

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 class materials of the Six-week program.



Choose the best answer.

1. You attended Creating Sustainable Neighborhood Developers' Program - Course 1: Small Business and Entrepreneurship Fundamentals and the State of Real Estate Development; Course 2: Capacity Building in Real Estate; Course 3: Personal Finance, Funding, and Insurance; Course 4: Understanding Blueprints and Construction Documentation & Team Management; Course 5: Construction License, Permit Certifications, _____, Xactimate, and Construction Processes; and Course 6: Environmental Issues in Real Estate and Project Management. Fill up the blank using the following.

- A. QuickBooks
- B. BOP
- 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 the community (i.e., houses, subdivisions, community centers, etc.) they belong to.
- C. The process of renovation of deteriorated urban neighborhoods by means of the influx of more affluent residents

3. Who can develop neighborhoods?

- A. Individuals
- B. Non-profits
- C. For-profits
- D. You
- E. All-of the above

4. Similar to the broader economy, commercial real estate is a cyclical market. There are four phases to the real estate cycle: Recovery – expansion - hyper-supply - _____.

- A. deflation
- B. recession
- C. stagnation

5. 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

6. There are several factors that significantly affect the Real Estate Market. Which of the following is NOT considered as a major factor?

- A. Interest rates
- B. Demographics

C. Exchange rates

7. What is the definition of an adjudicated property?

- A. A property that has been idled because of insufficient development funds
- B. A property for which a tax sale title is acquired by a political subdivision/ city
- C. A property that has been placed in state or local government by eminent domain law

8. What does it mean to redeem a tax sale interest?

- A. To allow the third party to have a right to pursue the property ownership.
- B. To “buy back” a tax sale purchaser’s interest in a property.
- C. To provide the property owner(s) with rights to pay off the accumulated tax.

9. What is acquisitive prescription?

- A. It is a right of ownership dismemberments that takes 6 months.
- B. It is a method of acquiring property, which usually takes less than 6 months.
- C. This is a means of acquisition that takes 10 years.

10. Knowledge of the following are needed to accomplish a project?

- A. Comprehensive Zoning Code
- B. Local Ordinances and Codes
- C. Comprehensive Plans
- D. Sanitation
- E. A, B and C

11. According to Fred E. Foldvary, the average real estate cycle lasts _____ , and the current cycle will end by 2025?

- A. 4 years
- B. 8 years
- C. 18 years

12. Ms. Baaheth, former Louisiana Real Estate Commissioner, presented her predictions on the current state of national real estate market. Which of the following is NOT her observations related to the local (Baton Rouge and New Orleans) housing market in October 2022?

- A. Home prices leveling
- B. Becoming a buyer’s market
- C. Investors’ market will increase
- D. Recession phase of the real estate cycle.

13. Ms. Baaheth, former Louisiana Real Estate Commissioner, indicated that Louisiana real estate market becomes a buyer’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 Supply is larger than the demand of real estate properties.

14. Which of the following companies is a real estate brokerage firm, which is based in Seattle and charges 1% of listing fee?

- A. Zillow
- B. Trulia
- C. Redfin

15. Chris Senegal is a Real Estate Developer in the Houston and North Baton Rouge communities. What is the name of his Program?

- A. The Block Party for all
- B. The Block is Hot
- C. Buying The Block
- D. Make the Block great again.

16. Mr. Senegal acquired a property through Owner Financing. This property was valued at \$475,000.00. What was the down payment he used?

- A. 20%
- B. 30%
- C. 10%
- D. 32%

17. Select development activities that are eligible under the HOME program below:

- A. Homeowner down payment assistance and closing costs assistance
- B. New Construction or Acquisition/Rehabilitation of rental or homeownership units
- C. Owner-occupied Rehab
- D. Tenant-based Rental Assistance
- E. All of the above

18. Beyond building homes and apartments that are inexpensive, there are ways to make housing affordable **except one**?

- A. Advocating for policies that lowers the cost of insurance
- B. Advocating for policies that provides resources like energy efficiency features
- C. Advocating for policies that allow for monopsony in affordable housing markets.

19. 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

20. 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

21. The core tenets of Jericho Road's homebuilding include using sustainable, environmentally-friendly materials, and energy efficient appliances and fixtures for construction to pass along greater savings to the homeowner. For the Central City Infill Homeownership project, the JREHI, for example, used _____ so that the homeowner could avoid possible termite and hot-and-humid weather-related issues in the long run.

- A. Metal porch columns
- B. Wood porch columns
- C. PermaCast porch columns

22. Since its inception in 2006, the JREHI invested over 39 million dollars into Central City, Gentilly, Algiers, 7th 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

23. 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

24. 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. 7th Ward Revitalization Project

25. 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

26. Affordable housing options support collective growth and prosperity of a community. Which of the following correctly defines the term “affordable housing” in housing programs in the United States?

- A. An housing unit that a household can obtain for 30 percent or less of its gross income.
- B. An housing unit that a household can obtain for 30 percent or less of its net income.
- C. An housing unit that a household can obtain for 25 percent or less of its net income
- D. An housing unit that a household can obtain for 25 percent or less of its gross income.

27. 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

28. Louis Russell with the Louisiana Housing Corporation said to know your cost when applying for developers housing assistance with his organization. Which is not true?

- A. Site Acquisition
- B. Soft Cost
- C. Development fees, Developers overhead & Profit.
- D. Grant Fees

29. There are two Low Income Housing Tax Credits. Which one is it?

- A. 9% and 4%
- B. 20% and 25%
- C. 10% and 15%

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 is the minimum debt service coverage banks like to see?
- A. A minimum debt service is 1.20 times the annual debt service.
- B. A minimum debt service is 0.9 times the annual debt service.
- C. A minimum debt service is 0.5 times the annual debt service.
32. Name four items that are included in a typical commitment letter?
- A. Location of business, duration terms, guarantor and loan amount
- B. Guarantor, loan amount, interest rate, and repayment term
- C. History of company, loan amount, collateral, and requirements and conditions
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. A real estate cash flow projection should include all but:
- A. Net income
- B. Vacancy percentage
- C. Effective gross income
- D. Assumptions
- E. Margin calls
35. 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
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. 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
38. Small Construction or contracting businesses may bundle their general liability exposure with a commercial property insurance policy in a Business Owners Policy (BOP) if
- A. Have over 100 employees
 - B. Operate in a high- risk industry
 - C. Have a large office or workplace
 - D. Your annual revenue is less than one million dollars
39. 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
40. 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
41. Which of the following properly lists the items that you need when you apply for a business loan?
- A. Personal tax returns for the most recent 3 years; aging of accounts receivable and payable; IRS Form 4506 signed for business tax returns of personal schedule C.
 - B. Personal tax returns for the most recent 10 years; aging of accounts receivable and payable; IRS Form 4506 signed for business tax returns of personal schedule C.
 - C. Personal tax returns for the most recent 1 year; aging of accounts receivable and payable; IRS Form 4506 signed for business tax returns of personal schedule C.
42. 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

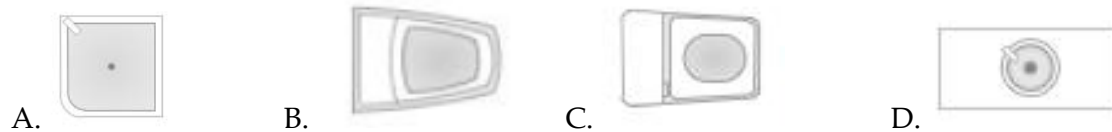
43. According to Mr. Campbell, which of the following small business loan applicant is most likely to secure a business loan?

- 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.

44. 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

45. Which of blueprint symbols indicates Square Tub?



46. Which of blueprint symbols indicates Exterior Door?



47. Which of blueprint symbols indicates Rubble Stone in elevation materials?



48. Which of blueprint symbols indicates Junction Box?



49. The site plan usually portrays the building _____ on the site or lot.

- A. height
- B. foot print
- 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. A building section is a _____ through the building.

- A. Plan
- B. Detail
- C. Vertical slice
- D. B and C
- E. None of the above.

52. There is no universally accepted definition for management. The definitions run the gamut from very simple to very complex. For practical purposes, we define management as “the application of planning, _____, staffing, directing, and Controlling functions in the most efficient manner possible to accomplish meaningful organizational objectives.

- A. Budgeting
- B. Auditing
- C. Organizing

53. Different situations or organizations call for different leadership styles. In a very influential research study, Kurt Lewin established three major leadership styles: autocratic, _____, and laissez faire.

- A. Charismatic
- B. Heuristic
- C. Democratic

54. 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

55. According to Mr. Charles Theus, the developer listed 4 major phases of housing development phases of Housing Development. Which of the following answers listed below correctly states the two correct phases mention in this discussion?

- A. Start phase and Finish phase
- B. Pre-development phase and concept phase
- C. Architect phase and Construction
- D. Engineering phase and Architect phase

56. Under the pre-construction phase which statement is true?

- A. Developer with client is imperative
- B. The contractor should meet with the client
- C. The banker should meet with the client
- D. The LHC should meet with the client

57. The Construction phase is the HUB of the project and where planning takes off.

- A. False
- B. True

58. 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

59. Which statement is not what Clem Jr Development presented:

- A. Build a relationship with a bank
- B. Know your bank decision making process
- C. The bank will look at every deal you present to them.
- D. Never bring your bank a bad deal.

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

- A. False
- B. True

61. 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

62. What are the trade exceptions that are required to have a commercial license at the value of \$10,000 or more?

- A. Plumbing/Carpentry/Concrete

- B. Electrical/Mechanical/Plumbing
- C. Mechanical/Carpentry/Electrical

63. 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

64. How are contracts calculated to determine whether a contract reaches licensure limits?

- A. Labor Only Cost
- B. Labor and Materials Costs
- C. Materials Only Cost
- D. It is based on the contract

65. When working with QuickBooks, the most important step in the process is:

- A. Opening a bank account
- B. Setting up the company properly
- C. Hire an accountant
- D. Hire an attorney

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

- A. Edit
- B. Vendors
- C. Company
- D. Reports

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

- A. Banking
- B. Reports
- C. Edit
- D. Vendor

68. Three different subcontractors are used to develop a 10-lot subdivision. Potential buyers notice a big difference in the quality of the workmanship between each of the houses. Which construction type is most likely to have been used in the building of these 10 homes?

- A. Timber frame
- B. Concrete block
- C. 3D printing
- D. Precast panels

69. 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

70. When building an estimate in Xactimate, which of the following is in the correct order?

- A. Print Final Report, sketch roof and walls, select line items, input claim information.
- B. Select line items, input claim information, sketch roof and walls, print final report.
- C. Input claim information, sketch roof and walls, select line items, print final report.
- D. Sketch roof and walls, select line items, print final report, input claim information.

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

- A. Estimate
- B. Claim Info
- C. Photos
- D. Documents

72. A Final Report would be printed using the _____ tab in Xactimate.

- A. Complete
- B. Tools
- C. Documents
- D. Estimate

73. When a residential home is framed, the wall studs are spaced _____ inches measured from center to center.

- A. 18
- B. 16
- C. 22
- D. 20
- E. 12

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

- A. True
- B. False

75. All are mitigation measures *except one*:

- A. land-use regulations,
- B. preventive health care programs, and
- C. public education to reduce risk
- D. energy reduction

76. Successful project managers:

- A. Manage the proposal effort

- B. Control the budget and schedules
- C. Set the project vision statement
- D. Manage the proposal effort and Control the budget and schedules
- E. A Manage the proposal effort and Set the project vision statement

77. Project management is the process of leading the work of a team to achieve goals and meet success criteria at a specified time. Numerous studies also document that some projects can be destined for failure. Which of the following correctly lists the five characteristics of a failing project?

- A. Lack of resources - lack of planning - lack of connections - lack of education - lack of knowledge
- B. Lack of planning - lack of clear roles & responsibilities - lack of change management - poor budgeting - poor scheduling
- C. Lack of visions - lack of goals - lack of objectives - lack of strategies - lack of outcomes

78. 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

79. Should a neighborhood developer respond to a proposal in whatever way they see fit and submit the information when they are finished?

- A. Yes. It strengthens developer's capacity.
- B. No. Respond to the proposal as requested and submit on time.
- C. Probably yes, because it will show your credibility.

80. Is it important to know government policies and zoning laws in the area you plan to develop?

- A. Yes
- B. No