

Moving Rural America Forward



Fiscal Year 2012

South Dakota

Annual Report





USDA Rural Development



Executive Summary

USDA Rural Development’s mission is to create economic opportunity and improve the quality of life in South Dakota; the vision is a rural America that is healthy, safe, and prosperous place in which to live and work. Rural Development has an array of programs that helps us fulfill that mission. Through the Housing programs, Rural Development is able to help families realize the dream of homeownership, the Business programs help expand economic development, the Community Facilities programs build infrastructure that benefit everybody and the Utility programs help ensure that every part of the state has access to reliable electricity and fast broadband internet.

As South Dakota continues to move forward with the success of our agricultural, energy, and manufacturing industries, it is imperative that we have a rural workforce. Through USDA Rural Development’s vast resources and flexible programs, we are able to build the necessary infrastructure to encourage people to live, work, raise families and establish businesses in South Dakota.

Moving Rural America Forward is a team effort. USDA Rural Development is honored to partner with you to ensure that South Dakota’s better days are still ahead of us.

Contents

Executive Summary.....	2
Contents	2
Messages	3
Rural Development’s Seven Strategies for Economic Development	4
Business-Cooperative Programs.....	5
Rural Housing Programs	6
Community Programs.....	7
South Dakota Native American Projects	8
Program Funding 2012.....	9
Business & Cooperative Programs Matrix.....	10/11
Housing Programs Matrix	12/13
Community Programs Matrix.....	14/15
South Dakota Office Locations	16

Messages



"We must continue to make critical investments in broadband, bio-products, and strengthening capital markets for rural America, and targeting those investments to the parts of rural America that face the greatest economic need. If the past four years have taught us anything, we have learned that the key to a strong economy and the long-term fiscal health of America is smart, efficient, and effective investment in rural America."

Tom Vilsack, Secretary of Agriculture



"We have much to celebrate in Fiscal Year 2012. Overall, USDA Rural Development leveraged more than \$30 billion in investments toward projects in rural communities. Many are the result of grassroots collaboration and creative partnerships between USDA employees and local organizations, governments, Tribes or individuals. It's amazing what these partnerships can achieve. Even relatively small amounts of financing can have lasting impacts for those in need."

Dallas Tonsager, Rural Development Under Secretary



"Rural Development has more than 40 loan, grant, and technical assistance programs that have helped create/save sustainable jobs, improved the infrastructure and strengthened the overall economy in South Dakota's rural communities. We look forward to 2013 and expanding economic opportunities and enriching the quality of life that will strengthen the foundation of rural South Dakota in the future."

Elsie Meeks, State Director
USDA Rural Development - South Dakota



Rural Development's Seven Strategies for Economic Development



USDA Rural Development
Invested
\$458,794,360
in Rural South Dakota

Building 21st Century rural communities requires adoption of strategies that look not only within a community for defining its strengths and opportunities, but to regions where a community can compliment and draw upon the resources of another.

Strategic Partners: The ole adage that there is strength in numbers especially holds true when you build strong and strategic alliances. USDA Rural Development partnered with 25 entities to bring needed funding to rural South Dakota communities.

Capital Markets: Stimulating local economies requires the infusion of new investment opportunities. The Business & Industry Program provided \$33.2 million in financing to nine small businesses.

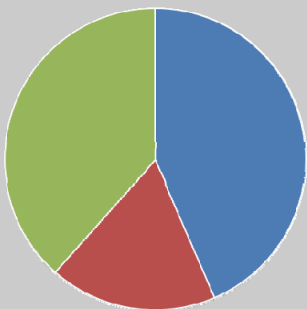
Regional Food Systems: Building markets for local and regionally grown agricultural products makes great economic sense. The Rural Business Opportunity Grant will help South Dakota State University (SDSU) develop a strategy to build capacity in South Dakota's local food system through the establishment of a Local Foods Center which will create structured connections between local growers and resource providers in 2013.

Regional Collaboration: Smaller, more remote rural communities do not have to be stand-alone economic engines in an oasis, each looking only from within for sustainability. USDA Rural Development in South Dakota works with numerous partners throughout the state. This year, more than \$97,554 was invested in regional projects that will assist more than 47 South Dakota counties. In addition, South Dakota was awarded Phase III Stronger Economies Together (SET) funds for the James River Valley Region and the West River Region to provide training on a regional basis.

Community Building: Creating great places to live and raise families, provide recreational opportunities, and support infrastructure for high paying jobs is very important to our efforts at USDA. Through the Community Facility and Water and Environmental Program, 40 South Dakota communities received \$81.6 million in financing to improve their infrastructure.

Alternative Energy: The development and use of alternative energies is good for our country and good for our environment. Rural South Dakota small businesses and farmers were provided USDA financing to complete 16 renewable energy and energy efficiency projects.

Broadband and Continuous Business Creation: Affordable Broadband allows rural communities to enhance the quality of health care and education. In South Dakota, USDA Rural Development invested \$849,689 in broadband infrastructure.



Rural Business/Cooperative Programs - \$199,770,701

Community Programs - \$82,484,545

Housing Programs - \$176,539,114

Strategic Partners
Capital Markets
Regional Food Systems
Regional Collaboration
Community Building
Alternative Energy
Broadband

Business – Cooperative Programs



Rural Development has impacted South Dakota through:

- job creation
 - business expansion
 - economic development
 - producer grants
-
- \$199.7 million utilized
 - 1,156 jobs created
 - 717 jobs saved

Helping Community leaders identify ways to improve economic opportunities in rural America is a leading emphasis at USDA Rural Development.

Through a variety of job-creation programs, the agency partners with private and community-based organizations to create and preserve quality jobs in rural communities and move America forward.

USDA Rural Development’s Business and Industry (B&I) guaranteed loan program helps back the business of rural America by providing protection and incentives to lenders. In turn, businesses that benefit from a loan guarantee have a better chance of receiving the financing and terms they need so they can thrive.

USDA Rural Development has a long standing initiative that assists rural electric and telephone cooperatives and community development organizations in their efforts to improve the rural economy.

The agency also assists small businesses and producers through its Rural Energy for America Program (REAP) that provides financial assistance when energy-efficiency improvements are made to reduce energy costs or when renewable energy systems such as wind turbines, geothermal and solar are installed.

Celebrating Success – Prairie Berry Winery...

broke ground for the expansion of their winery near Hill City, SD, which will double the size of the existing building. Matt Keck and Sandi Vojta, owners of Prairie Berry shared the expansion plans. The building expansion will allow for a 150 percent increase in wine production capacity, a redesign and remodel of the existing tasting room, significantly expanded parking and a centralized water treatment and storage system to support the increased size of the facility. This expansion was made possible by a USDA Rural Development Guaranteed Business and Industry loan in partnership with Great Western Bank in Rapid City.

“We are so thankful for the all the support and encouragement we’ve received from our local community. We look forward to continuing our relationship and giving back to the community by providing high paying jobs and exciting new opportunities. We appreciate every single person that has helped us in achieving success.”
 – Sandy Vojta, owner of Prairie Berry Winery–

Pictured at left – back row left to right Mike Hildebrandt—Great Western Bank, State House Representative Mike Verchio with District 30, Darrell Schumacher—Senator Tim Johnson’s Office, Marvin Larabee—Great Western Bank, Daryl Krejci—Great Western Bank, David Wells—Congresswoman Kristi Noem’s Office, Bill Barber—GBA, Inc., David Gray—Mayor of Hill City, and Ralph Vojta; and front row left to right Matthew Keck—Owner (holding shovel), Rural Development State Director Elsie Meeks, Sandi Vojta—Owner (holding shovel), Jessing Ewing—Senator John Thune’s Staff, Rural Development Area Director Tim Potts and Business and Cooperative Program Director Dana Kleinsasser. Note: Photo courtesy of Rodger Slott.



Housing Programs



While the past few years have been a financial challenge for many Americans, the goal of achieving the American Dream of homeownership remains strong.

USDA Rural Development has two low-interest, no-down-payment loan programs to help eligible families living in rural communities and areas purchase new or existing homes. Loans, and some grants, are also available to help families make needed repairs to their homes.

Eligible homes must be located in a rural area and/or community of less than 20,000. In most cases, a family of four with an adjusted annual income of up to \$74,050 may qualify for the agency's guaranteed home loan program. If that same family of four's adjusted annual income is less than \$46,800 they could qualify instead for a direct loan from the agency. These income limits increase in communities located near metro areas.

USDA Rural Development also provides financing for 362 apartment complexes in rural South Dakota. These complexes provide rural residents with access to more than 6,314 units. Rent in the apartments is based on income and rental assistance is available depending on the income of the tenant.

Celebrating Success - Parkview Villa, Inc. Apartments...

has been renovated converting it from 34 units down to 31 units including 6-two bedroom and 25-one bedroom apartments, roofing, siding, plumbing, electrical, flooring, windows, appliances, and handicap accessibility. The project, located in Wagner, SD, has experienced vacancy in recent years, but with the renovation and upgrades being made, it is anticipated that it will soon be fully occupied. USDA Rural Development provided \$190,094 in funding which was leveraged with \$1.3 million from a Neighborhood Stabilization Program loan through the South Dakota Housing Development Authority for the repair/renovation of this project.

"This project is instrumental in providing quality, safe, and affordable housing for the elderly of our community; housing they have earned and deserve. I am extremely proud of our board, they saw a tremendous need and addressed it head on overcoming numerous obstacles. By partnering with USDA Rural Development, South Dakota Housing Development Authority and Commercial State Bank of Wagner, Parkview Villa Inc., a non-profit corporation, was able to purchase and renovate an aging facility with declining occupancy, creating a thriving sub community with family, friends, and fun."

- Bryan Slaba, President, Parview Villa, Inc.-

Pictured at far left is Bryan Slaba, President of Parkview Villa, Inc. and State Director Elsie Meeks; at left is a newly remodeled kitchen in one of the apartments inside Parkview Villa, Inc.



- 1,381 families/ individuals were assisted in obtaining the American dream of homeownership
- 28 South Dakota families/individuals were assisted in making essential home repairs and energy-efficient upgrades
- 1,967 South Dakota individuals enjoyed quality rental housing



Community Programs



Rural Development builds communities through:

- libraries
 - hospitals and clinics
 - ambulances
 - fire trucks and stations
 - long-term care facilities
-
- \$82.4 million utilized
 - 1,185 new water users
 - 15 community facilities
 - 1,156 jobs created/717 jobs saved

USDA Rural Development improves the quality of life in rural America through a variety of loan, grant and guarantee programs that assist water and wastewater systems, assisted living facilities, health care facilities, fire and rescue programs and community buildings such as libraries, city halls and recreation centers.

Helping to ensure that all rural Americans have access to quality health care continues to be an important area of emphasis for USDA Rural Development. Whether the project is a new medical clinic, hospital, fire station, fire truck, emergency equipment, community building, assisted living facility, library, child care center, or rural water, telephone, electric or broadband project, USDA Rural Development is ready to assist.

Community-improvement efforts are important to the sustainability of rural America and USDA Rural Development is ready to help communities across South Dakota develop these critical resources.

Celebrating Success - Vale Fire Department...



had been utilizing 40-year old equipment that was in need of constant repair. Rural Development funds along with an applicant contribution purchased a new 2012 Freightliner 3,000 gallon style tanker-pumper. The new fire truck will allow the volunteer fire department to provide a much needed service to people living within Vale's area of responsibility in Butte and Meade Counties, approximately 119 square miles, and improve mutual aid assistance to communities in the region.

"This new engine is a tremendous asset not only to the Vale Community, but to all our neighbors and fire departments in the surrounding area.

Their contributions to us and the support of USDA made this critical addition to our department possible."

- Mike Grubl, Vale Fire Chief-

Pictured below left - left to right Rural Development Area Director Tim Potts, Joel Brunner - Vale Fire Department, Mike Grubl - Vale Fire Chief, Rural Development State Director Elsie M. Meeks, Fred Wells, Charles Tennis, and Jim Hansen - all three with the Vale Fire Department.

Celebrating Success - Douglas County Memorial Hospital...

will construct a new addition approximately 6,450 square feet adjacent to the north end of the existing clinic and remodel/renovate space in the existing facility totaling 5,850 square feet. The emergency department will feature a new entry canopy on the west side of the building for emergency vehicle convenience. The addition and remodeled facility will improve efficiencies in service delivery.

Pictured at right is the section of land that will be developed for the new Douglas County Memorial Hospital addition.

Pictured below left - left to right Rural Development Area Director Tim Potts, Joel Brunner - Vale Fire Department, Mike Grubl - Vale Fire Chief, Rural Development State Director Elsie M. Meeks, Fred Wells, Charles Tennis, and Jim Hansen - all three with the Vale Fire Department.



South Dakota Native American Projects

A considerable number of projects have been funded by loans and grants on South Dakota reservations by USDA Rural Development. A sample of the projects funded in fiscal year 2012 include:

- Six - 504 housing loans/grants totaling \$40,799 and Six - 502 housing loans/grants totaling \$657,100.
- Housing Preservation Grant totaling \$20,000 to Crow Creek Housing Authority to assist in providing low cost, high quality and timely repairs for eligible homeowners.
- Rural Business Enterprise Grants (RBEG) and Rural Business Opportunity Grants (RBOG) totaling \$607,479 to support small business and economic development.
- Water and Environmental Programs (WEP) loan and grants totaling \$27,762,293 for wastewater system improvements.
- Community facilities economic impact or tribal college initiatives:
 - ⇒ Sisseton Wahpeton College - \$158,626
Purpose: Provide furnishings and equipment for the newly constructed library for use by the college as well as the general public.
 - ⇒ Oglala Lakota College - \$158,656
Purpose: Provide Americans With Disabilities Act (ADA) updates and Uniform Federal Accessibility Standards (UFAS) updates to the campus. In addition, security cameras will be installed in the classrooms at the Head Start Building.
 - ⇒ Sinte Gleska University - \$158,656
Purpose: Renovate the Science Center, a classroom, office and computer lab in the North Campus.



Pictured at top right – left to right Rural Development State Director Elsie Meeks, Rural Development Area Director Tim Potts, Tammi Young – Director of Solid Waste, Cyril Scott – Rosebud Sioux Tribe President, Syed Huq – Director of Water Resources, and John Neisner – Scull Project Manager. The Rosebud Sioux Tribe received a Water and Environmental loan and grant to construct a solid waste transfer station which will make the operation cost effective and improve the trash collection for residents on the Rosebud Sioux Tribe Reservation; at bottom right is a photo of the newly constructed Wowapi Opahi Oyanke library. The project includes funding from USDA Rural Development's Community Facility Tribal College and Economic Impact Initiative.

Program Funding – 2012

Rural Housing Direct Loans	\$10,883,373	Rural Business Enterprise Grants	\$759,900
Rural Housing Loans & Grants	\$167,321	Rural Business Opportunity Grants	\$158,579
Rural Housing Guaranteed Loans	\$153,657,027	Rural Cooperative Development Grants	\$175,000
Rural Rental Housing	\$1,584,548	Small Minority Producers Grant	\$175,000
Preservation Revolving Loan Fund	\$50,000	Rural Economic Development Loans	\$1,000,000
Rental Assistance	\$9,842,868	Rural Economic Development Grants	\$1,000,000
Self-Help Technical Assistance Grants & TSA Grants	\$353,977	Rural Micro Entrepreneur Assistance	\$97,554
Community Facility Direct Loans	\$27,642,590	Rural Energy Systems & Energy Efficiency Improvements Grants	\$368,408
Community Facility Guaranteed Loans	\$10,700,000	Section 9005 - Bioenergy Program	\$5,560
Community Facility Grants	\$250,335	Intermediary Relending Program	\$1,003,000
Community Facility Tribal College Grants	\$475,938	Value-Added Agricultural Product Market Development Grant	\$17,500
Rural Community Development Initiative	\$200,000	Value-Added Agricultural Product Market Development Grant (Beginning & Socially Disadvantaged Farmers & Ranchers)	\$300,000
Community Facility Economic Impact Initiative	\$65,200	Distance Learning & Telemedicine Loans & Grants	\$849,689
Water & Waste Direct Loans	\$11,868,500	Electric Program	\$161,454,000
Water & Waste Grants	\$30,432,293	Total	\$458,794,360
Business & Industry Guaranteed Loans	\$33,256,200		





BUSINESS & COOPERATIVE PROGRAMS

USDA Program	Purpose <i>What is the program's goal?</i>	Program Type <i>How does it work?</i>	Eligible Applicants <i>Who can apply?</i>	Eligible Areas <i>What is rural?</i>	Authorized Purposes <i>What can funds be used for?</i>	Typical Amount of Assistance	Rates & Terms <i>Rates subject to change</i>	Key to Success	When to Apply
B&I Guarantee Business & Industry Guaranteed Loan	Provide an <u>incentive for business lending</u> that will <u>save & create jobs</u> (typically for larger businesses)	USDA <u>guarantees</u> business loans made by commercial lenders	Banks, credit unions and other commercial lenders who make loans to rural businesses	Areas outside the urbanized edge of cities of >50,000 population	The loans guaranteed can be used for real estate, equipment, working capital & refinancing – for nonfarm businesses	80% loan guarantees for loans of \$200,000 to \$5 million; 70% on loans up to \$10 million	Negotiated by business & lender; fixed or variable rates, typically near prime (no balloons)	<u>Lender-driven</u> ; have a bank willing to make the loan (USDA only guarantees it); business with strong equity & collateral	Year round
IRP Intermediary Relending Program	Capitalize <u>locally-run revolving loan programs</u> for small businesses unable to qualify for bank financing	USDA loans money to a local revolving loan fund for relending to nonfarm businesses	Nonprofit groups, tribes & public bodies who will make loans to rural businesses	Unincorporated areas & ≤25,000 population cities	The loan is used to set up a loan program that makes business loans for nonfarm, rural businesses	\$300,000 - \$750,000 loans to re-lenders to make loans up to \$150,000 to businesses	1%, 30 years to re-lender to make loans at near-prime to rural businesses	Funding is limited, so these loans tend to go only to loan funds that will serve the neediest areas	Year round with a quarterly competition at the national level
RMAP Rural Microentrepreneur Assistance Program	Capitalize <u>locally-run revolving microloan programs</u> that offer both microloans and counseling for microbusinesses	Loans to a local revolving loan fund for microlending; generally with companion grant support for business counseling	Nonprofit micro-enterprise development organizations, tribes and colleges	Areas outside the urbanized edge of cities of >50,000 population	To set up a microloan fund from which loans of \$50,000 or less are made; the companion grant provides business help to the microborrowers	<\$400,000 with annual companion grant equal to 25% of the microloan portfolio size	2%, 20 years to a micro-lender for microloans at lender-determined rates & terms of not more than 10 years	Microloan fund profits cannot be used to cover cost of operating the RLF, so an outside source of administrative funds is needed	Year round with a quarterly competition at the national level
RBEG Rural Business Enterprise Grant	Support economic development projects that will <u>assist specific small & emerging private businesses</u>	Grants to local economic development groups to assist private business development	Nonprofit economic development groups, tribes, & public bodies (cities/counties)	Areas outside the urbanized edge of cities of >50,000 population	To do a <u>feasibility study</u> , provide <u>technical assistance</u> to businesses, provide <u>job training</u> , set up a <u>revolving loan fund</u> , or develop <u>infrastructure</u>	<\$25,000	Grant	Limited funding; tends to go only to neediest areas; cannot be used for regional planning or business attraction	Once-a-year competition at state level
RBOG Rural Business Opportunity Grant	Support <u>economic development planning</u>	USDA makes grants to support general economic growth & planning	Nonprofit economic development groups, tribes and public bodies	Unincorporated areas & cities with <50,000 population	<u>Regional planning</u> , <u>area economic strategy development</u> , <u>technical assistance</u> for businesses & <u>local leadership development</u>	<\$50,000	Grant	Limited funding; grants tend to go only for projects helping the neediest areas	Once-a-year competition at national level
VAPG Value-Added Producer Grant	Support producers in <u>ventures that will increase the return on their agricultural commodities</u>	USDA provides matching grants for value-added ventures	Farmers, ranchers, foresters and fishers; coops; producer groups & joint ventures	No rural area requirement	Grants for planning or working capital to operate value-added ventures; minimum 1:1 match required	≤\$100,000 (planning); ≤\$300,000 (working capital)	Grant	Application requirements are complex, so consult with USDA well in advance of <u>application deadline</u>	Once-a-year competition at national level
SSDPG Small Socially Disadvantaged Producer Grant	Foster business <u>success of coops of small, minority agricultural producers</u>	USDA makes grants for technical assistance projects	Coops with ≥75% women or minority members of small, minority producers	Areas outside the urbanized edge of cities of >50,000 population	<u>Feasibility or market studies</u> , <u>product improvement</u> , <u>training</u> or <u>legal advice</u> .	≤\$175,000	Grant	Preference for experience & projects that help the most farmers & smaller, poorer communities	Once-a-year competition at national level
RCDG Rural Coop Development Grant	Support centers to assist cooperatives	USDA makes grants to centers for rural cooperative development	Universities and nonprofit economic development groups	Outside the urbanized edge of cities of >50,000	To operate centers that assist rural cooperatives	\$250,000 – ≤\$300,000	Grant	Limited funding; grants tend to go to projects helping the neediest areas	Once-a-year competition at national level

BUSINESS & COOPERATIVE PROGRAMS (CONTINUED)

USDA Program	Purpose	Program Type	Eligible Applicants	Eligible Areas	Authorized Purposes	Typical Amount of Assistance	Rates & Terms	Key to Success	When to Apply
REAP Grants Renewable Energy & Efficiency Projects	Financing for <u>renewable energy generation systems or energy efficiency improvements</u>	USDA makes grants to small, rural businesses & farmers	Rural small businesses (using SBA definition) & agricultural producers	Areas outside the urbanized edge of cities of > 50,000 population	Renewable energy systems (wind, solar, biomass, biofuel, digesters, geothermal & micro-hydro) or energy efficiency installations	\$500,000 for renewables; ≤\$250,000 for efficiency (25% of project cost or less)	Grant	Complex application, so consult with USDA well in advance of deadline; grants ≤ \$20,000 are strongly favored	Applications invited annually in the spring; award via national competition
REAP Loan Guarantees Rural Energy Guaranteed Loan	Provide <u>incentive for business lending for renewable energy or efficiency improvements</u>	USDA <u>guarantees</u> business loans made by banks to small businesses & agricultural producers	Banks and other commercial lenders who make loans to rural businesses	Areas outside the urbanized edge of cities of >50,000 population	The loans guaranteed can be used for the purchase & installation of renewable energy systems or efficiency improvements	85-60% loan guarantees on \$5,000 to \$25MM loans	Negotiated by business & lender; fixed or variable rates, usu. near prime (no balloons)	<u>Lender-driven</u> : must have a bank loan that USDA guarantees; may be combined with a REAP grant	Year round
REAP Grants Feasibility Studies	Pays part of the cost of a feasibility study for a renewable energy project	USDA makes grants to small rural businesses & farmers	Rural small businesses (using SBA definition) & agricultural producers	Same as REAP grants above	Grants to help cover the cost of obtaining a feasibility study from an independent consultant	≤ \$50,000	Grant	Competitive national awards	Once-a-year competition at national level
REAP Grants Energy Audit or Renewable Energy Assistance	Offsets cost of providing energy project technical assistance to farmers & small rural businesses	Grants to programs providing rural businesses with energy audits or other energy technical help	State or local governments, tribes, colleges, or electric coops & publicly owned utilities	Same as REAP grants above	To defray part of the cost of conducting detailed energy studies for rural businesses (business is expected to pay 25% of cost)	≤\$100,000	Grant	Very competitive; experienced multi-county or statewide programs favored; cost per audit of ≤\$2,000	Once-a-year competition at national level
\$9005 Advanced Biofuel Payment	Provide an <u>incentive payment to producers of advanced biofuels</u>	USDA makes a payment based on production level of the producer	Rural producers of non-cornstarch ethanol or biodiesel	Producers outside urban edge of cities >50,000	Incentive payment may be used by the producer as desired	Funds are shared among all enrolled producers per BTU	Incentive payment	Enroll in the program during the annual sign-up period	Once-a-year sign-up at the State Office level.
RED Loan Rural Economic Development Loan	Promote specific <u>community or business development projects</u> improving the local economy	Loans to certain utilities that are in turn reloaned for local community or business projects	Electric & telephone utilities financed by USDA's Rural Utilities Service	Outside the urbanized edge of cities of >50,000 population	The RED Loan is reloaned by the coop to a nonfarm business for real estate & equipment	\$740,000 loan maximum	Loan is zero%, 10 years; reloaned at zero%, 10 years	Requires a community-oriented utility coop willing to borrow & relend on the project's behalf	Year round with a quarterly competition at national level
RED Grant Rural Economic Development Grant	Promote specific <u>community development projects</u> to improve the rural economy	Grants to certain utilities to capitalize a revolving loan fund for community projects	Electric & telephone utilities financed by USDA's Rural Utilities Service	Areas outside the urbanized edge of cities of >50,000 population	Grant is used to set up a <u>revolving loan fund</u> ; at first, loans must be for community, education or health care projects	\$300,000 grant maximum	Grant.	Requires a community-oriented utility coop willing to oversee a loan fund; requires 20% match	Year round with a quarterly competition at national level

More information on all of these programs is online at: www.rurdev.usda.gov/sd/. Or, contact one of our local offices:

Aberdeen Area Office
Mitchell Area Office
Pierre Area Office

(605) 226-336-, Ext. 4 Serving: Beadle, Brown, Edmunds, Faulk, McPherson, and Spink Counties.
(605) 996-1564, Ext. 4 Serving: Aurora, Brule, Buffalo, Charles Mix, Davison, Douglas, Gregory, Hand, Hyde, Hanson, Jerauld, Lyman, Sanborn, and Tripp Counties.
(605) 224-8870, Ext. 4 Serving: Butte, Campbell, Corson, Dewey, Haakon, Harding, Hughes, Jones, Lawrence, Meade, Mellette, Perkins, Potter, Stanley, Sully, Todd, Walworth, and Ziebach Counties.

Rapid City Area Office
Sioux Falls Area Office
Watertown Area Office

(605) 342-0301, Ext. 4 Serving: Bennett, Custer, Fall River, Jackson, Pennington, and Shannon Counties.
(605)330-4515, Ext. 4 Serving: Bon Homme, Clay, Hutchinson, Lake, Lincoln, McCook, Miner, Minnehaha, Moody, Turner, Union, and Yankton Counties.
(605) 886-8202, Ext. 4 Serving: Brookings, Clark, Codington, Day, Deuel, Grant, Hamlin, Kingsbury, Marshall, and Roberts Counties.

USDA is an equal opportunity provider, employer and lender. If you wish to file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Ave., S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).



USDA RURAL DEVELOPMENT – SOUTH DAKOTA SINGLE FAMILY HOUSING PROGRAMS

USDA Program	Purpose <i>What is the program's goal?</i>	Program Type <i>How does it work?</i>	Eligible Applicants <i>Who can apply?</i>	Eligible Areas <i>What is rural?</i>	Authorized Purposes <i>What can funds be used for?</i>	Typical Amount of Assistance	Rates & Terms <i>Rates subject to change</i>	Key to Success	When to Apply
Single Family Home Ownership Direct Loans Section 502	Safe, well-built, affordable homes for rural Americans	Direct loan from USDA; payment assistance available; insurance and real estate taxes included with the monthly payment	Both families and individuals can apply at the Area Rural Development Office	Rural areas with populations of 25,000 or less	Buy, build, improve, repair or rehabilitate rural home as the applicant's permanent residence	Up to 100% of market value or cost, whichever is less; loan amortized for 33/38 years; applicant may be eligible for payment assistance (subsidy) on the loan	Loans written at current RD rate for 33 or 38 years; eligible applicants can qualify for payment assistance to reduce interest rate and monthly payment	Applicant(s) should attend Home Buyer Education Class before looking for a home	Year round
Single Family Home Ownership Guaranteed Loans Section 502	Assist eligible applicants in buying their homes by guaranteeing loans made by private lenders	Loan from conventional lender with a guarantee by USDA	Families and individuals apply to lender	Rural areas with populations of 25,000 or less	Purchase new or existing home or refinance existing 502 Direct loans.	Area market value – no ceiling on loan amount	30 year, fixed rate; interest rate negotiated between lender and borrower; can finance 103.5% market value to cover closing costs, necessary repairs and 3.5% guarantee fee	Lender driven – must be a bank willing to make the loan; USDA only guarantees the loan.	Year round
Single Family Home Ownership Direct Repair Loans Grants Section 504	To help very-low-income homeowners remove health and safety hazards or to repair their homes	Direct loan and/or grant; apply at Area Rural Development Office	Loan Families and individuals who currently own their home Grant Applicants must be 62 or older	Rural areas with populations of 25,000 or less	Repair or replace roof, winterizing, purchase or repair of heating system, structural repair, water and sewage connect fees, and similar uses	Lifetime loan limit of \$20,000; lifetime grant limit of \$7,500 to homeowners over 62 years of age	Loan Terms to 20 years at 1% Grant Only available to very-low-income applicants 62 years or older who cannot afford to pay 1% loan	Writing good repair list, having contractors bid on same repair list	Year round
Mutual Self-Help Housing Grants Section 523	Assist lower income families in building their own homes	Technical assistance grant for entity to oversee self help building	Nonprofits and public bodies	Rural areas with populations of 25,000 or less	Qualify and supervise small groups of families to build each other's home	Grant agreement	Grant	Grantees must work hand in hand with Area Office to qualify and supervise applicants	Applications submitted quarterly to the National Office
Rural Rental Housing Direct Loans Section 515	Safe, well-built, affordable rental housing for very-low, and low income individuals and families	Beneficiaries are the very-low, low, and moderate-income tenants who reside in the rental facility; owners are the borrowers who operate the facilities	Individuals, nonprofits, public bodies, corporations, trust partnerships, L.P., and LLC's	Rural area with population of 25,000 or less	New construction or rehabilitation of rental housing	Up to 100% of total development cost (nonprofits); 97 % (for-profits); 30-year term with up to 50-year amortization; loans to for-profit organizations with Low-Income Housing Tax Credits cannot exceed 95% of total development costs	Loan made at note rate; Interest Credit Agreement reduces this to an effective rate of 1% for the loan's life; term is 30 years and amortization is 50 years or remaining economic life of security, whichever is less	Application requirements can be complex, so consult with USDA well in advance of application deadline	Annual competition at state level for new construction - National competition for preservation

MULTI-FAMILY HOUSING PROGRAMS (CONTINUED)

USDA Program	Purpose <i>What is the program's goal?</i>	Program Type <i>How does it work?</i>	Eligible Applicants <i>Who can apply?</i>	Eligible Areas <i>What is rural?</i>	Authorized Purposes <i>What can funds be used for?</i>	Typical Amount of Assistance	Rates & Terms <i>Rates subject to change</i>	Key to Success	When to Apply
Rural Rental Housing Guaranteed Loans Section 538	Development of affordable rural rental housing, acquisitions with rehab, and revitalization-repair transfer of existing direct section 515	USDA guarantees multi-family loans made by banks	Individuals, partnerships, limited liability companies, trusts, state and local agencies and Indian tribes	Rural area with population of 25,000 or less	New construction or substantial rehabilitation of rural rental housing	Up to 90% loan to value for loans made to for-profit entities, and up to 97% loan to value for loans made to nonprofit entities; repayment terms are 25 to 40 year amortization	Negotiated by applicant and lender; fixed rates, typically near prime	Lender driven; must have a bank willing to make the loan; applicants must demonstrate market and financial feasibility	After NOFA publication until all funds are expended
Housing Preservation Grants Section 533	Repair and rehabilitate housing owned or occupied by very-low- and low-income rural families	Grant to non-profits to repair/rehabilitate/replace owner-occupied homes, and/or repair/rehab of rental units	Public bodies and nonprofit organizations; apply to Rural Development State Office	Rural areas with population of 25,000 or less	Operation of a program which finances repair & rehabilitation activities for single family and rental properties	Grant agreement	Grant	Applicants should be familiar with criteria of NOFA ranking and scoring	After NOFA publication
Farm Labor Housing Sections 514 & 516	Provide capital financing for developing housing for domestic farm laborers	USDA makes loan to applicant for development of farm labor housing	Individuals, public & private nonprofit organizations; broad-based nonprofit organization limited partnership with nonprofit general partner (not eligible for grants); nonprofit organization of farm workers or federally recognized Indian tribe	No population restriction	New construction or substantial rehabilitation of rental housing	Loan/grant can be up to 102% of total development cost; maximum grant portion is 90% of total development cost	514 Loan 1% for 33 years 516 Grant as long as there is a need for the housing subject to restrictive use provisions	Applications requirements can be complex, so consult with USDA well in advance of application deadline	Annual competition at the National level

More information on all of these programs is online at: www.rurdev.usda.gov/sd/. Or, contact one of our local offices:

- Aberdeen Area Office (605) 226-336-, Ext. 4 Serving: Beadle, Brown, Campbell, Day, Edmunds, Faulk, Hand, McPherson, Marshall, Roberts, Spink, and Walworth Counties.
- Pierre Area Office (605) 224-8870, Ext. 4 Serving: Brule, Buffalo, Corson, Dewey, Hughes, Hyde, Jones, Lyman, Mellette, Potter, Stanley, Sully, Todd, Tripp, and Ziebach Counties.
- Rapid City Area Office (605) 342-0301, Ext. 4 Serving: Bennett, Butte, Custer, Fall River, Haakon, Harding, Jackson, Lawrence, Meade, Pennington, Perkins, and Shannon Counties.
- Sioux Falls Area Office (605)330-4515, Ext. 4 Serving: Aurora, Bon Homme, Charles Mix, Clay, Davison, Douglas, Gregory, Jerauld, Hanson, Hutchinson, Lincoln, McCook, Minnehaha, Sanborn, Turner, Union, and Yankton Counties.
- Watertown Area Office (605) 886-8202, Ext. 4 Serving: Brookings, Clark, Codington, Deuel, Grant, Hamlin, Kingsbury, Lake, Miner, and Moody Counties.

USDA is an equal opportunity provider, employer and lender. If you wish to file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Ave., S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).



USDA RURAL DEVELOPMENT – SOUTH DAKOTA COMMUNITY FACILITY PROGRAMS

USDA Program	Purpose <i>What is the program's goal?</i>	Program Type <i>How does it work?</i>	Eligible Applicants <i>Who can apply?</i>	Eligible Areas <i>What is rural?</i>	Authorized Purposes <i>What can funds be used for?</i>	Typical Amount of Assistance	Rates & Terms <i>Rates subject to change</i>	Key to Success	When to Apply
Community Facility Loan Guarantee	Improve, develop, or finance essential community facilities	USDA <u>guarantees</u> up to 90% of the loan for essential community facilities made by rural lenders; a 1% loan guarantee fee applies	Banks and other lenders who make loans to rural communities and nonprofit or faith based organizations	Areas outside the urbanized edge of cities of >20,000 population, and any rural community under 20,000	Critical access hospitals and other health services, fire and rescue, public safety, recreational facilities and other essential community facilities benefiting rural residents	No limit, but loans are usually less than \$20 million	Negotiated by applicant & lender; Fixed or variable rates, typically near Prime rate, Up to 40 years (no balloon) to repay	<u>Lender-driven</u> : there must be a bank willing to make the loan (USDA only guarantees it); may be combined with a direct loan or grant	Year round
Community Facility Direct Loan Program	Improve, develop, or finance essential community facilities	USDA makes a direct loan to an eligible applicant	Public body (e.g., cities, towns, districts, authority, state), nonprofit, or Federally recognized Indian tribes	Population must be under 20,000	Health services, fire and rescue, public safety and other essential facilities benefiting rural residents	Up to \$5 million, but may depend upon demand	Fixed at time of closing, usually about 4.5%; terms to 40 years	Priority given to critical access hospitals and other health services; public safety; child care and day care; may be combined w/ a loan guarantee	Year round
Community Facility Grant	Assist in development of essential community facility projects in rural areas when necessary to facilitate repayment	USDA makes grants for up to 75% of a project cost; maximum grant not to exceed 50% of State allocation	Public body (e.g., cities, towns, district, authority, state), nonprofit, or Federally recognized Indian tribes	Cities, towns and rural areas under 20,000 population	Fire, rescue and public safety; health services, and other facilities deemed necessary for beneficial and orderly development of a rural community; including renewable energy	Usually under \$50,000 but may be determined by ability to repay a loan	Grant	Priority is given to fire, rescue, public safety, and health services and renewable energy; priority also given to very low income, rural areas	Year round
Economic Impact Initiative Grant (EII)	Assist in development of essential community facility projects in rural areas	USDA makes grants for up to 75% of project cost	Public body (e.g., cities, towns, district, authority, state), nonprofit, or Federally recognized Indian tribes	Cities, towns and rural areas under 20,000 population and with "not employed" rates > 19.5%	Fire, rescue, and public safety; health services, and other facilities deemed necessary for beneficial and orderly development of a rural community, including renewable energy	Usually under \$50,000 but actual amount is determined by financial need	Grant	Priority is given to fire, rescue, public safety, and health services and renewable energy; priority also for very low income, very rural areas	Year round
Rural Community Development Initiative (RCDI)	To develop capacity & ability to conduct housing, community facilities or community and economic development projects	USDA makes grants to Intermediaries for up to 50% of project costs; intermediaries provide financial and technical assistance to recipients	Private, nonprofits, including faith based and community organizations, and public intermediaries, including Federally recognized tribes	Cities, towns and rural areas under 50,000 population	Grants and matching funds are used to fund programs that provide new or expand existing programs to undertake projects in areas of housing, community facilities, or community and economic development	\$50,000 – ≤\$300,000	Grant	Funding is limited; highest priority projects are areas with populations under 10,000 and with median household incomes below \$30,000	Once a year; announced in the Federal Register
WWD Loan Water and Waste Disposal Loan and Loan Guarantee	To finance water and waste disposal projects with financially needy communities in rural areas	Direct Loan or Loan Guarantee for projects modest in size, design and cost	Public bodies (such as a municipality, county, district or authority); nonprofit organizations, Indian tribes	Incorporated & unincorporated areas with service area populations <10,000	Water, sewer, solid waste or storm wastewater disposal facilities; professional service fees, interest during construction, initial operating costs	\$50,000 to \$5 million	Loan Guarantee - rate negotiated w/ lender; terms to 40 years; no balloon Direct Loan - 4.5%, but varies quarterly; terms to 40 years	Comply with NEPA, submit complete preliminary engineering report and environmental report early if RD is expected to be a lender in the project	Year round

WATER & ENVIRONMENTAL PROGRAMS (CONTINUED)

USDA Program	Purpose <i>What is the program's goal?</i>	Program Type <i>How does it work?</i>	Eligible Applicants <i>Who can apply?</i>	Eligible Areas <i>What is rural?</i>	Authorized Purposes <i>What can funds be used for?</i>	Typical Amount of Assistance	Rates & Terms <i>Rates subject to change</i>	Key to Success	When to Apply
WWD Grant Water and Waste Disposal Grant	To finance water and waste projects with financially needy communities in rural areas	Grant to reduce the end user cost for services of a comparable system	Public bodies (such as a municipality, county, district or authority); nonprofit organizations, Indian tribes	Incorporated & unincorporated areas with service area populations <10,000; MHI may not exceed \$41,230	Water, sewer, solid waste or storm wastewater disposal facilities; professional service fees	\$50,000 to \$2 million	Grant is typically no more than 30% of the total RD funding, but is evaluated case by case and subject to funds being available	Comply with NEPA, submit complete preliminary engineering report and environmental report early if RD is expected to be a lender in the project	Year round
ECWAG Emergency Community Water Assistance Grant	Assist rural areas that have a significant decline in water quality or quantity	Grant of up to 100% of project cost	Public bodies (such as a municipality, county, district or authority); nonprofit organizations, Indian tribes	Incorporated & unincorporated areas with service area populations <10,000	Water system improvements to alleviate source or distribution problems and restore safe drinking water	\$150,000 distribution; \$500,000 for source	Grant	Priority given to rural areas under 5,000 and MHI below \$37,100; submit preliminary engineering report and environmental report early; may be used in combination with other funds	Year round
Section 306 C WW Grant Native American	To provide water and waste disposal facilities to low income rural communities with significant health risks	Grant of up to 100% of project cost	Native American tribes and service areas	Rural area under 10,000 population with per capita income < \$15,110 and >5.875% unemployed	Construct, enlarge, or otherwise improve community water or sewer disposal systems in which the design has a residential component	\$1 million maximum	Grant with 5% or more joint financing	Priority given to rural areas under 5,500 population with MHI less than \$28,161; leverage with other funds	Year round
PP Grant Predevelopment Planning Grant	To assist in developing applications for RD financial assistance	Planning grant of up to 75% of project cost	Public bodies, nonprofit organizations, Indian tribes	Small communities with MHI below \$32,984; and >50% non-Federal financing	Costs associated with developing a complete application for RD loan or grant	\$10,000 - \$15,000	Grant	Priority to rural areas with populations under 1,000	Year round

More information on all of these programs is online at: www.rurdev.usda.gov/sd/. Or, contact one of our local offices:

- | | | |
|-------------------------|------------------------|--|
| Aberdeen Area Office | (605) 226-336-, Ext. 4 | Serving: Brookings, Brown, Campbell, Clark, Codington, Day, Deuel, Edmunds, Faulk, Grant, Hamlin, Kingsbury, Marshall, McPherson, Roberts, Spink, and Walworth Counties. |
| Mitchell Area Office | (605) 996-1564, Ext. 4 | Serving: Aurora, Beadle, Brule, Buffalo, Davison, Douglas, Hand, Hanson, Jerauld, and Sanborn Counties. |
| Pierre Area Office | (605) 224-8870, Ext. 4 | Serving: Corson, Dewey, Hughes, Hyde, Jones, Lyman, Potter, Stanley, Sully, Tripp, and Ziebach Counties. |
| Rapid City Area Office | (605) 342-0301, Ext. 4 | Serving: Bennett, Butte, Custer, Fall River, Haakon, Harding, Jackson, Lawrence, Meade, Mellette, Pennington, Perkins, Shannon and Todd Counties. |
| Sioux Falls Area Office | (605)330-4515, Ext. 4 | Serving: Hutchinson, Lake, Lincoln, McCook, Miner, Minnehaha, Moody, and Turner Counties. |
| Yankton Area Office | (605) 665-2662, Ext. 4 | Serving: Bon Homme, Charles Mix, Clay, Gregory, Union, and Yankton Counties. |

USDA is an equal opportunity provider, employer and lender. If you wish to file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Ave., S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

USDA Rural Development South Dakota Office Locations

Our team is committed to the future of rural communities.

Elsie Meeks, State Director
State Office
200 4th Street SW Federal Bldg. Rm. 210
Huron, SD 57350-2477
Telephone: (605) 352-1100 or 1-800-670-6553
Facsimile: (605) 352-1146; TTY: (605) 352-1147

Aberdeen Area Office
524 Enterprise Street S, Suite 100
Aberdeen, SD 57401
Telephone: (605) 226-3360, Ext. 4
Facsimile: (605) 225-7829

Mitchell Area Office
1820 North Kimball, Suite C
Mitchell, SD 57301-1114
Telephone: (605) 996-1564, Ext. 4
Facsimile: (605) 996-0130

Pierre Area Office
1717 N. Lincoln Ave., Suite 102
Pierre, SD 57501
Telephone: (605) 224-8870, Ext. 4
Facsimile: (605) 224-1803

Rapid City Area Office
414 East Stumer Road
Rapid City, SD 57701
Telephone: (605) 342-0301, Ext. 4
Facsimile: (605) 341-0583

Sioux Falls Area Office
2408 East Benson Road
Sioux Falls, SD 57104
Telephone: (605) 226-3360, Ext. 4
Facsimile: (605) 330-4595

Watertown Area Office
1720 4th Street NE, Suite 2
Watertown, SD 57201
Telephone: (605) 886-8202, Ext. 4
Facsimile: (605) 882-3268

Yankton Area Office
2914 Broadway
Yankton, SD 57078
Telephone: (605) 665-2662, Ext. 4
Facsimile: (605) 668-9729

Visit our website at: www.rurdev.usda.gov/sd

Follow us on Twitter @RD_South Dakota



Moving Rural America Forward



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W. Washington, D.C. 20250-9410, or call (800) 795-3272 (voice), or (202) 720-6382 (TDD). "USDA is an equal opportunity provider, employer, and lender."

South Dakota

Fiscal Year 2012 Annual Report

