



USDA Rural Development Helps Northwest Iowa Community Recover from Flooding

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By Cecilia Lynch

In 2008, the city of Hawarden in Sioux County, Iowa, established a revolving loan fund (RLF) utilizing funds from the U.S. Department of Agriculture (USDA) Rural Development Rural Business Development Grant (RBDG) program. In far northwestern Iowa, Hawarden, population 2,700, lies on the banks of the Big Sioux River, a major tributary of the Missouri River.

Carol Hoogestraat, Community and Economic Development Director for Hawarden, was interested in USDA business programs. “Coming from a business background, I know financing, and I jumped into this role in 2021 to get the ball rolling on helping to create a more successful business environment here in Hawarden.”

USDA awarded the city of Hawarden a \$99,000 RBDG grant to expand the RLF in 2022, and in 2023, USDA awarded the city a \$124,000 RBDG grant so the expanded RLF could help local businesses stabilize and increase local employment opportunities.

Disaster struck on June 22, 2024, when record-breaking floodwater from the Big Sioux River inundated the community, damaging and destroying many homes and businesses. “I couldn’t get straight into town from my house because of the flooding, so I had to go all the way around on the few roads that weren’t flooded and could see the devastation,” said Hoogestraat.

The need for financial assistance for those affected by the disaster was immediate. To help with recovery, many people and organizations pitched in.

“My job came first, it truly did,” said Hoogestraat. “Working with the folks representing the state of Iowa was fantastic. Michael Nelson, the loan specialist at the USDA, was phenomenal. He was a real anchor of support. I could call or email him and get quick answers and the information we needed to utilize our existing RLF for local businesses that needed short-term, low-interest loans. That was the best part of this difficult experience, getting support from outside. These great individuals from different organizations were hanging in there with us.”

The town continues to recover from the damage a year later. “I probably have made 10 loans related to flooding damage since last June,” said Hoogestraat. “Through the revolving loan fund with the funding from the USDA program—it’s a tremendous tool.”

“In the past, we have worked also with North West Iowa REC on a couple of things through USDA, for example, a loan for fire response vehicles and equipment in 2023 to



promote safety in the community. Iowa Area Development Group (IADG) continues to be a great resource as well,” Hoogestraat said. “Hawarden is a great place to come live. We have new housing going in. I want to thank USDA for being there for us.”

Michael Nelson, USDA Rural Development Area Specialist in Iowa, worked on several financing projects in town. “I could see that leaders in Hawarden had a vision for what they wanted in their community,” he said. “The funding from USDA in Hawarden’s RLF was ready to lend when the floodwaters rose in the streets of the city. It is personally very rewarding to support the creation and preservation of jobs and communities in rural areas.”

RBDG program funds may be awarded to non-profit entities to establish and replenish RLFs to make loans for small businesses for a variety of purposes such as purchasing a business, business expansion, working capital, and needed repairs. To find out more about this program and others, [click this text](#).

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