

## **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. The Spring 2023 Creating Sustainable Neighborhood Developers' Program includes twelve modules on: on (1) Entrepreneurship and Small Business fundamentals, (2) The State of Real Estate Development, (3) Real Estate Acquisition, (4) \_\_\_\_\_, (5) Team Management: Leadership, (6) Personal Finance & Funding, (7) Provisional Capacity Assessment, (8) Development & Construction, (9) License-Permits-Certifications-Insurance, (10) Understanding Blueprints, Bidding Projects, and Construction Documentation, (11) Xactimate, and (12) Bonding Awareness and Project Management. Fill up the blank using the following.
  - A. Contractor Procurement
  - B. Quantum Computing
  - C. Quickbooks
2. Who can develop neighborhoods?
  - A. Individuals
  - B. Non-profits
  - C. For-profits
  - D. You
  - E. All-of the above
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. 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. 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
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. Based on Dean Andrews' presentation, MIT Entrepreneurship Development Program teaches the process of how to start an innovation-driven enterprise using the 24 steps of disciplined entrepreneurship. These 24 steps are grouped into six (6) themes: (1) Who is your customer?; (2) What can you do for your customer?; (3) How does your customer acquire your product?; (4) How do you make money off your product?; (5) \_\_\_\_\_; and (6) How do you scale your business?
- A. How do you distribute your product
  - B. How do you design and build your product
  - C. How do you market your product
8. According to Mr. Cedric Grant, when you as property developers are doing business with municipalities, you need to build relationships and access to decision makers. Which of the following is NOT one of those mentioned in his presentation?
- A. Mayor
  - B. Community leaders
  - C. Regulators
  - D. Citizens
  - E. Educators
9. Does it help your project if the funding is included in the City Budget?
- A. True
  - B. False
10. According to Mr. Grant, you as property developers, need to know the related to what they are trying to accomplish. Which of the following considerations is NOT mentioned in his presentation?
- A. Local Ordinances and Code
  - B. Comprehensive Zoning Code
  - C. Community Development Plans
  - D. Special Drawing Rights
  - E. Special Districts
11. 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

12. Ms. Baaheth, former Louisiana Real Estate Commissioner presented that the housing inventory in March 2023 is 2.9 months whereas that in March 2022 was \_\_\_\_\_.  
A. 3.1 months  
B. 3.5 months  
C. 1.5 months
13. 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
14. Ms. Baaheth, former Louisiana Real Estate Commissioner, shared her observations on current housing markets. Which of the following is NOT part of her assessments?  
A. Home values – high but decreasing  
B. Foreclosures – slowly rising  
C. Rental properties - leveling  
D. Investment property – large inventory
15. According to Ms. Baaheth, during the “Recession” Phase, how might an investor take advantage of the real estate market except one?  
A. Take advantage of lower pricing  
B. Have negotiating power due to the lengthy on-market periods  
C. Take advantage of the foreclosure and pre-foreclosure market (distressed market)  
D. Hoard cash because of high inflation rates
16. Is it possible for the economy to experience a multi-phase environment?  
A. Yes  
B. No
17. With Build Baton Rouge Plank Road Project which is correct:  
A. The area around Plank Road is 96% African-American.  
B. The median household income is \$26,000 a year  
C. Plank Road has never experienced White-Flight.
18. Build Baton Rouge Plank Road Project will consist of two projects. Which is correct?  
A. A train station and a bus station  
B. A Grocery Store & A Train Station  
C. A Health Care Clinic & and a Grocery Store  
D. A Night Club and a Coffee Shop
19. Some of Build Baton Rouge Sources of Funding came from:

- A. The Veterans Administration
- B. The Louisiana Housing Corporation
- C. Chase Bank Grant – Flood Hub
- D. Elon Musk Foundation

20. 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
21. 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.
22. 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
23. 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
24. According to Ms. Morris, \_\_\_\_\_ of Louisiana moderate income households missed their mortgage payments in 2022.
- A. 5%
  - B. 10%
  - C. 19%
  - D. 22%
25. Which of the following is the roofing type that provides property owners with an opportunity for a discount on insurance:
- A. 20 Year Shingle
  - B. 30 Year Architectural Shingle
  - C. Fortified Gold

26. Of the list below, which is NOT an architectural style common to the Central City neighborhood of New Orleans?
- A. Greek Revival
  - B. Craftsman
  - C. Shotgun
  - D. Camel-back
27. Which of the following is conducive to preventing gentrification?
- A. Development of intentional land use and disposition policies by the municipality that prioritizes affordability.
  - B. Cultivating funding sources for affordable development
  - C. Small developers creating affordable housing opportunities.
  - D. All of the above
  - E. None of the above
28. 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
29. The Fair Housing Programs at the Louisiana Housing Corporation include the following programs below **except one**:
- A. Low Income Housing Tax Credit Program
  - B. United States Stimulus Program
  - C. National Housing Trust Fund Program
  - D. Community Block Grant Program
  - E. The HOME Program
30. There are two Low Income Housing Tax Credits. Which one is it?
- A. 9% & 4%

- B. 20% and 25%
- C. 10% and 15%

31. One of the problems with heirship property is that title issues make it difficult to secure and development properties after the owner dies.
- A. True
  - B. False
32. 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.
33. 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
34. 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
35. How many draws are typically included in a residential construction draw schedule?
- A. Ten
  - B. Five
  - C. Twelve
36. 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%
37. After the loan is approved, what document does the banker issue that describes the terms of the agreement?
- A. Commitment Letter
  - B. Disclosure Agreements
  - C. Amortization Schedule

## D. Approval Letter

38. 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
39. 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
40. 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
41. According to Mr. Campbell, there are three major types of industries: High risk, restricted, and lower risk industries. Out of these three classifications, real estate development is considered to be?
- A. High risk industry
  - B. Restricted industry
  - C. Lower risk industry
42. 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.
43. 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

44. According to the five C's of credit, car loans secured by cars and mortgages secured by homes are the examples of:

- A. Capital
- B. Collateral
- C. Character

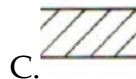
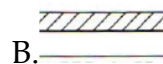
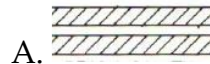
45. What do we use Construction Drawings for?

- A. To build
- B. To obtain permits
- C. To prepare estimates
- D. To obtain bids
- E. All of the above

46. Which of blueprint symbols indicates bidet?



47. Which of blueprint symbols indicates Brick Veneer over frame?



48. The site plan usually portrays the building \_\_\_\_\_ on the site or lot.

- A. height
- B. footprint
- C. roof
- D. stairs
- E. gutters

49. What does the floor plan of the house show?

- A. Door and window locations
- B. Interior and exterior walls
- C. Location of your bedroom
- D. Your man-cave
- E. All of the above

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. 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.
54. 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
55. What percentage of time does top management spend on planning?
- A. 10%
  - B. 30%
  - C. 55%

56. When selecting the property/land for you project, you will need a real estate agent and a title company.
- A. True
  - B. False
57. Ms. Ann Alexander, Executive Director of Impactful Educational & Housing Development, gave us a bird-eye view of house-building process: building team – \_\_\_\_\_ – contracting and subcontracting – completing building process – obtaining a certificate of occupancy.
- A. Completing piping
  - B. Completing HVAC
  - C. Obtain permits
58. You can reach the “Account and Settings” option by clicking on which of the following?
- A. Gears Icon
  - B. Help Menu
  - C. Search Icon
  - D. +New Icon
59. Which option on the navigation bar do you click on for access to pay bills?
- A. Banking
  - B. Sales
  - C. Expenses
  - D. Payroll
60. Working with an Accountant or CPA will NOT help you in maintaining accurate financial records.
- A. True
  - B. False
61. Connecting your bank and credit cards accounts will help automate transaction processing in QuickBooks.
- A. True
  - B. False
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. 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
65. Home Improvement Registration requirements include all the following **except**:
- A. Passing the Trade Exam
  - B. Complete and submit an application
  - C. Provide proof of general liability & workers' compensation insurance
  - D. Business entities must be registered with the Louisiana Secretary of State
66. 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 8A. Business Development Program
67. 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.
68. Is this a true statement? A developer needs to pledge some liquidity in order to secure funding for housing development?
- A. False
  - B. True
69. To sketch a roof in Xactimate, which tab would you select?
- A. Estimate
  - B. Claim Info
  - C. Photos
  - D. Documents

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. Which construction technique uses additive welding?
- A. Timber frame
  - B. Steel buildings
  - C. Metal studs
  - D. 3D printing
72. 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
73. What is most major hazard that can develop from a flooded home?
- A. mold
  - B. slip/ fall
  - C. fire
  - D. random
74. 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
75. Which building code is used in the Southeast?
- A. National Building Code
  - B. Seamount Building Code
  - C. Uniform Building Code
  - D. Standard Building Code
76. The Project Manager acts as :
- A. Owners Agent
  - B. Contractors Agent
  - C. The Parish Inspector Agent

77. With a Market Analysis, which is the most important?
- A. Location
  - B. The building
  - C. Heavy Construction
78. 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
79. Deborah Branch has an inheritance of 80 acres and 7 houses. In what parish are they?
- A. East Baton Rouge
  - B. Lafayette Parish
  - C. Ouachita Parish
  - D. Orleans Parish
80. Project development has utilities, which is not a utility in project development processes:
- A. Electric
  - B. Water
  - C. Gas
  - D. Cable
  - E. All of the above