

# ***HUBZone Certification***

***Audio: 888-858-2144 ACCESS: 8176101#***

**Presentation will be sent to you at conclusion.**



**U.S. Small Business Administration**

- **WEST VIRGINIA DISTRICT OFFICE**

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# Today's Presentation

- Gets You Started so you can decide – yes or no
- Gives future reference materials - slides specifics of HUBZone designation areas
- Provide you with OPTIONS for HELP



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# Benefits of HUBZone Certification

- Encourages economic development in historically underutilized business zones (HUBZONE)
- 3% of all dollars for federal prime contracts must go to HUBZone Certified Small Businesses
- 10% price evaluation preference in full and open contract competitions
- Eligibility for HUBZone set aside and sole source contracts



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# Price Evaluation Preference (PEP)

## Specifics:

- Shall only be applied in full and open competitive procurements
- PEP can not be used:
  - where price is not a contract evaluation factor
  - for acquisitions where “all fair and reasonable offers are accepted”

# Requirements (1)

- The business **must be small** by SBA standards according to the firm's North American Industry Code System (NAICS code).
- It must maintain a principal office **in a HUBZone**.

The firm's principal office is where the greatest number of employees work (unless the firm is in services or construction).



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## Requirements (2)

- At least **35%**, rounded up, of all of its employees must reside in a HUBZone.
- It must be owned and controlled at least **51% by U.S. citizens**, or a Community Development Corporation, an agricultural cooperative, or an Indian tribe

# Application Process - Before You Start (1)

- **DUN & BRADSTREET**: Each headquarters and branch office must be registered so that it will have its own **D&B ID** number known as a Data Universal Numbering System (DUNS).
  - <https://iupdate.dnb.com/iUpdate/mainlaunchpage.htm>
- **System for Award Management (SAM)**: the firm's Employer's Identification Number/Tax Identification Number (EIN/TIN) must be registered. [www.sam.gov](http://www.sam.gov)



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## Application Process – Before You Start (2)

- **Dynamic Small Business Search (DSBS), aka, SBA's supplemental page:** DSBS profiles will reflect each firm's certification status.
  - **TAKES 24 HOURS**
- **General Login System (GLS):** Once you have registered, then you must add the concern's **DUNS and EIN** number(s) and **obtain access** to the HUBZone application module.
  - <https://eweb.sba.gov/gls/help/sbabusinesspartnersgls-1.pdf#page=12>



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# Supporting Document Request + Checklist

- Based on Ownership Structure – Corp/Sole Proprietor/Partnership/LLC
- Examples of other docs needed:
  - Deed, Utility Bill, Location List
  - Official Payroll
  - Valid Drivers License for each employee
  - Employee List
  - Birth Certificate
  - [http://www.sba.gov/sites/default/files/files/HUBZone\\_Document\\_Checklist.pdf](http://www.sba.gov/sites/default/files/files/HUBZone_Document_Checklist.pdf)

# What is a HUBZone Designation?

- Geographical location designated by the SBA as an area that is and has been historically underutilized by businesses



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# Determining HUBZone Designations – SBA’s Role

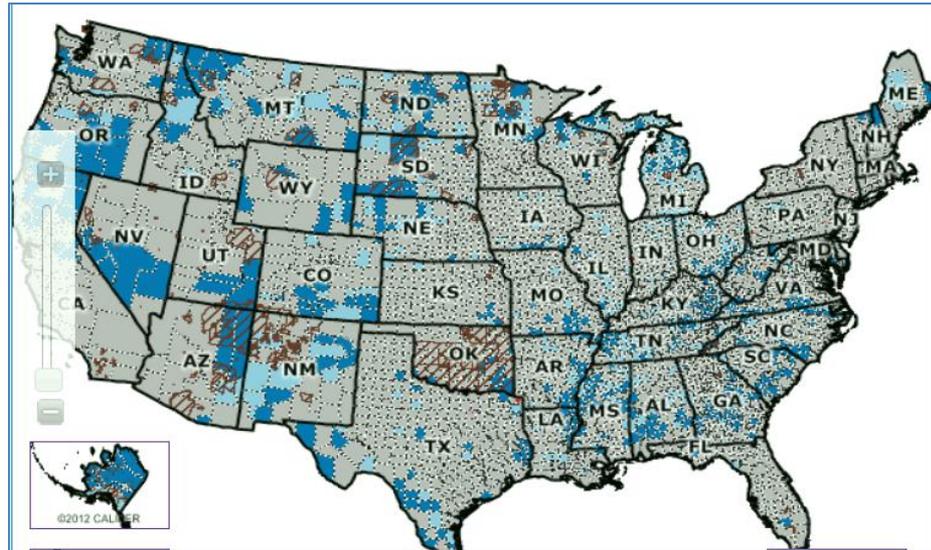
- SBA uses information obtained from several agencies
- The way SBA uses this data to indicate HUBZones is determined by law
- SBA does not have the authority to decide that a particular area should be a HUBZone or not



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# How Do You Find HUBZone Designated Areas?



Review it...

Find out if you are in a HUBZone at  
[www.sba.gov/content/hubzone-maps](http://www.sba.gov/content/hubzone-maps).

# How Often do HUBZones Change?

HubZone Type	Subtype	Data Update Frequency	Source Data Agency
Qualified Census Tract	-	Every 5 years	Department of Housing and Urban Development
Qualified Nonmetropolitan County	Qualified by unemployment	Annually (May)	Bureau of Labor Statistics
	Qualified by income	Annually (Jan.)	Census Bureau
	Qualified DDA	Annually (Nov.)	Department of Housing and Urban Development
Qualified Indian Land-		As necessary	Bureau of Indian Affairs
Qualified Base Closure Area	-	As necessary	Department of Defense



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# HUBZone Resources - Assistance

- **CALL:** Tue and Thu from 2-3pm ET via toll free number: 1-888-858-2144 access code 1875223##.
- **15 MINUTES:** Request phone appointment with a member of the HUBZone team. Use HUBZone Analyst Appointment Form at <http://www.sba.gov/hubzone/>
- **CLARIFICATION:** Email the individual who sent you that request or [hubzone@sba.gov](mailto:hubzone@sba.gov). On the subject line write the nature of your inquiry; for example: "general question," "mapping question," or "application status request".



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# SBA/HUBZone Website – Resources and Tools

Review it...

**sba/hubzone**



[www.sba.gov/wv](http://www.sba.gov/wv)

[www.wvscore.org](http://www.wvscore.org)

# Contact Us...

- Thank you for taking the time to learn about HUBZone designations
- Please contact us with any questions you may have

## HUBZone Help Desk

[HUBZone@sba.gov](mailto:HUBZone@sba.gov)

U.S. Small Business Administration



[www.sba.gov](http://www.sba.gov)

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# More Info on HUBZone Designation

Review it...



**Appendix - Slides 17-24**

# Types of HUBZone Designations

- There are four types of HUBZone designations:
  - ✓ Qualified Census Tract
  - ✓ Qualified Nonmetropolitan County
  - ✓ Qualified Indian Reservation
  - ✓ Qualified Base Closure Area

# Qualified Census Tract (QCT)

- A census tract is a statistical subdivision of counties that may include just a few neighborhoods in a city or, in rural areas, may include several towns
- HUD designates Qualified Census Tracts (QCTs) for purposes of the [Low-Income Housing Tax Credit \(LIHTC\) program](#)
- To qualify -- census tract must either:
  - ✓ demonstrate a poverty rate of at least 25 percent; or
  - ✓ 50 percent or more of its householders must have incomes below 60 percent of the area median household income\*

**NOTE:** LIHTC statute imposes limits on the number of census tracts an area can have --- it is possible for a tract to meet one or both of the above criteria, but not be designated as a QCT



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# Qualified Nonmetropolitan County (QNMC)

- Counties that are part of a metropolitan area are **not eligible** for HUBZone status
- In order for a nonmetropolitan county to qualify:
  - ✓ median household income in the county must be less than 80% of the nonmetropolitan state median household income, or
  - ✓ the unemployment rate in the county must be at least 140% of either the national or state unemployment rate, or
  - ✓ the county is classified as a Difficult Development Area (DDA), as designated by HUD within Alaska, Hawaii, or any territory or possession of the United States - outside the 48 contiguous states



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# Qualified Indian Reservation

- Qualified Indian Lands are areas within the boundaries of Indian reservations
- Trust lands acquired by an Indian tribe after December 21, 2000, are **NOT** HUBZones unless they:
  - ✓ are part of a former reservation, or
  - ✓ are contiguous to areas that were trust lands as of December 21, 2000

# Qualified Base Closure (QBC)

- Base closure area is defined as the lands within the boundaries of a military installation that was closed
- Such an area can be designated as a HUBZone for a period of 5 years, beginning on the official date of base closure and ending the same date, five years later



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# Redesignated Area

- Tracts or counties are redesignated for three years after the date which the tract or county ceases to be qualified due to changes in income, unemployment, or poverty data
- When a tract or county is redesignated, its status in the HUBZone maps reflects the sunset date of the redesignation

# Redesignated Area -- Example

This location is HUBZone Qualified until October 2015.

The location indicated is in Catron County, NM.

Catron County is a non-Metro County, not currently HUBZone qualified by either unemployment rate or household incomes. However, Catron County was previously qualified and will retain HUBZone eligibility as 'Redesignated' until October 2015.

In this example, Catron County, New Mexico is redesignated until October 2015, which means it ceased to be qualified in 2012

As such, on or after October 1, 2015 all certified HUBZone small businesses whose principal office is located in Catron County, NM will be proposed for decertification



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