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April 28, 2021

The Honorable David E. Price
Chairman
U.S. House of Representatives
Subcommittee on THUD

The Honorable Mario Diaz-Balart
Ranking Member
U.S. House of Representatives
Subcommittee on THUD

Dear Chair Price and Ranking Member Diaz-Balart,

I am requesting \$750,000 for Nogales Community Development for the Nogales Rural Innovation Center in fiscal year 2022.

The funding for this one-year proposal will enable Nogales Community Development (NCD), a nonprofit 501 (c) (3) organization, to provide local business owners and startups with needed space, equipment, workshops, mentoring and logistics at a dual facility owned by NCD to foster success and support local job creation and sustainability. The project also will help NCD integrate these services with health and food security resources, helping entrepreneurs flourish, while retaining and creating new jobs in downtown Nogales, one of the poorest census tracts in Arizona. Both Santa Cruz County and Nogales have chronically high rates of unemployment, poverty and low educational attainment. All numbers far exceed state and national averages, especially now as Nogales' residents and business community have suffered greatly from the closure of border trade since March 2020 due to the pandemic.

Tenant improvements of the dual-facility Nogales Rural Innovation Center will enable NCD to build economic recovery through creating employment related to supply chains and international businesses, technology, and local artists and artisans, among others. NCD will do so through provision of business loans, access to peer to peer and expert support, workshops, technology and business services at two interconnected locations. The improvements to the dual-site Nogales Rural Innovation Center will provide the training space and supports needed to operate NCD's programs. Although NCD owns the properties and has full site control, it lacks the resources to make needed improvements to offer training and services to meet the current demand. The improvements will promote economic equity, as they will help entrepreneurs create jobs in downtown Nogales.

Business owners and start-ups to be served will be local residents of Nogales and Santa Cruz County, AZ. Building on NCD's prior work with entrepreneurs in the community, we project at least 80% will be Hispanic, and business support opportunities equally accessible to men and women entrepreneurs. Entrepreneurs in Nogales need these local services, provided in Spanish, as most entrepreneurs in Nogales do not speak English well and are foreign born, decreasing their ability to obtain jobs that pay a living wage. The median household income is far below the state average. Despite economic hardship and language barriers, residents in this area are resilient and energetic, and with support and training, and the tools to flourish, will create jobs and bolster the local economy.

Moreover, the model of providing integrated community services with Mariposa Community Health Center and the Southern Arizona Community Food Bank, along with outreach to the Nogales Public Housing Authority, will help local entrepreneurs access health care and food assistance supports. Finally, the project will help local nonprofit organizations in the community create more jobs. By locating more of their operations in downtown Nogales, these organizations will extend their downtown services and workforce, providing stability during this time of need.

This project is a good use of taxpayer funds because it is an investment in entrepreneurship and job creation which supports Nogales Community Development's long-term community development strategy for improving downtown Nogales through property management and shared services delivery strategies with its trusted community development partners. This is especially important now, so that NCD can provide stability in a time of great economic upheaval to entrepreneurs who need not only business supports, but also access to health care and food supports. Nogales' residents and business community have suffered greatly from the closure of border trade since March 2020 due to the pandemic, and NCD's strategy as a nonprofit community is to provide stability during this time of need, and good stewardship of resources.

I appreciate your time and consideration of this important project.

Sincerely,

A handwritten signature in black ink that reads "Raúl M. Grijalva". The signature is written in a cursive style with a large, stylized 'R' at the beginning.

Raúl M. Grijalva

Member of Congress