.18
27. According to Ms. Morris, a family of four earning the average median income (\$38,423) for the city of New Orleans and headed by an unmarried person, will take home \$33,462 after taxes. Paying \$960 a month for housing costs, under the existing definition of housing security will leave that household with only \_\_\_\_\_ to support the needs of the entire family for the remainder of the month.
- (A) \$1,2323.35
  - (B) \$1,583.23
  - (C) \$1,828.50
  - (D) \$1,090.35
28. According to Ms. Morris, 32% of White, 37% of Black, and 39% of Latinx family assets are derived from housing wealth. White families have an average of \$216K in housing wealth, while Black families have \_\_\_\_\_ and Latinx families have \$130K.
- (A) 156K
  - (B) 180K
  - (C) 94K
  - (D) 50K
29. Through the 3C Initiative, HousingNOLA will develop or rehab 1,500 affordable units \_\_\_\_\_ home owners occupied and \_\_\_\_\_ rentals), by improving policy framework and

refining the use of public and private resources to generate wealth for marginalized New Orleanians with low to moderate income within the Claiborne Corridor in the next two years.

- (A) 1,100 home owners occupied, 400 rentals
- (B) 300 home owners occupied, 1,200 rentals
- (C) 600 home owners occupied, 600 rentals

30. How is debt service coverage computed?

- (A) Debt service coverage is the available annual account payables after payment of operating expenses divided by the annual debt payment.
- (B) Debt service coverage is the available annual cash flow after payment of operating expenses divided by the annual debt payment.
- (C) Debt service coverage is the available annual notes payables after payment of operating expenses divided by the annual debt payment.

31. What are two real estate investment loan types?

- (A) Construction loan and real estate investment line of credit
- (B) Commercial paper and construction loan
- (C) Revolving loan and fixed income security loan

32. After the loan is approved, what document does the banker issue that describes the terms of the agreement?

- (A) A Proof of Credit line
- (B) Commitment Letter
- (C) Acknowledgment Letter

33. What is the purpose of a construction inspector?

- (A) The construction inspector visits the construction site in connection with each draw request to provide the bank with an estimate of the percentage of completion of the project.
- (B) The construction inspector visits the construction site to speed up the completion of the project.
- (C) The construction inspector visits the construction site to estimate the net worth of the project.

34. During his presentation, Mr. Matthew shared his neighborhood development projects in the past. What is the threshold amount of investment in whether or not he flips a house?

- (A) Less than or equal to \$50,000
- (B) Less than or equal to \$75,000
- (C) Less than or equal to \$125,000

35. According to Mr. Matthew, what percent of the cost of a real estate development project will a bank typically require the borrow to inject?

- (A) 60% to 70%
- (B) 30% to 40%
- (C) 20% to 30%

36. Which of the following is not included in a real estate cash flow projections?
- (A) Vacancy percentage
  - (B) Effective gross income
  - (C) Assumptions
  - (D) Expenses
  - (E) Total assets
37. What is motivating in relation to the directing function?
- (A) Motivating is the process of influencing people to work toward a common goal.
  - (B) Motivating is the process of providing reasons for people to work in the best interests of an organization.
  - (C) Motivating is the process of anticipating future events and conditions and determining courses of action for achieving organizational objectives.
38. What are the 4 steps commonly associated with controlling management function?
- (A) Set standards - measure performance - compare performance - take corrective action
  - (B) Set goals – perform objectives – set strategies – achieve goals
  - (C) Set out strategy – set objectives – measure outcomes – achieve goals
39. What percentage of time does top management spend on planning?
- (A) 10%
  - (B) 30%
  - (C) 55%
40. General Liability insurance coverage provides protection for
- (A) Your Workers injured on the job site
  - (B) Covers third party injury and property damage only
  - (C) Covers all liability damage caused at the job site
41. Title Insurance provides the following:
- (A) Guarantees that there are no problems with the title
  - (B) The owner must buy owner’s title insurance
  - (C) Lender’s title insurance protects the purchaser of the property
  - (D) All of the above
  - (E) None of the above
42. Workers Compensation protects against injuries at work for the following:
- (A) Pays for rehabilitation
  - (B) Pays the owner of the business
  - (C) Medical payments for workers
  - (D) Both (A) and (C)
  - (E) All of the above
43. Which of the following properly lists 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

44. The five C's of credit are 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

45. According to Mr. Campbell, which of the following small business loan applicant is most likely to secure a business loan?

- (A) An individual FICO score of 825 with no business experience
- (B) An individual whose business has generated constant positive cash flows with the DSCR ratio being at least 1.25X.
- (C) An individual whose business has run into liquidity problem, but has just partnered with a wealthy doctor as co-signer.

46. 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

47. What type of measuring scale is used in construction drawings?

- (A) A metric scale
- (B) An architect's scale
- (C) An engineer's scale
- (D) A measuring tape
- (E) (A), (B), and (C)

48. 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

49. The site plan usually portrays the building \_\_\_\_\_ on the site or lot.
- (A) height
  - (B) footprint
  - (C) roof
  - (D) stairs
  - (E) gutters
50. A drawing set is composed of \_\_\_\_ major types of drawings.
- (A) 3
  - (B) 6
  - (C) 8
  - (D) 9
  - (E) None of the above
51. The roof plan shows
- (A) The elevations
  - (B) The roof pitch or slope
  - (C) The windows
  - (D) The kitchen
  - (E) All of the above.
52. A building section is a \_\_\_\_\_ through the building.
- (A) Plan
  - (B) Detail
  - (C) Vertical slice
  - (D) B and C
  - (E) None of the above.
53. Which one of these answers listed below is an outcome of the preconstruction effort?
- (A) Better relationship with the banker
  - (B) Better relationship with the supplier
  - (C) Firm and plausible schedule
  - (D) Grant money
54. Which development teams are most likely to be involved in a lease-up schedule?
- (A) Property Manager, Owner and construction team
  - (B) Banker, Lawyer, and owner
  - (C) Realtor, owner, contractor
55. In the slide "Know Your Market", Clem Jr Development said that two of the most important knowledge that a developer needs to know is, who are buying the homes. The other important knowledge that a developer needs to know is:
- (A) Is there a shortage of affordable homes in your market?
  - (B) It is hard to build an affordable housing project in depressed areas.

- (C) The mayor of all cities does not want affordable homes built in their towns.
- (D) Will the state fund your project in certain areas?

56. Clem Jr said that when submitting your application to the lender or funder you will need to have a balance sheet, your profit and losses sheet and provide the last three years tax returns. Which subject on the slide was this under:

- (A) QuickBooks
- (B) Financial Statements
- (C) AIA G7201/02/03
- (D) Both (A) & (C)

57. Is this a true statement? A developer needs to pledge some liquidity in order to secure funding for housing development?

- (A) False
- (B) True

58. You can receive licensing from the Louisiana Licensing Board for Contractors **except one**:

- (A) Commercial License
- (B) Residential License
- (C) Mold Remediation License
- (D) Trade License

59. What are the basic requirements for residential and commercial licenses?

- (A) Registered Business and Complete and submit an application
- (B) Financial statement with \$10,000 net worth
- (C) Applicant must pass Business & Law and Trade Exam
- (D) All of the Above

60. What two programs assist contractors in securing bonding?

- (A) Small and Emerging Business Development Program and Hubzone Program
- (B) Bonding Assistance Program and Surety Bonding Program
- (C) Louisiana Contractor Accreditation Institute and Bonding Assistance Program
- (D) Hudson Initiative and 8(a) Business Development Program

61. New accounts can be added to the Chart of Accounts in which menu item:

- (A) Edit
- (B) Vendors
- (C) Company
- (D) Reports

62. The Profit & Loss and Balance Sheets are the most important financial statements of your business. These financial statements can be found in which menu:

- (A) Accountant
- (B) List
- (C) Reports

(D) Banking

63. Paying bills is performed in which of the following menu item:

- (A) Banking
- (B) Reports
- (C) Edit
- (D) Vendor

64. What are Opportunity Zones?

- (A) A new statewide program that provides rent and utility assistance to eligible low- and moderate-income renters experiencing financial hardship due to the economic effects of COVID-19.
- (B) A designation and investment program created by the Tax Cuts and Jobs Act of 2017 allowing for certain investments in lower income areas to have tax advantages.
- (C) A federally established investment areas that can be developed to provide tax credits for market-rate housing development.

65. XYZ Contractor is building an office building in an area known to have termites. Which construction type will XYZ Contractor like choose?

- (A) Wood panels build on site
- (B) Prefab wall sections
- (C) Steel studs
- (D) Manufactured wall

66. Which construction type is known to be a bit more expensive than other construction types?

- (A) 3D printing
- (B) ICF blocks
- (C) Precast panels
- (D) Timber frame

67. Which construction technique uses additive welding?

- (A) Timber frame
- (B) Steel buildings
- (C) Metal studs
- (D) 3D printing

68. To sketch a roof in Xactimate, which tab would you select?

- (A) Estimate
- (B) Claim Info
- (C) Photos
- (D) Documents

69. General mitigation includes tax incentives/disincentives, and building standards and codes.

- (A) True

(B) False

70. Mitigation programs are designed to promote disasters and their effects by encouraging behaviors that may put people and property at risk, such as building homes and businesses in hazardous areas.

(A) True

(B) False

71. Building standards specify what materials can be used in the construction of homes, businesses, and institutional structures based upon criteria such as strength, durability, flammability, resistance to water and wind, et(C), and appropriate designs for the environment

(A) True

(B) False

72. Which is incorrect about the characteristics of a Project Manager:

(A) Define goals and objectives

(B) Define beginnings to end

(C) Refuse to work for the owner

73. With a Market Analysis, which is the most important?

(A) Location

(B) The building

(C) Heavy Construction

74. To get to the finish line in a construction project you will need a good road map to get to the finish line.

(A) True

(B) False

75. A good project management plan involves scheduling. Which of the following statements properly describe the reasons for scheduling?

(A) Demonstration of resource requirements

(B) Proper billing statements

(C) Quality control

76. In the traditional roles of project manager, they are involved in the planning, scheduling, organizing, directing, controlling and technical roles.

(A) True

(B) False

77. How do Principals work with strong Project Managers?

(A) In fee proposals, the project manager prepares the fee proposal and the principal approves the fee.

(B) In team selection, the project manager requests the team and the principal assigns the team.

- (C) In removing non-performers the project manager approves the removal of the non-performers and the principal recommends removal of the non-performers.
- (D) In fee proposals, the project manager prepares the fee proposal and the principal approves the fee; In team selection, the project manager requests the team and the principal assigns the team; and in removing non-performers the project manager approves the removal of the non-performers.
- (E) In fee proposals, the project manager prepares the fee proposal and the principal approves the fee; and in team selection, the project manager requests the team and the principal assigns the team.

78. In accounts receivables plan–contracting, the project manager should *not*:

- (A) Ask the client for permission to check their credit.
- (B) Push hard for a net 30-day clause in contracts with the client
- (C) Avoid complicated billing and reporting procedures
- (D) Make sure that special billing requirements must be fully explained to accounting

79. The elements of a project management plan include the following items below *except one*.

- (A) Goals and objectives
- (B) Scope of work
- (C) Schedule
- (D) Knowing someone at the permit office
- (E) Financial Plan

80. Studies of floodplain/wetland management generally find that people will not limit development on the floodplains without strict regulations and the threat of punishment, e.g., withdrawal of eligibility for low cost-flood insurance or eligibility for disaster assistance.

- (A) True
- (B) False