

# **West Virginia Neighborhood Investment Program Fiscal Year 2022 Annual Report**



*Learning a Trade*

**Michael Graney, Executive Director  
West Virginia Department of Economic Development**

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## NEIGHBORHOOD INVESTMENT PROGRAM

### 2022 ANNUAL REPORT

#### Introduction

In 1996, the West Virginia State Legislature enacted the Neighborhood Investment Program (NIP). It was the intent of the Legislature that this act “*encourage private sector business and individuals to contribute capital to community-based organizations which establish projects to assist neighborhoods and local communities,*” thus increasing the capacity of such organizations to serve low-income persons and highly distressed neighborhoods. In the twenty-six years it has been operating, the NIP has successfully attained the goals of the enabling legislation.

In 2011, the West Virginia Legislature reauthorized the NIP through 2016. This legislation also increased the amount of credit available to applicants from \$2.5 million to \$3 million annually. The legislation was reauthorized in 2016 for an additional 5 years, with the tax credit amount remaining at the \$3 million mark. The directive of the Legislature changed the scope of NIP to give preference to those organizations offering “Emergency Assistance” or “Direct Need” Direct Need means to assist in helping people get off of government assistance programs. In 2021 the Legislature once again reauthorized NIP until 2026 with the tax credit amount remaining at \$3 million dollars.

In FY-2022, the NIP once again achieved record success and remains a significant incentive for donors to contribute to local non-profit organizations. The growth of the program has been such that the demand for the credits outpaced the supply of credits by 194% in FY-2022. During FY-2022, 191 applicant organizations requested an average of \$30,460 in tax credit per project for a total requested amount of \$5,817,900.00.

The NIP Advisory Board voted to approve 191 projects at an average award of \$15,706.80.

A total of \$3,000,000 in NIP tax credit was allocated for FY-2022 and participant organizations again utilized a record-setting 100% of the available credit for the sixth year in a row. These credits leveraged \$6,869,963 in donations and helped to serve over 302,196 low-income West Virginia citizens.

The request by organizations for additional credit is overwhelming. The program has not had an increase in tax credit since 2011. The program has used 100% of credits for the last six years, with the request for more credits by the donors expressed to the organizations.

**NIP Advisory Board Summary**

First Congressional District	Second Congressional District	Third Congressional District
<b>Susie Nelson</b> Independent Non-profit (June 30, 2022)	<b>Vacant</b> Low-income Citizen	<b>Vacant</b> Private-Sector
<b>Vacant</b> Low-income Citizen	<b>Sally Blessing</b> Independent Non-Profit (June 30, 2022)	<b>Angie Swearingen</b> Democrat Non-Profit (June 30, 2023)
<b>Wendy Scatterday</b> Independent Non-profit (June 30, 2023)	<b>Vacant</b> Low-income Citizen	<b>Sandy Dunn</b> Republican Private Sector (June 30, 2023)
<b>John Nicholson</b> Republican Private Sector (June 30, 2024)	<b>Vacant</b> Private Sector	<b>Vacant</b> Low-income Citizen

NIP Procedural Rule §145-7-4 specifies membership and term requirements for the NIP Advisory Board as follows:

- The Board shall consist of 13 members: The Director of the Development office plus 12 members appointed by the Director.
- The Director shall serve as chair but shall not vote unless it is necessary to break a tie.
- Four members will be officers or members of boards of directors of unrelated corporations that are currently licensed to do business in West Virginia.
- Four members will be executive directors, officers, or members of boards of directors of unrelated not-for-profit organizations which currently hold charitable organization status under section 501(c)3 of the Internal Revenue Code, and which are currently licensed to do business in West Virginia.
- Four board members will be economically disadvantaged citizens of the State, with an annual gross income of not more than 125 percent of the Federal Poverty Level (FPL).

### **NIP Advisory Board Summary - continued**

- No more than four of the 12 appointed members may be from the same Congressional District.
- No more than seven of the appointed members may be from the same political party.
- Members are eligible for re-appointment, but no member may serve more than three consecutive terms.
- Board members shall be appointed for three years. Board appointments shall begin the 1<sup>st</sup> day of July in the year of appointment and end the 30<sup>th</sup> day of June of the third calendar year in which the appointment took effect. Appointments to fill unexpired terms shall be for the duration of the term.

The Advisory Board met on August 31, 2021, to review project applications for FY-2022. A total of 191 applications were received requesting a total of \$5,817,900.00 in tax credit. A total of 191 applications were approved by the Board totaling \$3,000,000.00 with no funds held in reserve. Of the total \$3,000,000 credit allocation, \$3,000,000 was issued during the year by organizations to eligible donors representing 100% of the credit issued for the sixth time in a row in the organization's 26-year history.

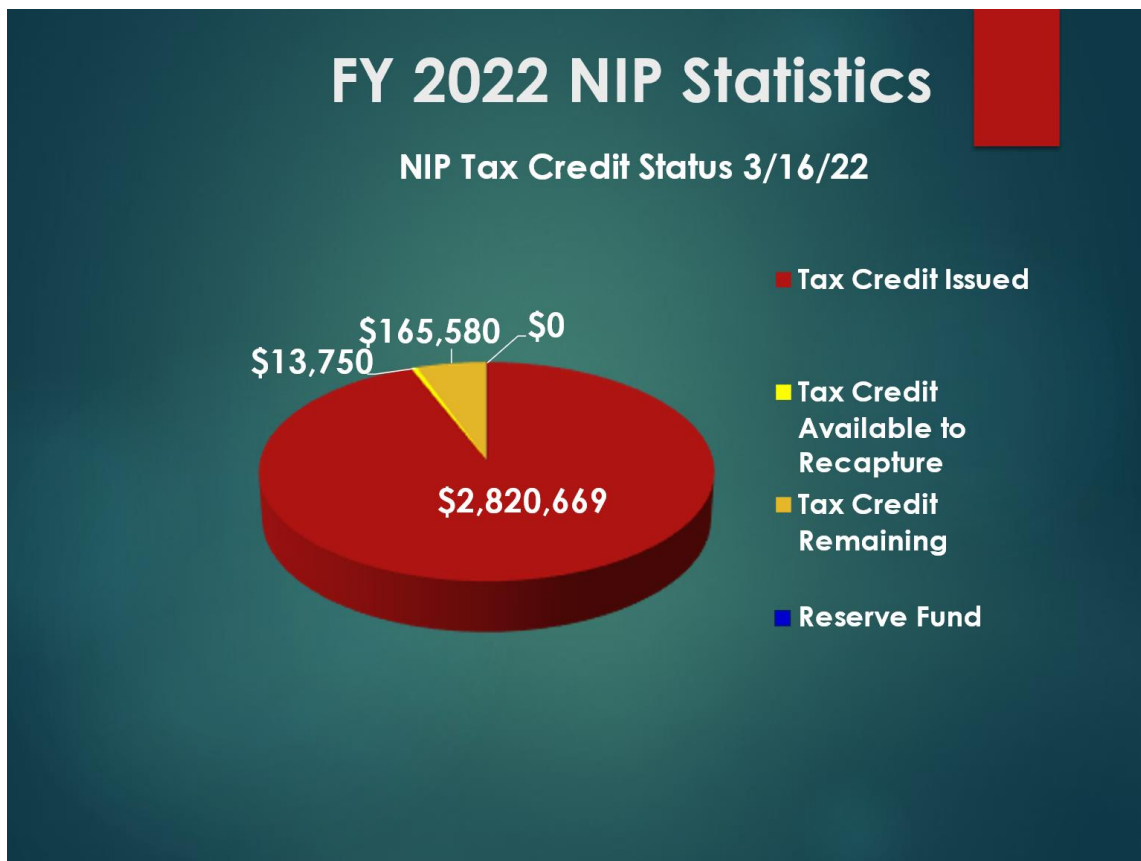
The Advisory Board met again on March 31, 2022, addressing the issue of reallocation. The process of recapturing credit from projects and reallocating it to other organizations is outlined in NIP Procedural Rule §145-7-4.8.b as follows: "If the amount awarded by the Board is less than the full amount sought by the project transferee, the Board may also approve a supplemental amount of credits to become available on or after March 30 of the state fiscal year if sufficient credits remain unallocated as of that date or if credits have been returned from previously approved projects: Provided, that the project transferee receiving supplemental credit approval shall, on or before March 15 of the state fiscal year, have issued *one hundred percent* of the credits they were initially awarded."

The NIP Procedural Rule continues (regarding reallocation) in §145-7-4.8.d, stating, "Project transferees may return credits to the Development Office that they do not anticipate using in the fiscal year in which they were awarded. Project transferees that have issued *less than seventy*

percent of their authorized credits prior to March 15 of that state fiscal year in which they were awarded may be directed by the Director of the Development Office to return any unused credits previously authorized by the Board.”

At the March meeting, the Board approved the recapture of \$4,250 from one project that had issued less than 70 percent of their awarded credit by March 15, 2022, and the return of \$9,500 from one project. After reviewing the eligible NIP participant organizations, using pre-set formulas, the Board was able to approve supplemental credit awards to seven organizations for the entire amount that was available for redistribution (\$13,700). Charts on the following two pages provide statistical data for the reallocation process for the past 17 years.

### FY-2022 NIP Statistics





## **Returned/Recaptured Credit Statistics<sup>1</sup>**

Fiscal Year	Unallocated Credit	Returned Credit	Recaptured Credit	Available for Redistribution
2003	\$0	\$17,520	\$210,475	\$227,995
2004	\$0	\$8,091	\$178,824	\$186,915
2005	\$0	\$43,569	\$144,508	\$188,077
2006	\$0	\$635	\$132,400	\$133,035
2007	\$0	\$112,114	\$81,652	\$193,766
2008	\$0	\$36,245	\$181,673	\$217,918
2009	\$0	\$69,285	\$277,021	\$346,306
2010	\$0	\$47,078	\$253,835	\$300,913
2011	\$0	\$27,298	\$216,460	\$243,758
2012	\$0	\$102,464	\$251,155	\$353,619
2013	\$0	29,150	\$241,605	\$270,755
2014	\$0	\$42,700	\$63,695	\$106,395
2015	\$5,100	\$0	\$61,525	\$66,625
2016	\$16,450	\$3,500	\$43,300	\$63,250
2017	\$6,165	\$5,450	\$62,064	\$73,679
2018	\$15,400	\$0	\$39,400	\$54,800
2019	\$5,000	\$28,160	\$42,245	\$75,405
2020	-0-	\$11,000	\$40,615.62	\$51,615.62
2021	\$900	\$4,500	\$32,841.50	\$38,241.50
2022	-0-	\$9,500	\$4,250	\$13,750

<sup>1</sup> Due to space limitations, we no longer show the years 1997-2002.

## Supplemental Credit Statistics<sup>2</sup>

Fiscal Year	Supplemental Credit Requested	Supplemental Credit Awarded	Projects Receiving Supplemental Credit	Total Supplemental Credit Issued	Percentage Issued
2003	\$585,563	\$227,995	35	\$219,023	96%
2004	\$1,626,581	\$186,915	43	\$116,149	62%
2005	\$1,195,033	\$188,077	25	\$175,716	93%
2006	\$1,411,087	\$133,035	20	\$119,677	90%
2007	\$963,094	\$193,766	20	\$189,890	98%
2008	\$1,025,473	\$217,918	20	\$204,020	94%
2009	\$1,086,565	\$346,306	32	\$317,697	92%
2010	\$1,223,611	\$300,913	20	\$279,110	93%
2011	\$1,259,619	\$243,758	25	\$243,758	100%
2012	\$1,291,342	\$353,619	19	\$353,619	100%
2013	\$1,696,483.50	\$270,755	22	\$257,358	95%
2014	\$1,418,739	\$106,395	6	\$102,214	96%
2015	\$1,206,000	\$66,625	3	\$66,625	100%
2016	\$2,887,051*	\$63,250	3	\$63,250	100%
2017	\$2,076,250*	\$73,679	3	\$73,679	100%
2018	* <sup>3</sup>	\$54,800	8	\$54,800	100%
2019	*	\$75,405	12	\$75,405	100%
2020	*	\$51,615.62	21	\$51,615.62	100%
2021	*	\$38,241	21	\$38,241	100%
2022	*	\$13,750	7	\$13,750	100%

More projects are becoming eligible for supplemental credit awards each year while the amount available for reallocation continues to decline significantly. This is due to an increased awareness of the tax credits by the public and more efficient use of the credits by the participating organizations.

<sup>2</sup> Due to space limitations, we no longer show the years 1997-2002.

<sup>3</sup> As of 2016, participants must use 100% of their credits to be eligible for reallocation. By direction of the Advisory Board, it is now calculated by the NIP staff for those eligible and not requested by the participant.



## Technical Assistance

Increasing the awareness and understanding of the NIP continued to be a priority in 2022, along with a focus on increasing usage rates by participant organizations. NIP staff was unable to host the two workshops in 2020-2022, due to COVID-19 restrictions which educates applicants and participants about the program. The workshop presentation was posted and available for all participants to review on the webpage and then they were to complete a questionnaire and attach it to their application. The workshops were designed to provide guidance to organizations regarding the rules of the program and to better prepare organizations regarding the rules of the program and to better prepare organizations for writing their NIP application. In addition to the presentation, NIP staff was available prior to the due date of the application, to provide assistance. NIP staff, in conjunction with the West Virginia Department of Commerce's Communications Department, marketed the workshops statewide to facilitate public awareness.



Providing NIP information and technical assistance to participants, donors, media outlets, and other interested parties was an integral part of the program in FY-2022. Staff continued to provide specific technical assistance through both one-on-one communication and via the WVDED website. Staff also collected a Mid-Term Report and a Final Report from NIP participants and kept the NIP Advisory Board updated regarding progress of approved projects throughout the year. NIP staff also verified and processed required paperwork and fees for 3,263 NIP eligible donations.

For more information on the program, please visit the website at <https://www.wvcad.org/nip..>

## FY-2022 NIP Direct Program Expenses

Category	Expense
Personnel	\$85,859.98
Fringe Benefits	\$22,746.25
Current Expenses	\$14,869.38
TOTAL	<b>\$123,475.61</b>

The West Virginia Department of Economic Development (WVDED) provides indirect support for the program. In particular, the following divisions of the WVDED and the Commerce Communications office provide services in support of the NIP:

- **Executive Director's Office:** The Executive Director, or his or her designee, chairs the NIP Advisory Board. This office also provides legal advice and assistance, as well as managing legislative issues.
- **Administration:** This division provides general accounting services and manages the NIP certification fee account, travel related expenses (for both NIP staff and Advisory Board members), and workshop expenses.
- **Community Advancement and Development:** The NIP program falls under this division including staff support necessary to administer the program efficiently.
- **Commerce Communications:** This agency provides design services for NIP brochures and mailing materials, as well as issuing all press releases and announcements regarding the program, along with maintaining the NIP website.

According to West Virginia Code, NIP certifications fees are collected to offset the administrative costs of the program. Program revenues for FY-2022 were \$180,370.08 while direct program expenses were \$123,475.61.

**NIP Credit Statistics**

Statistics that are currently tracked for the Neighborhood Investment Program (NIP) include the number of applications submitted for review, amount of credit requested, counties represented, number of applications approved, amount of credit awarded, amount of donations leveraged, amount of credit issued to donors, and the amount of certification fees collected (which make the program self-sustaining).

The following three pages contain the aforementioned statistics for each year since the program’s inception. The information is broken out as follows:

- Table 1 – Application Statistics
- Table 2 -Approval Statistics
- Table 3 – Credit Statistics

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**Application Statistics – Table 1**

Program Year	Number of Applications	Number of Counties Served	Total Amount of Credit Requested	Average Amount of Credit Requested
1997	97	23	\$7,369,600	\$75,975
1998	92	28	\$6,384,080	\$69,932
1999	103	34	\$8,145,690	\$79,084
2000	74	26	\$3,526,044	\$47,649
2001	76	25	\$5,193,221	\$68,332
2002	84	31	\$5,038,025	\$59,976
2003	102	42	\$4,953,955	\$48,568
2004	128	55	\$7,985,241	\$62,385
2005	128	55	\$6,544,070	\$51,125
2006	137	55	\$7,283,960	\$53,558
2007	145	55	\$5,628,703	\$38,818
2008	162	55	\$6,235,056	\$38,488
2009	164	55	\$7,649,339	\$46,642
2010	197	55	\$9,364,182	\$47,533
2011	181	55	\$7,919,127	\$43,646
2012	182	55	\$8,732,821	\$47,802
2013	214	55	\$10,157,595	\$47,465
2014	217	55	\$8,464,264	\$39,005
2015	227	55	\$7,506,900	\$33,070
2016	227	55	\$7,272,475	\$32,037
2017	213	55	\$6,385,000	\$29,977
2018	212	55	\$6,505,157	\$30,684
2019	222	55	\$6,722,557	\$30,282
2020	222	55	\$6,598,400	\$29,722
2021	199	55	\$5,901,250	\$29,655
2022	191 <sup>4</sup>	55	\$5,817,900	\$30,460

<sup>4</sup> 192 applied and one withdrew their application, leaving 191.

**Approval Statistics – Table 2**

Program Year	Number of Approved Applications	Number of Counties Served	Amount of Credit Available	Average Amount of Credit Awarded
1997	69	23	\$1,999,377	\$28,976
1998	73	25	\$2,000,000	\$27,397
1999	77	25	\$1,999,878	\$25,972
2000	61	25	\$2,000,000	\$32,787
2001	73	25	\$2,000,000	\$26,316
2002	81	31	\$2,000,000	\$24,691
2003	102	42	\$2,000,000	\$19,607
2004	116	55	\$2,000,000	\$17,241
2005	119	55	\$2,000,000	\$16,806
2006	128	55	\$2,000,000	\$15,625
2007	140	55	\$2,000,000	\$14,285
2008	158	55	\$2,000,000	\$12,658
2009	161	55	\$2,500,000	\$15,527
2010	180	55	\$2,500,000	\$13,888
2011	177	55	\$2,500,000	\$14,124
2012	179	55	\$3,000,000	\$16,759
2013	204	55	\$3,000,000	\$14,706
2014	201	55	\$3,000,000	\$14,925
2015	203	55	\$3,000,000	\$14,778
2016	200	55	\$3,000,000	\$14,917
2017	200	55	\$3,000,000	\$14,969
2018	200	55	\$3,000,000	\$14,975
2019	200	55	\$3,000,000	\$14,450
2020	200	55	\$3,000,000	\$14,945
2021	199	55	\$3,000,000	\$15,070
2022	191	55	\$3,000,000	\$15,706

**Credit Distribution Statistics – Table 3**

Program Year	Amount of Donations Raised	Amount of Credit Issued to Donors	Percentage of Credit Issued to Donors	Certification Fees Collected
1997	\$408,507	\$204,253	10%	\$12,112
1998	\$1,148,194	\$573,986	29%	\$34,445
1999	\$1,603,798	\$801,899	40%	\$48,113
2000	\$2,144,097	\$1,072,048	54%	\$64,322
2001	\$2,466,005	\$1,233,002	62%	\$73,980
2002	\$3,097,307	\$1,518,056	76%	\$92,484
2003	\$3,308,327	\$1,625,990	81%	\$98,238
2004	\$3,369,305	\$1,657,617	83%	\$100,478
2005	\$4,112,131	\$1,843,528	92%	\$111,135
2006	\$4,195,365	\$1,919,585	96%	\$115,748
2007	\$4,345,145	\$1,939,193	97%	\$118,841
2008	\$4,148,178	\$1,932,485	97%	\$116,397
2009	\$5,870,091	\$2,428,528	97%	\$145,774
2010	\$6,067,098	\$2,417,649	97%	\$144,728
2011	\$4,934,920	\$2,368,811	94%	\$143,194
2012	\$5,720,020	\$2,828,735	94%	\$172,012
2013	\$6,149,680	\$2,909,406	97%	\$174,721
2014	\$6,095,092	\$2,927,006	98%	\$177,279
2015	\$6,488,731	\$2,967,575	99%	\$183,074
2016	\$6,350,612	\$2,973,386	99%	\$177,101
2017	\$6,438,892	\$3,000,000	100%	\$180,123
2018	\$6,993,971	\$3,000,000	100%	\$179,406
2019	\$6,752,130	\$3,000,000	100%	\$180,383
2020	\$6,914,281	\$3,000,000	100%	\$180,468
2021	\$6,566,985	\$3,000,000	100%	\$180,254
2022	\$6,869,963	\$3,000,000	100%	\$180,370

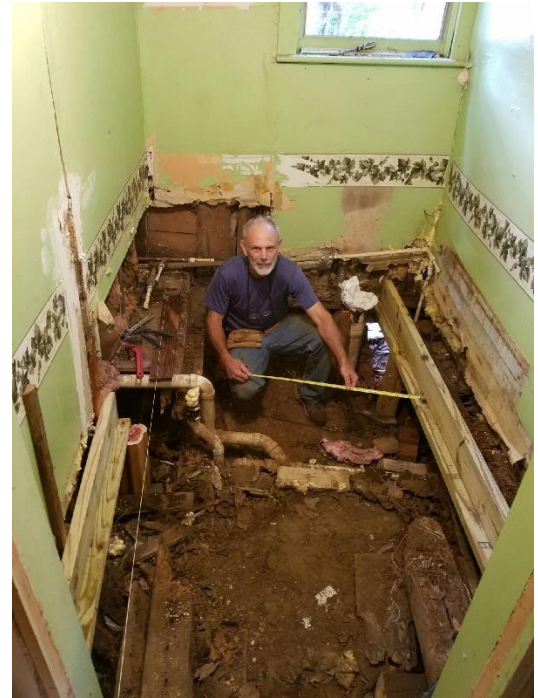


## Legislative Updates

The NIP was reauthorized during the 2021 Legislative session for an additional five years through the passage of S.B.293. Funding levels for the program remained unchanged at \$3 million annually. The program remains at \$3,000,000 and will run through June 30, 2026.



*Pathways to Success – The House of the Carpenter  
Belmont Tech College*



*The Good Shepherd Interfaith Caregivers  
Redoing a bathroom*



*Rea of Hope graduates from a program teaching women  
to be self-sufficient in Kanawha County*

## **Project Impacts**

A wide variety of projects participated in the Neighborhood Investment Program during FY-22. These project types included, but were not limited to:

- Emergency assistance
- Direct needs met that provide self-reliance and independence from government assisted programs
- Affordable housing initiatives
- Counseling and housing assistance for victims of rape, domestic violence, and elder abuse
- Children that are victims of crime, sexual abuse, domestic violence, delinquency, etc.
- Programs that teach women how to dress and complete applications for jobs
- Food programs that assist our veterans
- Leadership and education programs for at-risk youth
- Transportation assistance providing vehicles to low-income individuals
- Free medical clinics for low-income persons
- College scholarship programs for low-income students
- Drug / alcohol prevention and recovery programs
- Homeless shelters and related services
- Non-medical caregiving services for the elderly and disabled
- Hospice service for low-income patients
- Arts education programs for low-income children
- Community Foundations serving non-profits in rural West Virginia

Funds raised through the NIP incentive help participant organizations provide these much-needed services. The list above is just a small sampling of the types of programs that participate in the NIP. There is no simple way to describe the extent of the work these organizations do to help the less fortunate from distressed areas in West Virginia. The services they provide are essential in maintaining a strong social and economic infrastructure in West Virginia – creating stronger, healthier, more informed citizens that are capable of self-sufficiency and contributing to their communities. The following is a small glimpse of the impact the NIP had on projects during FY-2022.

## **Project Impacts - continued**

### **Direct Needs - Lives are rebuilt:**

*Dustin heard about the Safehouse and decided to come. They knew that this was an investment, the only way forward. He had already tried to overcome his addiction and failed. He needed to take this time to recover and rebuild himself, body, soul, and spirit, so that they could rebuild their relationship and family. While at the Safehouse, Dustin worked hard to accomplish this. He learned in classes how to think right and do right, how to forgive and be forgiven, to serve instead of take. Courtney attended weekly "Living Free" Classes. The two of them worked on healing their relationships, and finally Dustin graduated. Renewed, restored, and growing his family. Without the support of the Beckley Area Foundation to help provide facilities that are safe and clean, Dustin and others like him could not find the help and healing they so desperately need.*

**--Beckley Area Foundation**

### **Serving Homeless and Young Mothers:**

*There are two fairly new all-volunteer nonprofit organizations providing essential services for at-risk, low-income individuals and families in Jefferson and Berkeley Counties. Much of the funding that they received from the Eastern West Virginia Community Foundation was made possible thanks to NIP tax credits. Both Faith Feeding Freedom and Renewed Life Ministry have helped individuals who might otherwise have fallen through the cracks of the social service system. Faith Feeding Freedom provides meals, essential items, and tents to homeless individuals in Berkeley County while Renewed Life Ministry focuses on young mothers and families in need by supplying diapers, clothing, counseling, and assistance with transportation in one of the more rural parts of Jefferson County.*

**--Eastern West Virginia Community Foundation**

### **Emergency Needs – Disasters:**

*Red Cross Disaster volunteers spent five hours on-site at an apartment fire in a NIP county. They assured that the 3 families involved had their emergency needs met including distribution of comfort kits and blankets. Immediate shelter in the form of temporary apartments was provided. One client had debilitating surgery which caused limited mobility. Her temporary apartment did not have running water. Red Cross obtained bottled water for her until the issue was corrected. This client was also assisted by Red Cross Disaster Mental Health volunteers due to her special needs. As this fire occurred in a sparsely populated rural area, Red Cross Disaster Health Services volunteers worked with client's health provider to assure her health recovery remained uninterrupted while displaced. Red Cross had multiple follow-up connections with this one client to assure that fire recovery was in progress. Immediate financial resources were available due to NIP support of fundraising.*

**--American Red Cross**



## Conclusion

The Neighborhood Investment Program has proven in its 26 years of existence to be a significant force when it comes to encouraging businesses and individuals to contribute to their local non-profit organizations. The NIP encourages community development by providing the incentive many businesses and individuals need to get involved in their local organizations which are primarily providing services for emergency assistance, direct needs, and many other services to low-income individuals in distressed neighborhoods. By working to build these relationships, the NIP helps to increase the capacity of our communities to support projects which serve our most economically distressed citizens and neighborhoods.



*Figure 2 Outreach Family who received clothing, food & supportive services*



*Figure 1 WVU State graduate with NIP Scholarship*



*Figure 4 Help for our Veterans*



*Figure 3 Eye Exams at Health Access*