

Week 2. Practice Questions (20)

Capacity Building and Funding Sources

1. Which of the following terms is least relevant concept to sustainable neighborhood development?
 - (A) Neighborhood beatification
 - (B) Gentrification
 - (C) Community development

2. Urban “revitalization” brings more services to a certain area. Often, this revitalization becomes gentrification. One case of extreme gentrification is the Bay Area in California. Which of the following most correctly describes “gentrification?”
 - (A) the process of renewal and rebuilding accompanying the influx of middle class or affluent people into deteriorating areas that often displaces poorer residents
 - (B) An economic development aimed to create a neighborhood for longstanding community members
 - (C) A neighborhood economic upgrading aimed to provide employment opportunities to lower income households

3. 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.

4. 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) \$23.05
 - (C) \$17.48
 - (D) \$29.18

Answer the following question using the information below.

In July 2018, the American Community Survey data (2013-2017) published the following data for the State of Louisiana:

- Population: 4,659,978
- Households: 1,737,645
- Race & ethnicity: Black, 32.7%; White, 62.9%, Asian, 1.8%, and Others, 2.6%
- Median house value: \$152,900
- Median monthly rent: \$825
- Median monthly homeowner costs (mortgage): \$1,234
- Median household income: \$46,710
- Housing cost burden: Home owner, 21%; renter, 35%
- Building permits: 15,835

5. Based on the data above, the median household income of renters residing in the State of Louisiana is most likely to be approximately:

- (A) \$35,900
- (B) \$20,800
- (C) \$28,290
- (D) \$22,100

6. HousingLOUISIANA is a statewide network of housing practitioners and advocates whose primary goal is to ensure that all Louisiana's housing needs are met.

Through our statewide network of the nine regional housing alliances in Alexandria, Baton Rouge, Houma-Thibodaux, Lafayette, Lake Charles, Monroe, New Orleans, Northshore, and Shreveport, we work to better coordinate efforts and build collaboration across the state on housing issues. Which of the following is NOT their priority for the City of New Orleans?

- (A) Implement the Smart Housing Mix
- (B) Increase transit-oriented development and density in high transit corridors to offset
- (C) Increase African American homeownership opportunities
- (D) Invest in sustainable development
- (E) Set habitability requirements for landlords and the city to abide by, such as a Rental Registry

7. The benefits of cultivating an in-house construction crew through a strategic partnership between Jericho Road (JR) and Project Homecoming (PHC) include all but:

- (A) Cutting overall construction costs by 25%
- (B) Establishing Predictable Capacity When Contractors Are Not Available
- (C) Providing Workforce Development and Training for unemployed and under-employed individuals

- (D) Generating opportunity for earned income
- (E) Decreasing economies of scope

8. Which of the following cities is an example of Best Practices of tax abatement programs for long time occupants of rapidly gentrifying neighborhoods?

- (A) Chicago, IL
- (B) Charleston, SC
- (C) Philadelphia, PA
- (D) Auburn, GA

9. 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

10. Which of the following is NOT considered to be the key elements of co-development?

- (A) Equitable financial distribution
- (B) Executed memorandum of understanding (MOU) that clearly defines roles and responsibilities
- (C) Financial mobility

11. 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

12. How is the debt to income ratio computed?
- (A) Multiplying net equity to debt
 - (B) Dividing the annual personal debt payments by the annual gross personal income
 - (C) Dividing the annual income by monthly average liability
13. 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
14. How often are construction draws recommended on a residential construction project?
- (A) Weekly basis
 - (B) No more often than bi-weekly
 - (C) Four times per month
15. 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.
16. How many draws are typically included in a residential construction draw schedule?
- (A) Ten
 - (B) Five
 - (C) Twelve
17. What does it mean to bankable?
- (A) You should get a loan because you are passionate about development
 - (B) You have been banking with the same bank for 10 years.
 - (C) You meet the banks requirements to get a loan.
 - (D) You have never bounced a check, so you are good to go.
18. Banks and investors would like to see you quit your current job and just focus on your development project?

- (A) True
- (B) False

19. Which two of the following are a must for your team?

- (A) Staffing Company
- (B) Realtor and contractor
- (C) Good repair guy

20. Opportunity Zones are locations for:

- (A) Free money for investing in poor areas
- (B) For investors looking for a quick turn around on their money
- (C) You can have a long-term investment in disinvested areas.