



United States  
Department of  
Agriculture

Rural Development



# USDA Rural Development

SOUTH DAKOTA  
2015 PROGRESS REPORT





This has been a year of historic accomplishment for the United States Department of Agriculture (USDA), particularly in the area of rural economic and community development. In 2015, USDA's Rural Development (RD) employees across the nation have continued to work closely with partners to drive investment in rural small businesses and entrepreneurs; help rural families achieve the dream of homeownership; grow the biobased economy; support renewable energy and efficiency; make critical upgrades to electric, water and telecommunications infrastructure; and expand opportunity in rural communities.

The Fiscal Year 2015 Rural Development Progress Report outlines our work on behalf of hundreds of thousands of projects for individuals, families, farmers and ranchers, rural entrepreneurs and small business owners, municipalities, developers, and utility providers in 2015. USDA is proud to lead the Administration's effort to drive investment in rural people and places. This work truly makes a difference in the lives of the proud men and women who live, work and raise families in rural America.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Vilsack". The signature is fluid and cursive, with a long horizontal stroke at the end.

**Thomas J. Vilsack**  
Secretary of Agriculture



USDA Rural Development transformed lives in small-town rural America in 2015, as we have done throughout our 80-year history.

Our employees work hard each day to support the needs of the 46 million rural Americans who provide the food, fiber, fuel and durable goods the rest of the nation, and the world, depend upon. In Fiscal Year (FY) 2015, Rural Development invested more than \$29.7 billion nationwide in loans, loan guarantees, and grants for a diverse range of worthwhile projects in rural communities.

Each of these investments in rural communities is an investment in our country's future. More importantly, however, each investment has a direct and lasting impact on the quality of life of the rural people living and working in the American heartland.

USDA Rural Development is a lending agency that cares deeply about the rural people and communities we serve. I am proud of the difference we make in the lives of rural Americans, and delighted to share South Dakota's successes with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa Mensah". The signature is fluid and cursive, with a long horizontal stroke at the end.

**Lisa Mensah**  
Under Secretary for Rural Development



## Message from the Acting State Director

*“Our ability to respond to the needs of rural South Dakota communities is the result of cooperation, collaboration, and coordination. We look forward to future successes in the coming year.”*

— Bruce Jones, Acting State Director

Welcome to South Dakota USDA Rural Development’s Fiscal Year 2015 Progress Report. As you review the contents, you will discover information on our programs, our investments, and read about some of the successes we have had. This report documents our efforts to improve the lives of residents of South Dakota’s rural communities.

Our ability to respond to the needs of rural South Dakota communities is the result of cooperation, collaboration, and coordination. We have partners at the federal, state, and local levels sitting at the table, working through the challenges confronting rural South Dakota residents and participating in the solutions. The South Dakota USDA Rural Development staff are engaged with partners.

USDA Rural Development is the only federal agency that can essentially build a community from the ground up. Through investments in infrastructure, homeownership, and job creation, USDA Rural Development helps rural Americans achieve the American Dream. Primarily, USDA Rural Development operates three distinct programs - Business Programs, Community/Utility Programs, and Housing Programs.

During this past Fiscal Year in South Dakota, USDA Rural Development delivered over \$258 million of investment throughout South Dakota’s 66 counties. USDA Rural Development programs and services are provided to South Dakota through the State Office in Huron and seven Area Offices throughout the state.

I encourage you to think about how the programs represented on the following pages might be used to make a difference in your life, your business and your community in 2016.

Sincerely,

A handwritten signature in cursive script that reads "Bruce W. Jones".

Bruce Jones  
Acting State Director  
for South Dakota USDA Rural Development

# Rural Development Funding Activity - South Dakota

Fiscal Year Investments in South Dakota								
Program	2009 - 2013		2014		2015		Total AMOUNT	Total AWARD
	Amount	Award	Amount	Award	Amount	Award		
Business & Industry	\$77,680,788	38	\$3,335,484	6	\$1,239,000	2	\$82,255,272	46
Intermediary Relending Program	\$9,414,000	15	\$750,000	1	\$3,553,141	5	\$13,717,141	21
Renewable Energy	\$8,384,158	200	\$172,2390	13	\$1,121,346	53	\$9,677,743	266
Business Grants	\$4,747,433	56	\$506,070	7	\$255,995	4	\$5,509,498	67
Rural Economic Development Loans & Grants	\$7,841,000	19	\$2,050,000	7	\$2,335,000	7	\$12,226,000	33
Value Added Producer Grants	\$774,453	5	\$274,362	3	\$303,907	2	\$1,352,722	10
Single Family Housing Direct	\$62,023,829	588	\$8,250,117	71	\$11,132,596	90	\$81,406,542	749
Single Family Housing Guaranteed	\$766,583,935	6,448	\$188,302,524	1,465	\$179,091,825	1,355	\$1,133,978,284	9,268
Single Family Housing Repairs	\$1,715,677	340	\$311,394	59	\$263,137	57	\$2,290,208	456
Single Family Housing Self-Help Grants	\$1,791,110	7	\$0	0	\$993,317	4	\$2,784,427	11
Multi-Family Direct	\$6,391,304	18	\$0	0	\$489,000	1	\$6,880,304	19
Multi-Family Guaratneed	\$0	0	\$1,225,900	1	\$0	0	\$1,225,900	1
Farm Labor Housing	\$0	0	\$0	0	\$0	0	\$0	0
Rental Assistance	\$66,593,812	776	\$13,611,775	150	\$11,236,284	180	\$91,441,871	1,106
Community Facility Direct	\$102,310,966	81	\$6,036,500	7	\$12,543,300	7	\$120,890,766	95
Community Facility Guaranteed	\$22,423,000	8	\$0	0	\$0	0	\$22,423,000	8
Community Facility Grants	\$6,715,832	88	\$928,285	19	\$987,400	16	\$8,631,517	123
Water & Waste Disposal Direct	\$98,912,000	101	\$11,661,000	10	\$13,238,000	8	\$123,811,000	119
Water & Waste Guaranteed	\$0	0	\$0	0	\$0	0	\$0	0
Water & Waste Disposal Grants	\$96,714,293	79	\$5,446,277	10	\$9,248,000	10	\$111,408,570	99
Telecom	\$133,150,386	23	\$379,262	2	\$1,097,168	4	\$134,626,816	29
Electric	\$495,696,000	38	\$219,458,000	10	\$7,741,000	2	\$722,895,000	50
All Other Programs	\$5,731,720	35	\$1,121,988	5	\$1,130,901	185	\$7,984,609	225
<b>Total</b>	<b>\$1,975,595,696</b>	<b>8,963</b>	<b>\$463,821,177</b>	<b>1,846</b>	<b>\$258,000,317</b>	<b>1,992</b>	<b>\$2,697,417,190</b>	<b>12,801</b>

# Rural Business and Cooperative Programs

In Fiscal Year 2015, USDA Rural Development invested \$8.8 million in South Dakota rural businesses, supporting 73 projects. Business and Cooperative Programs serve South Dakota communities by creating new businesses, growing production, maintaining jobs, conducting feasibility studies, improving rural energy development, creating professional business plans, and increasing revenue for rural business ventures.

## Business & Industry Loan Guarantees

The B&I Guaranteed Loan program bolsters the existing private credit structure through the guaranteeing of loans for rural businesses, allowing private lenders to extend more credit than they would typically be able to. Under the program, USDA Rural Development provides guarantees on loans made by approved lenders that participate in the program.

## Rural Business Development Grants

The RBDG program is a competitive grant program that provides targeted technical assistance, training and other services to help develop or expand small and emerging private businesses in rural areas. The businesses must have fewer than 50 employees and less than \$1 million in gross revenues. Grants are awarded to qualified organizations to carry out enterprise- or opportunity-related projects to boost business development.

## Intermediary Relending Program

The IRP program provides 1-percent, low-interest loans to local intermediaries that re-lend to businesses and for community development projects in rural communities.

## Rural Microentrepreneur Assistance Program

The RMAP program awards loans and grants to Microenterprise Development Organizations to establish revolving funds for micro-loans to “micro-enterprises,” or very small rural businesses, and to provide technical assistance and training. The program supports start-up or expansion of very small rural business ventures.

## Rural Economic Development Loans and Grants

The REDLG program finances economic development and job creation in rural areas. Under the program, USDA provides zero-interest loans and grants to local utilities to establish revolving loan funds to support local business development projects.

## Rural Cooperative Development Grants

The RCDG program is a competitive grant program to start or run centers for cooperative development. These centers improve economic conditions in rural areas by helping individuals and businesses start, expand or improve rural cooperatives and other mutually-owned businesses.

## Socially-Disadvantaged Groups Grants

The SDGG program provides technical assistance to socially-disadvantaged groups through cooperatives and cooperative development centers.

## Value Added Producer Grants

The VAPG program is a competitive grant program to help independent agricultural producers enter into activities that add value to their products through new processing and/or marketing opportunities.

## Rural Energy for America Program Loan Guarantees and Grants

The REAP program provides loans and grants to agricultural producers and rural small businesses to purchase or install renewable energy systems or make energy efficiency improvements.

## Rural Energy for America Program Audit and Development Grants

Grantees that receive assistance through this competitive REAP grant program help rural small businesses and agricultural producers by conducting and promoting energy audits, and providing renewable energy development assistance.

## Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program

This program provides loan guarantees to develop, construct or retrofit commercial-scale biorefineries so that they can implement new and emerging technologies to support the development of advanced biofuels, renewable chemicals and biobased product manufacturing.

## Repowering Assistance Program

This program provides funding for up to 50 percent of the total eligible project costs for biorefineries to install renewable biomass systems for heating and power at their facilities or to produce new energy from renewable biomass.

## Advanced Biofuel Payment Program

This program supports increased production of advanced biofuels through payments to advanced biofuel producers for finished advanced biofuel products.

## Rural Business • “Made in the USA” Versatile Tile Manufacture Receives Support from USDA

Life Floor Manufacturing, Inc. is a leading designer of slip resistant tiles commonly used around pools and waterparks. In an effort to better serve their customers, they adopted a lean manufacturing focus and brought manufacturing home, moving operations from overseas to the United States of America.



Three children run across the slip resistant tiles manufactured through Life Floor Manufacturing, Inc. Photo courtesy of Life Floor Manufacturing, Inc.

When Life Floor Manufacturing, Inc. was looking for a partner to come back home, the State of South Dakota stepped up to the plate and found that the City of Madison was a perfect fit. The manufacturing facility is housed in the Falcon Plastics' building located in Madison. The facility started production on July 1, 2015.

A funding package secured through a partnership between Heartland Rural Electric Fund, Lake Area Improvement Corporation and East River Electric's Rural Electric Economic Development, Inc. (REED) Fund was established to assist the company. East River Electric's REED Fund provided revolving loan funds received through USDA Rural Development's Rural Economic Development Loan and Grant program and Lake Area Improvement Corporation provided loan funds received through USDA Rural Development's Intermediary Relending Program. The equipment needed to get the manufacturing facility on its feet was made possible through funding provided by these entities all located within the state of South Dakota.

Life Floor Manufacturing, Inc., is one of the first American companies in decades to “on-shore” their foam-rubber manufacturing operation. This move is expected to shorten production and delivery time for domestic customers, improve quality control, and assist with costs and pricing. More importantly, each tile that's “Made in the USA” creates jobs and opportunity here at home.

# Rural Housing Programs

USDA Rural Development improved rural housing in South Dakota with \$203 million in loans and grants to build, repair, rehabilitate, and purchase homes that ultimately improve the quality of life in rural South Dakota. Rural Development provides funding for single-family homes, apartments for lower-income families or the elderly, and housing for farm laborers. In Fiscal Year 2015, the agency obligated 90 direct loans and 1,355 guaranteed loans to finance homes for rural South Dakota families.

## Single-Family Housing Direct Home Loans

This program helps very-low- and low-income individuals and families buy, build and improve homes in rural areas. Payment assistance, a type of subsidy, may be provided for very-low-income applicants — based on their adjusted household income — to help them afford the monthly mortgage loan payments.

## Single-Family Housing Loan Guarantees

This program helps moderate-income individuals and families buy, build and improve homes in rural areas. USDA Rural Development provides guarantees on loans made by approved lenders that participate in the program.

## Single-Family Housing Repair Loans and Grants

This program helps very-low-income rural individuals and families repair, improve or modernize their homes. Grants are provided to elderly very-low-income homeowners to remove health and safety hazards from their homes.

## Mutual Self-Help Housing Technical Assistance Grants

This program provides grants on a competitive basis to qualified organizations to help them carry out local self-help housing construction projects. Grant recipients supervise groups of very-low- and low-income individuals and families as they construct their own homes in rural areas. The group members provide most of the construction labor on each

other's homes, with technical assistance from the organization overseeing the project.

## Multi-Family Housing Direct Loans

This program provides competitive financing to construct or renovate affordable multi-family rental housing for low-income, elderly, or disabled individuals and families in eligible rural areas.

## Rental Assistance

Rental Assistance payments may be made to owners of USDA Rural Development-financed rural rental housing or farm labor housing apartment complexes on behalf of low-income tenants who are unable to pay market-rate rent to help them meet their monthly rent payments.

## Multi-Family Housing Loan Guarantees

The program provides financing to construct or renovate affordable multi-family rental housing for low- to moderate-income individuals and families in eligible rural areas. Under the program, USDA Rural Development provides guarantees on loans made by approved lenders that participate in the program.

## Housing Preservation Grants

HPG grants are provided to sponsoring organizations to repair or rehabilitate housing occupied by very-low- and low-income people in rural areas.

## Farm Labor Housing Loans and Grants

This program provides financing to develop affordable multi-family rental housing for year-round and migrant or seasonal domestic farm laborers and their families.

## Rural Housing • South Dakota Family Purchases Charming Home Thanks to USDA

“Our overall feelings toward the home are inexplicable joy and relief. It feels like it was time and meant to be home,” said new homeowner Jennifer Hornedeagle.

The Hornedeagle family received a USDA Rural Development Section 502 Direct Single Family Housing packaged loan from Homes Are Possible, Inc. to purchase their home.

In addition, this family was the first to benefit from a partnership between Coalition of Indian Housing and Native Development (CIHAND) and Dacotah Bank, together they deliver the Native American Homeownership Initiative (NAHI) program which is funded through the Federal Home Loan Bank (FHLB) of Des Moines.

NAHI can provide an eligible household a forgivable grant for down payment and costs in conjunction with a 502 Direct loan from USDA Rural Development. Through the partnership, CIHAND funds the NAHI grant at the time of closing on the property. Once the repairs or rehab have been completed, FHLB and Dacotah Bank reimburse the funds to CIHAND. This funding helps provide a Native American family a homeownership opportunity that is affordable to them.

“Grow South Dakota is honored to be a part of the Hornedeagle’s story,” said Chief Operative Officer Lori Moen at Grow South Dakota. “The dedication and commitment they have made to make a lasting legacy for their family is undeniably homeownership at its best. The down payment/closing cost funding utilized for this family was awarded to Grow SD through a competitive application from the South Dakota Housing Opportunity Fund. The Hornedeagles’ story is a great message advocating

how the various links and connections are solutions to affordable housing.”

Hornedeagle shared that the location across from a school was a deciding factor. There is no doubt the family’s quality of life has improved.

“This home has enabled us to put down roots and provided a place for our children to create lasting memories. The best words to describe it are charming and cozy,” added Hornedeagle.



Anthony and Jennifer Hornedeagle, along with their three children, moved into their new home in December 2015. They are looking forward to creating memories that will last a lifetime.

# Rural Utilities Programs

USDA Rural Development invested \$31.3 million during Fiscal Year 2015 through 24 infrastructure projects to provide reliable and clean drinking water, waste treatment systems, electric power, and telecommunications services in 18 rural communities in South Dakota.

## Electric Infrastructure Loans

This program provides insured loans and loan guarantees to qualified utility providers to finance construction of electric generation, transmission and distribution facilities and system improvements in rural areas. Funds may be used for demand-side management, energy conservation programs, and on-grid and off-grid renewable energy systems.

## Energy Efficiency and Conservation Loans

This program provides loans to USDA electric loan borrowers for energy audits and energy efficiency upgrades that enable the electric utilities to implement energy efficiency service improvements on behalf of their customers. Funds may be used for weatherization, HVAC improvements, high efficiency lighting and conversions to more efficient or renewable energy sources, such as consumer-scale solar power and ground-source heat pumps.

## Telecommunications Infrastructure Loans

This program provides financing to construct, maintain, improve and expand telephone and broadband services in rural areas.

Electric and telecommunications are important in every community.



## Broadband Direct Loans and Loan Guarantees

This program provides funds to qualified providers to construct, improve or acquire facilities and equipment needed to implement broadband service in eligible rural areas.

## Distance Learning and Telemedicine Grants

DLT grants help rural communities use the unique capabilities of telecommunications to connect to each other and overcome the effects of remoteness and low population density. For example, this program finances telecommunications equipment and systems that can link teachers and medical service providers in one area to students and patients in another remote location.

## Community Connect Grants

Community Connect grants help deploy broadband service in rural communities where it is not yet economically viable for private sector providers to deliver broadband. Projects funded through the program include community centers that offer free public access to broadband for 2 years.

## Water and Waste Disposal Program

This program provides affordable direct loans, loan guarantees and grants to build, repair or improve public water systems and waste collection systems in rural areas.

## Solid Waste Management Grants

This program provides technical assistance and training grants to people who operate or maintain landfills to help reduce or eliminate pollution of water resources in rural areas.

## Circuit Rider Program

This program provides grants for technical assistance and training to rural water systems experiencing difficulties with day-to-day operations, finances or management.

## Water and Environmental Programs • Enhancements to Meade County's Rural Water Project

Last year, Bear Butte Valley Water, Inc., a non-profit corporation, drilled a new deep well as the first step in developing the new rural water system with the assistance of USDA Rural Development. In 2015 a ground breaking celebration was held to commemorate awarding of the bids to complete the entire rural water system including installing 110 miles of pipeline, storage reservoirs and pumping stations.

USDA Rural Development Water and Environmental loan and grant funds were leveraged with USDA Natural Resources Conservation Services EQIP funds and a grant from the State of South Dakota.

“This accomplishment is the result of many days, weeks and years of service and perseverance by a dedicated board of directors, along with the help of professional guidance received from our engineering partners and SD Rural Water,” said Neal Rowett, Board President of Bear Butte Valley Water, Inc. and life long resident of the area. “In addition, the project was aided to a great extent by financial assistance received from USDA Rural Development and South Dakota Department of Environment and Natural Resources.” He continued, “We appreciate the support of the community for the confidence these people have shown in our efforts. Bear Butte Valley Water is a community owned, non-profit corporation that will serve its members for many future generations. It is with great pride that we will be providing drinking water of excellent quality with enough volume and pressure to fulfill the needs of our members.”

Steve Attema is a South Dakota Rural Water representative that has been assisting the local Board members in securing funds for the system. “It has been my pleasure to work with the Bear Butte Valley board of directors and system staff, DGR Engineering, USDA Rural Development, and South Dakota Department of Environment and Natural Resources, who all put in significant time, energy, commitment and ingenuity to take the idea of improving water quality and availability and making it a reality,” he said. “It is exiting to be a part of a project that will bring a great service to the people in the area.”



A trencher is shown installing a pipeline as part of the project enhancements for Bear Butte Valley Water, Inc.

# Community Facilities Programs

During Fiscal Year 2015, USDA Rural Development invested \$13.5 million in rural South Dakota through community facilities loans and grants. The 23 projects, including funding for schools and fire safety equipment, was used to benefit more than 15,901 rural South Dakota residents. Community Facilities programs help build, expand, rehabilitate, purchase, and support the development of police and emergency fire stations and equipment, museums, child care centers, hospitals, clinics, schools, and more.

## Community Facilities Loans and Grants

This program provides direct loans, loan guarantees and grants to qualified organizations to develop, build and equip essential community facilities in rural areas. Examples of essential facilities include public safety, fire and rescue and telecommunications buildings, schools, libraries, hospitals and health care clinics.

## Rural Community Development Initiative Grants

RCDI grants are provided to help non-profit housing and community development organizations support housing, community facilities and community and economic development projects in rural areas.

## Community Facilities • Investing in the Basics of High Quality Education

“I want to ensure small South Dakotan communities have just as much opportunity to have successful business ventures, to build their community infrastructure, and to improve the quality of life in their hometowns as their urban counterparts,” said Bruce Jones, South Dakota USDA Rural Development Acting State Director. Yet, before anyone can come up with a business plan, design a new top-notch wastewater treatment facility, or plan a downtown revitalization project, one has to be taught the basics of how. The roots of all opportunity within any community are in access to high quality education.

Being born and raised in a small town should never impede the quality of education you receive from your local public school, charter school or community college. Unfortunately, because small towns have small populations, it is often a difficult task for

these communities to find the funds necessary to complete facility improvements or to add cutting edge technology and alternative learning curricula into their small town education budgets.

Jones said, “I’m so proud to work for an organization that invests in small town and underserved community education opportunities, and here in South Dakota we have invested in educational facilities where ‘underserved’ only begins to describe their situation.” In fact, the Pine Ridge Indian Reservation is known as one of the poorest areas in the Nation and was recently designated a Promise Zone by Agriculture Secretary Tom Vilsack.

Red Cloud Indian School in Pine Ridge, South Dakota came to USDA Rural Development when they needed help updating the substandard furniture students, faculty and staff used every day. We successfully helped school leaders through the Economic Impact Initiative Grant Program application process, and Red Cloud Indian School was able to purchase new tables, desks and projectors.

These purchases will exponentially increase the quality of education provided to students in Pine Ridge. No one can expect students to absorb knowledge when the desks they are sitting at are faulty; no one can expect teachers to deliver a quality education if they don’t have the tools necessary to teach.

This is just the beginning of a series of investments in educational opportunities USDA Rural Development has committed to in South Dakota and our programs and successes can be replicated across the nation. Our USDA Rural Development website has more information on the programs available to benefit our communities. Together, we can create better educational opportunities across rural America.

# Community Economic Development

The Obama Administration designated the Pine Ridge Indian Reservation as a Promise Zone last April. The Promise Zone Initiative is part of the President's plan to partner with local communities, businesses and Tribes to create jobs, increase economic security, expand educational opportunities, increase access to quality, affordable housing and improve public safety.

## Community Economic Development • Promise Zone • New Housing Development on Pine Ridge Indian Reservation

Thunder Valley Community Development Corporation will soon have a new housing development. The "Regenerative Community," will serve the Oglala Lakota people on the Pine Ridge Indian Reservation, thanks to \$1.97 million from USDA Rural Development.

USDA is providing a site loan to develop the streets and utilities for 23 lots, a self-help grant to develop 12 new self-help homes, and water and waste disposal loan and grant funds for drinking water, sanitary sewer and storm drainage systems.

In June 2015, USDA officials joined Tribal leaders at the groundbreaking for the first phase of construction that is enabling families on the reservation to buy affordable, eco-friendly homes of their own. The families are expected to move in by next year. Thunder Valley Community Development Corporation plans to build housing, a small farm, an aquaponics



Ground-breaking at Thunder Valley's Regenerative community north of Sharps Corner, SD.

greenhouse, a grocery store, powwow grounds, and a youth center on-site. When completed, the project will serve as a model for Native American and rural communities on the Pine Ridge reservation and across the country.

Other investment partners include the Sustainable Home Ownership Project, Enterprise Community Partners, and the Northwest Area and Bush Foundations. This project is an example of how targeted, place-based economic development through public-private partnerships can work to break the cycle of crumbling infrastructure often seen in many tribal communities. Rural Development is targeting assistance to the area through USDA's Promise Zone and StrikeForce initiatives to combat persistent poverty in rural communities.

"Investing in and rebuilding hard-hit communities are important parts of this Administration's plan to ensure that every child has a fair chance at success. Working in conjunction with our public and private partners, USDA is supporting much-needed infrastructure and economic development improvements to help create jobs, improve access to education opportunities and quality, affordable housing, and reduce crime throughout the Pine Ridge community."

- Agriculture Secretary Tom Vilsack -

# Rural Housing and Community Facilities Programs

	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
<b>Single-Family Housing Direct Loans (including Self-Help Loans)</b>	Safe, well-built, affordable homes for rural Americans.	Families and individuals.	Buy, build, improve, repair or rehabilitate a rural home as the applicant's permanent residence.	Rural areas with populations of up to 35,000.	Direct loan.	Up to 100% of market value or cost. Loan term of 33/38 years. Applicant may be eligible for payment assistance (subsidy) on the loan.
<b>Single-Family Housing Loan Guarantees</b>	To assist moderate-income applicants/ household in buying their homes by guaranteeing loans made by private lenders.	Families and individuals.	Purchase new or existing homes and refinance existing Rural Development guaranteed or direct loans.	Rural areas with populations of up to 35,000.	Loan guarantee.	30-year, fixed. The interest rate is negotiated between lender and borrower. Loans up to 100% of market value plus the amount of the up-front guarantee fee being financed.
<b>Single-Family Repair Loans and Grants</b>	To help very low-income applicants remove health and safety hazards or repair their homes.	Families and individuals who currently own their home.	Repair/replace roof, winterizing, purchase or repair heating system, structural repair, water/ sewage connect fees, etc.	Rural areas with populations of up to 35,000.	Direct loan and grant.	Loans up to \$20,000 up to 20 years at 1%. Grants available to very low-income applicants 62 years or older unable to pay 1% loan.
<b>Self-Help Technical Assistance Housing Grants</b>	Assist lower-income families in building their own homes.	Non-profits and public bodies.	Technical assistance to help small groups of families to build each other's homes.	Rural areas with populations of up to 35,000.	Grant.	Grant agreement.
<b>Rural Rental Housing Direct Loans</b>	Safe, well-built, affordable rental housing for very-low-income individuals and families.	Individuals, trusts, associations, limited partnerships, for-profit and non-profit entities, tribes, public bodies.	New construction or substantial rehabilitation of rental housing.	Rural areas with populations of up to 35,000.	Direct loan.	Up to 100% of total development cost (non-profits); 97% (for-profits); 95% (for-profits with Low-Income Housing Tax Credits). 30-year term with up to 50-year amortization.
<b>Rural Rental Housing Loan Guarantees</b>	Provides loan guarantees on loans to build or preserve affordable housing for very-low to moderate-income tenants.	For profit and non-profit lenders.	Build or rehabilitate affordable rental housing.	Rural areas with populations of up to 35,000.	Loan guarantee.	At least 25-year term with fixed interest rate. Loan guarantees up to 90% of the principal.
<b>Housing Preservation Grants</b>	Repair and rehabilitate housing owned or occupied by very low- and low-income rural families.	Public bodies and non-profit organizations.	Operation of a program which finances repair and rehabilitation activities for single-family and small rental properties.	Rural areas with populations of up to 35,000.	Grant.	Grant agreement.
<b>Farm Labor Housing Loans and Grants</b>	Safe, well-built affordable rental housing for farmworkers.	Individuals, public and private non-profit organizations.	New construction or substantial rehabilitation of rental housing.	Not applicable.	Direct loan and grant.	Up to 102% of total development cost. Up to 33 years to repay at 1% interest.
<b>Community Facilities Loans and Grants</b>	Improve, develop, or finance essential community facilities for rural communities.	Public bodies, non-profits, and Federally recognized Indian Tribes.	Construct, enlarge or otherwise improve essential community facilities, such as public safety, fire and rescue, telecommunications, schools, libraries, hospitals, other health care facilities, etc. This may include furnishings, fixtures and other required equipment.	City, town or unincorporated area of not more than 20,000 in population. Facilities must primarily serve rural residents.	Direct loan, loan guarantee, or grant.	Up to 100% of market value. Term is for useful life of the facility or equipment, the State statute, or 40 years. Maximum grant 75% of project cost. Grant eligibility based on income, population, and need.
<b>Rural Community Development Initiative</b>	To facilitate housing, community facility and community and economic development projects.	Private non-profit or public organizations, philanthropic foundations, low-income communities.	Technical assistance grants of \$50,000 to \$300,000 to develop the capacity and ability of the awardees to carry out needed projects.	City, town, or unincorporated area of not more than 50,000 in population.	Grant.	Matching funds required for grant.

**Direct Loans and Grants: Apply to Rural Development.**

**Loan Guarantees: Apply to participating intermediaries such as approved banks, mortgage companies, etc.**

# Rural Business and Cooperative Programs

	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
<b>Business and Industry Loan Guarantees</b>	Create jobs/stimulate rural economies by providing financial backing for rural businesses.	Lenders/Businesses.	Real estate, buildings, equipment, supplies, working capital, and some debt refinancing.	All areas except cities over 50,000 and their contiguous urbanized areas.	Loan guarantee.	Lender and borrower negotiate terms. Up to 30 years for real estate, 15 years for machinery and equipment, and 7 years for working capital.
<b>Rural Business Development Grants</b>	Assist the startup or expansion of small and emerging private businesses and/or non-profits in rural communities. Note: This program combines the former Rural Business Enterprise Grant and Rural Business Opportunity Grant programs and was created through the 2014 Farm Bill.	Public bodies, government entities, non-profit entities, and Federally recognized Indian Tribes.	Acquire or develop land, buildings, plants and equipment; build or improve access roads, parking areas, utility extensions, and water and waste disposal facilities; provide technical assistance; establish revolving loan funds; and to support rural distance learning programs that provide educational or job training.	All areas rural in character except cities over 50,000 and their contiguous urbanized areas.	Grant.	Grants are awarded on a competitive basis.
<b>Intermediary Relending Program Loans</b>	Establish revolving funds for business facilities and community development projects.	Public bodies, non-profit corporations, Native American Tribes, and cooperatives.	Community development projects, establishment or expansion of businesses, creation or saving of rural jobs.	Rural areas and incorporated places with populations of less than 50,000.	Direct loan.	The intermediary makes loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1% for 30 years.
<b>Rural Microentrepreneur Assistance Program</b>	Establish revolving funds to target assistance to small rural enterprises.	Microenterprise Development Organizations (MDOs).	Loans, technical, and capacity-building assistance to businesses with 10 or fewer employees and sole proprietorships.	All areas except cities over 50,000 and their contiguous urbanized areas.	Loans, grants.	Rural microenterprises apply directly to the intermediary.
<b>Rural Economic Development Loans and Grants</b>	Finance economic development and job creation in rural areas.	Rural Utilities Service-financed electric and telephone utilities.	Business startups or expansion projects that create rural jobs.	Rural areas with priority to places with populations of 2,500 or less.	Direct loan or grant to establish revolving loan fund.	Intermediary makes loans to for-profit or non-profit businesses and public bodies. Loans are 0% for 10 years.
<b>Rural Cooperative Development Grants</b>	Establish/operate centers for cooperative development.	Non-profits and institutions of higher education.	Establish centers to provide technical assistance, training, applied research, and collection and interpretation of data, for the purpose of cooperative development.	All areas except cities over 50,000 and their contiguous urbanized areas.	Grant.	Minimum 25% fund match (5% for 1994 Institutions). Grants awarded competitively.
<b>Socially Disadvantaged Groups Grants (formerly called Small, Socially Disadvantaged Producer Grants Program)</b>	Provides funds to eligible cooperatives or an association of cooperatives to provide technical assistance to small, socially disadvantaged producers in rural areas.	Cooperatives and associations of cooperatives whose membership and board of directors is comprised of at least 75% socially disadvantaged agricultural producers.	Technical assistance.	All areas, except cities over 50,000 and their contiguous urbanized areas.	Grant.	Grants are awarded on a competitive basis. There is no matching requirement.

# Rural Business and Cooperative Programs (continued)

	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
<b>Value-Added Producer Grants</b>	Help independent agricultural producers enter into activities that add value to their crops.	Independent producers, farmer and rancher cooperatives, producer groups, majority-controlled producer-based business ventures.	Feasibility studies, business plans; working capital.	All areas.	Grant.	Grants are awarded on a competitive basis. Funds cannot be used to build facilities or purchase equipment. Funds must be matched on a dollar-for-dollar basis.
<b>Rural Energy for America Program (REAP) Loan Guarantees and Grants</b>	Provide assistance for energy efficiency improvements or purchase of a renewable energy system for operations.	Rural small businesses and agricultural producers.	Energy efficiency improvements, renewable energy systems, land acquisition and working capital.	Cities, towns, unincorporated areas with population less than 50,000. (Population limits do not apply to agricultural producers)	Loan guarantee and/or grant.	Grants up to 25% of project costs not to exceed \$250,000 for energy efficiency projects and \$500,000 for renewable energy. Loan guarantees up to 75% of project cost not to exceed \$25 million.
<b>REAP Audit/ Development Grants</b>	Provide grant to entity to pass through to a small business or agricultural producer for 75% of the cost of an energy audit or renewable energy development assistance.	State, tribal, or local government institutions of higher education; rural electric cooperatives; or public power entities.	\$100,000 grant to entities, smaller ones to small business and agricultural producers for 75% of energy audit or renewable energy development assistance.	Cities, towns, unincorporated areas with population less than 50,000.	Grant.	\$100,000 to entities and up to 75% of the cost of energy audit for renewable energy development assistance.
<b>Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program Loan Guarantees (formerly called Biorefinery Assistance Program)</b>	Provide loan guarantees for the development and construction of commercial-scale biorefineries or to retrofit facilities using eligible technology for the development of advanced biofuels.	Individuals, Indian Tribes, State or local governments, corporations, farm cooperatives, associations of agricultural producers, national laboratories, higher learning institutions, rural electric co-ops, public power entities, consortiums of any of the entities.	Loan guarantees to develop and construct commercial-scale biorefineries or retrofit facilities to use eligible technology for the development of advanced biofuels.	No restrictions.	Loan.	90% (maximum) guarantee on loans up to \$125 million; 80% (maximum) guarantee on loans less than \$150 million; 70% (maximum) guarantee on loans of \$150 million but less than \$200 million; 60% (maximum) guarantee on loans of \$200 million up to \$250 million.
<b>Repowering Assistance Program</b>	Provide payments to biorefineries to replace fossil fuels with biomass.	Biorefineries.	Grant to biorefineries, including ethanol and biodiesel plants that use electricity generated from natural gas and coal and require this for the fermentation process.	No restrictions.	Grant.	As funds are available. Complete applications submitted to National Office for review.
<b>Advanced Biofuel Payment Program</b>	Provide payments to producers of advanced biofuels.	Eligible producers of advanced biofuels.	Grant to producers of advanced biofuels (non-commercial-based).	No restrictions.	Grant.	As funds are available. Complete applications submitted to National Office for review. Grant awards determined by National Office.

**Direct Loans and Grants: Apply to Rural Development.**

**Loan Guarantees: Apply to participating intermediaries such as eligible banks, etc.**

**Revolving Funds (IRP, REDLG, RMAP): Intermediaries apply to Rural Development, others to the intermediaries.**

# Rural Utilities Programs

	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
<b>Water and Waste Disposal Loans and Grants</b>	Provide infrastructure for rural areas.	Public entities, Indian Tribes and non-profit corporations.	Build, repair and improve public water systems and waste collection and treatment systems.	Rural areas, and towns with up to 10,000 population.	Direct loan and grant.	Repayment period is a maximum of 40 years. Grant funds may be available.
<b>Water and Waste Disposal Loan Guarantees</b>	Provide infrastructure for rural areas.	Public entities, Indian Tribes and non-profit corporations.	Construct, repair and improve water supply and distribution systems and waste collection and treatment systems.	Rural areas, and towns with up to 10,000 population.	Loan guarantee.	Eligible lenders obtain up to a 90% guarantee on loans they make and service.
<b>Solid Waste Management Grants</b>	Provide technical assistance and/or training to those who operate and maintain active landfills.	Public bodies, private non-profit organizations, Indian Tribes, academic institutions.	Technical assistance and training to improve landfill conditions and protect against threats to nearby water resources.	Rural areas, and towns with up to 10,000 population.	Grant.	Applications accepted year-round. Complete applications submitted to National Office for review.
<b>Technical Assistance/ Training/Circuit Rider</b>	Provide technical assistance and training.	Public, private, and non-profit organizations.	Provide technical assistance and training to assist with management of water and waste projects.	Rural areas and towns with up to 10,000 population.	Grant.	As funds are available. Complete applications submitted to National Office for review.
<b>Rural Broadband Direct Loans and Loan Guarantee</b>	Deployment of broadband service to eligible rural communities. Note: The 2014 Farm Bill revises program provisions. New rules are expected to be published in FY 2015.	Entities seeking to provide broadband services in rural areas.	Finance the construction, improvement and acquisition of facilities and equipment to provide broadband service in eligible rural communities.	Refer to the new rules, when available, for population limits.	Refer to the new rules, when available, for loan details.	Refer to the new rules, when available, for loan terms and conditions.
<b>Electric and Telecommunications Loans</b>	Assist rural communities in obtaining affordable, high-quality electric and telecommunications services.	Non-profit and cooperative associations, public bodies, and other utilities.	Generation, transmission facilities and distribution of electric power, including alternative, renewable, conservation and energy efficiency programs. Enhance 911 emergency service, digital switching equipment, and fiber optic cable, along with traditional main system telecommunications service.	Electric: areas served by an existing rural electric borrower, or rural areas other than a city or town of more than 20,000. Telecommunications: areas cities with population under 5,000.	Direct loan or loan guarantee.	Interest rates are established in accordance with 7CFR 1714. Contact RUS at <a href="http://www.rd.usda.gov">www.rd.usda.gov</a> or 1 (800) 670-6553.
<b>Distance Learning and Telemedicine</b>	Development and deployment of advanced telecommunication services throughout rural America to improve education and health care.	Incorporated entities, including municipalities, for-profit, and non-profit corporations that operate rural schools, libraries, health care clinics and other educational or health care facilities.	To provide end-user equipment and programming that delivers distance learning and telemedicine services into eligible areas.	Rural areas outside incorporated or unincorporated cities with populations up to 20,000.	Grant.	Awards range from \$50,000 to \$500,000. A minimum of 15% in matching funds is required.
<b>Community Connect Grants</b>	Provide public access to broadband in otherwise un-served communities.	Public bodies, tribes, cooperatives, non-profits, limited dividend or mutual associations; corporations and other legally organized entities	To build broadband infrastructure and establish a community center that offers free public access to broadband for two years.	A single community outside incorporated or unincorporated cities with population over 20,000 which does not have broadband.	Grant.	Minimum: \$50,000; Maximum: \$1 million. Amounts are published in Notices of Funding Availability and may vary.

**Electric and Telecom Programs: Contact the Rural Utilities Service Administrator;**

**Water Programs: Contact the Rural Development State Office.**

# Rural Development Program Purposes

	Land & Bldgs.	Mach. & Equip.	Working Capital	Infrastructure	Tech. Asst./Train.
<b>Rural Housing and Community Facilities Programs</b>					
Single Family Housing Direct Loans (including Self-Help Loans)	◆				
Single Family Housing Loan Guarantees	◆				
Single Family Housing Repair Loans/Grants	◆				
Self-Help Housing Technical Assistance Grants					◆
Rural Rental Housing Direct Loans	◆			◆	
Rural Rental Housing Loan Guarantees	◆			◆	
Housing Preservation Grants	◆	◆	◆	◆	◆
Farm Labor Housing Loans/Grants	◆			◆	
Community Facilities Direct Loans, Loan Guarantees, Grants*	◆	◆	◆	◆	
Rural Community Development Initiative					◆
<b>Rural Business and Cooperative Programs</b>					
Business and Industry Loan Guarantees	◆	◆	◆	◆	
Rural Business Development Grants	◆	◆	◆	◆	◆
Intermediary Relending Program Loans	◆	◆	◆		
Rural Microentrepreneur Assistance Program	◆	◆	◆	◆	◆
Rural Economic Development Loans and Grants	◆	◆	◆	◆	◆
Rural Cooperative Development Grants				◆	◆
Socially Disadvantaged Groups Grants					◆
Value-Added Producer Grant			◆	◆	◆
Rural Energy for America Program Loan Guarantees/Grants	◆	◆		◆	◆
Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program Loan Guarantees					
Repowering Assistance Program					
Advanced Biofuel Payment Program					
<b>Rural Utilities Programs</b>					
Water and Waste Disposal Direct Loans, Loan Guar., Grants	◆	◆		◆	
Solid Waste Management Grants					◆
Technical Asst./Training/Circuit Rider					◆
Rural Broadband Direct Loans and Loan Guarantees	◆			◆	
Electric and Telecommunications Direct Loans/ Loan Guarantees	◆	◆		◆	
Distance Learning and Telemedicine Loans/Grants		◆		◆	
Community Connect Grants	◆	◆	◆	◆	

\* Initial operating expenses are eligible in conjunction with the financing of an eligible community facility project. However, grant funds may not be used to fund initial operating expenses.

January 2016

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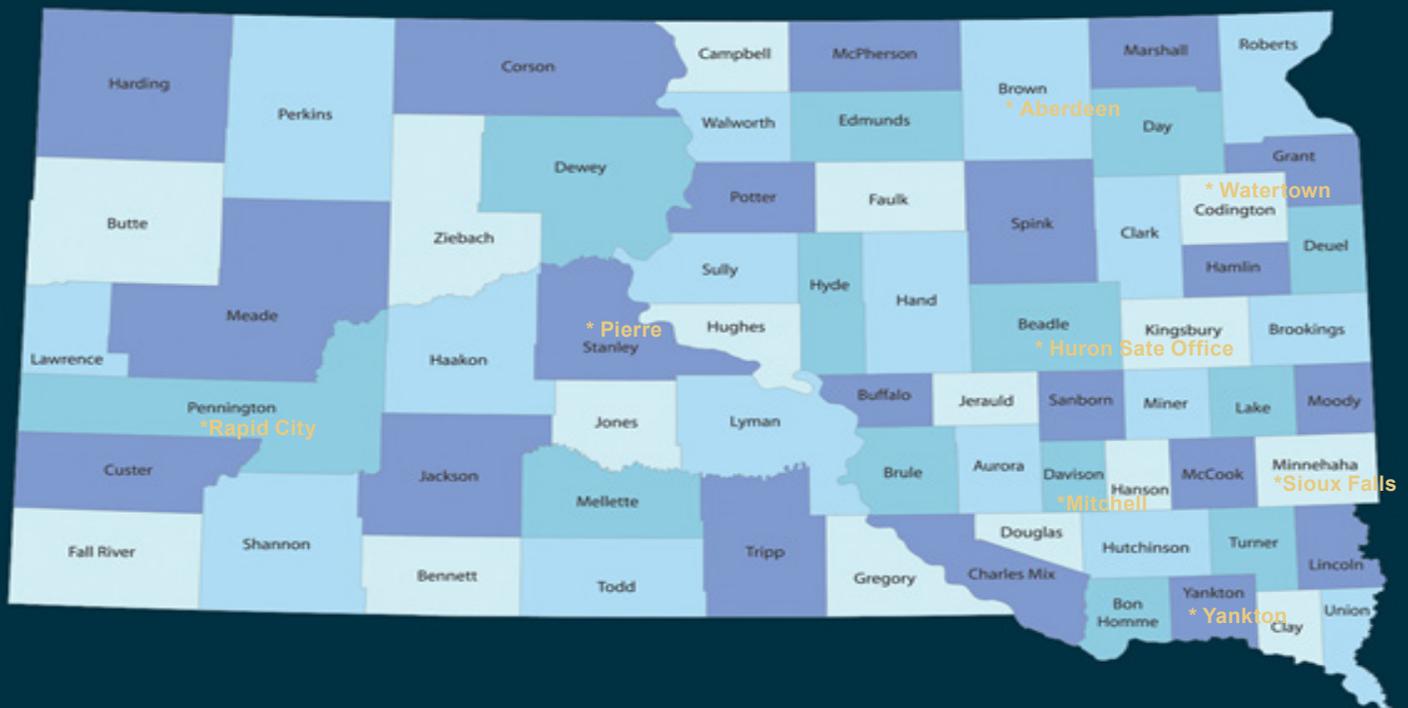
- (1) mail: U.S. Department of Agriculture,  
Office of the Assistant Secretary for Civil Rights,  
1400 Independence Avenue, SW, Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov) (link sends e-mail).

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Contact us to learn more at:  
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National Office  
Mail Stop 0107  
1400 Independence Avenue SW  
Washington, DC 20250-0107

1 (800) 670-6553 (toll free)  
**[www.rd.usda.gov](http://www.rd.usda.gov)**

# USDA Rural Development South Dakota Map and Contacts



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Phone: 605-224-8870, Ext. 4

## Watertown Area Office

1720 4th Street NE, Suite 2  
Watertown, SD 57201  
Phone: 605-886-8202, Ext. 4

## Aberdeen Area Office

524 Enterprise Street S., Suite 100  
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## Rapid City Area Office

414 East Stumer Road  
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## Yankton Area Office

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## Mitchell Area Office

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## Sioux Falls Area Office

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[www.rd.usda.gov/sd](http://www.rd.usda.gov/sd)

*USDA Rural Development is committed to the future of rural communities.*