

West Virginia Neighborhood Investment Program Fiscal Year 2023 Annual Report



Special Olympics

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West Virginia Department of Economic Development**

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NEIGHBORHOOD INVESTMENT PROGRAM

2023 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-seven 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-2023, 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 204% in FY-2023. During FY-2023, 205 applicant organizations requested an average of \$29,884 in tax credit per project for a total requested amount of \$6,126,250.00.

The NIP Advisory Board voted to approve 200 projects at an average award of \$15,000.00.

A total of \$3,000,000 in NIP tax credit was allocated for FY-2023 and participant organizations again utilized a record-setting 100% of the available credit for the seventh year in a row. These credits leveraged \$7,071,746 in donations and helped to serve over 283,070 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 seven years, with the request for more credits by the donors expressed to the organizations.

NIP Advisory Board Summary

First Congressional District	Second Congressional District
Angie Swearingen Democrat Non-Profit (June 30, 2023)	Wendy Scatterday Independent Non-profit (June 30, 2023)
Sally Blessing Independent Non-Profit (June 30, 2025)	John Nicholson Republican Private Sector (June 30, 2024)
Sandy Dunn Republican Private Sector (June 30, 2023)	Susie Nelson Independent Non-profit (June 30, 2025)
Vacant Private-Sector	Vacant Low-income Citizen
Vacant Low-income Citizen	Vacant Private Sector
Vacant Low-income Citizen	Vacant 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 six 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 1st day of July in the year of appointment and end the 30th 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, 2022, to review project applications for FY-2023. A total of 205 applications were received requesting a total of \$6,126,250.00 in tax credit. A total of 200 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 seventh time in a row in the organization's 27-year history.

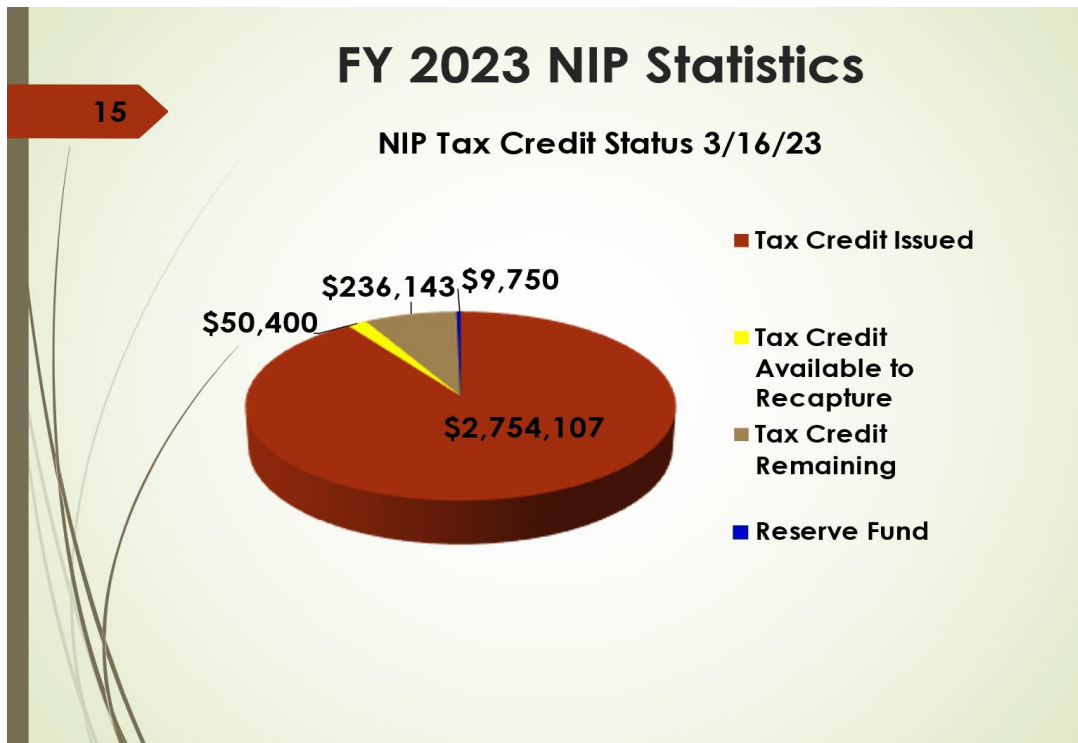
The Advisory Board met again on March 29, 2023, addressing the issue of reallocation. The process of recapturing credit from projects and reallocating it to other organizations is outlined in NIP Procedural Rule §145-7-4.8.b as follows: "If the amount awarded by the Board is less than the full amount 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 \$50,400 from various projects that had issued less than 70 percent of their awarded credit by March 15, 2023, which included the return of \$29,650 from one project, in which extenuating circumstances were involved. After reviewing the eligible NIP participant organizations, using pre-set formulas, the Board was able to approve supplemental credit awards to sixteen organizations for the entire amount that was available for redistribution (\$60,150). In FY 2023, we had held \$9,750 in reserve, which was added into the reallocation amount. Charts on the following two pages provide statistical data for the reallocation process for the past 17 years.

FY-2023 NIP Statistics



Returned/Recaptured Credit Statistics¹

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
2023	\$9,750	\$0	\$50,400	\$60,150

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

Supplemental Credit Statistics²

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	* ³	\$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%
2023	*	\$60,150	16	\$60,150	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

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

³ 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.

of the tax credits by the public and more efficient use of the credits by the participating organizations.

Technical Assistance

Increasing the awareness and understanding of the NIP continued to be a priority in 2023, along with a focus on increasing usage rates by participant organizations. NIP staff was unable to host the two workshops in 2020-2023, 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.



An in-person workshop in Charleston, WV in 2019

Providing NIP information and technical assistance to participants, donors, media outlets, and other interested parties was an integral part of the program in FY-2023. 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 2,930 NIP eligible donations.

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

FY-2023 NIP Direct Program Expenses

Category	Expense
Personnel	\$90,234.38
Fringe Benefits	\$23,529.63
Current Expenses	\$4,579.84
TOTAL	\$118,343.85

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-2023 were \$180,333.49 while direct program expenses were \$118,343.85.

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

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 ⁴	55	\$5,817,900	\$30,460
2023	205	55	\$6,126,250	\$29,884

⁴ 192 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
2023	200	55	\$3,000,000	\$15,000

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
2023	\$7,071,746	\$3,000,000	100%	\$180,333

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.



Appalachian Outreach making a delivery to Family Resource



Berkeley County Meals on Wheels assisting 92-year-old Mrs. Fouch with meals and well-checks to enable her to stay in her own home.



Brian's Safehouse – training a scholarship recipient while working on a transition house.

Project Impacts

A wide variety of projects participated in the Neighborhood Investment Program during FY-23. 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, provide clothing, 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-2023.

Project Impacts – continued

Direct Needs - Lives are rebuilt:

Brittany's story was printed recently in our local newspaper. She was a drug addict that did not care if she lived or died. She was in an abusive relationship, estranged from her family and had lost custody of her three small children. In lieu of prison time, she went into rehab. She was released from rehab due to COVID and she came back home to Jackson County. She had an opportunity at Hope House in Ravenswood. While working through her recovery, she obtained her driver's license, her GED and studied for her CNA certification. She now has an apartment; her children and parents are back in her life, and she is an active member of the recovery community in Ravenswood, WV. Brittany credits her rehabilitation, her work with Hope House, and helping other women begin their journey to recovery from addiction as a Jackson County success story and plans to remain addiction free for the remainder of her life. Opportunity and determination resulted in a successful outcome for Brittany.

--Community Foundation of Jackson County

Serving Homeless:

I first met "Robert" when he was staying at the Mission in Fairmont. He had run into some tough times; was having some medical issues and became homeless. Working with him at first was tough...he didn't want the help. He wanted to do it on his own and be independent. He finally accepted the help. He would come into the office where we would help him pay his bills online. If there was something he needed, we would help him locate resources to fulfill that need. He is finally stable, housed, and happy. He is able to spend time with his grand kids and loves making those memories with them. We assist him with food orders when he needs them and help him make sure his bills are paid. He knows that we are just a phone call away if he needs information or resources and will sometimes just call to check up on us in the office. Being able to help him fulfill all of his needs and see what a difference it has made in his life is absolutely wonderful.

--Connecting Link, Inc.

Direct and Emergency Needs – Veterans:

HFHTS partnered with the Holton Family, husband and wife, who were formerly homeless in our community. Mr. Holton served 8 years in the Army as a helicopter repairman. After applying for the HFHTS housing program, the Holton's met the program criteria and we closed on the purchase of their Veterans Housing Initiative cottage on August 8, 2022. The Holtons completed all of their sweat equity requirements including a series of homeowner education classes.

--Habitat for Humanity of the Tri-State

Conclusion

The Neighborhood Investment Program has proven in its 27 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 1 Rea of Hope (Recovery, Housing, Employment) – over 200 graduates



Figure 2 Women's Care Center



Figure 4 United Way of Greenbrier Valley - A small girls drawing because she was so ecstatic over her home being rebuilt after a flood.



Figure 3 Hospice of Southern WV – children learning to deal with grief at camp