

# HUBZone Map Update Guide for Small Businesses

#### General

#### 1. What is the HUBZone program?

The HUBZone program certifies the eligibility of businesses in disadvantaged communities to compete for federal set-aside contracts, offering employment and growth opportunities where they're most needed for positive economic impact.

#### 2. How is an area selected as a HUBZone?

HUBZones are distressed areas across the U.S. and its territories that are designated based on economic and population data from the Census Bureau and other federal agencies, as defined by Congress.

3. How often and why does SBA change HUBZone-designated areas on the map?

Every five years, SBA uses the latest available data to determine which census tracts and non-metropolitan counties are eligible for HUBZone designation. The HUBZone map is then updated, which allows new businesses to enter the program, and in some cases, areas that no longer qualify under the definition have their designations updated. Other designation types, including Qualified Disaster Areas and Governor's

Designated Areas, will continue to be added to the map during the five-year period.

#### 4. What are the upcoming changes to the HUBZone map?

SBA froze the current HUBZone map in late 2017 to account for the results of the 2020 Census which were delayed due the COVID-19 pandemic. The new HUBZone map update will be realized on July 1, 2023, and will reflect 2020 Census and other economic and population data.

#### 5. How long will the new map be active?

SBA will not update Qualified Census Tracts and Qualified Non-Metropolitan Counties on the map again until July 2028. The five-year map cycle enables small businesses to plan and invest in their HUBZone communities without fear that their designation may change from one year to the next, thus providing stability for both the community and HUBZone businesses. However, some areas will cycle off before 2028. For example, HUBZones that are newly designated as a Redesignated Area will expire on July 1, 2026, and areas designated as Qualified Disaster Areas or Governor's Designated Areas may expire throughout the year.

#### 6. How do I know if my business or employees are located in a HUBZone?

To confirm if an area is currently a designated HUBZone, use <u>SBA's HUBZone Map</u> tool. To confirm if the area will remain in a HUBZone on July 1, 2023, when the map is updated, please check this <u>preview map</u>.



#### 7. What if the map indicates more than one designation for my address?

Some addresses may be located in an area with multiple designations. As long as at least one designation indicates the address is in a qualified HUBZone, then the location is qualified.

#### 8. What is a Redesignated Area?

The Small Business Act requires the HUBZone program to re-categorize all Qualified Non-Metropolitan Counties and Qualified Census Tracts that lose their qualified status as Redesignated Areas, which provides these areas with a three-year grace period to allow firms to transition. Newly Redesignated Areas will expire in July 2026. Most HUBZones categorized as Redesignated Areas prior to July 1, 2023, have already exhausted their three-year grace period and will be no longer listed on the map as Redesignated Areas on July 1. Firms located in Redesignated Areas are limited from taking advantage of certain flexibilities provided to firms located in Qualified Non-Metropolitan Counties and Qualified Census Tracts (see the <a href="https://example.com/hubzone/rogram/h

## 9. What will happen to my certified HUBZone firm if its eligibility is affected by the map change?

Firms that no longer meet the HUBZone program requirements on July 1 due to the map update will remain certified through their following recertification. At that time, the firm will not be able to certify that they meet the requirements and may voluntarily decertify, or become decertified. Alternatively, they may relocate their principal office and/or hire employees that reside in a HUBZone to recertify that they meet all requirements. Firms that have been awarded HUBZone contracts are generally considered HUBZone firms through the life of that contract.

## 10. What steps should certified HUBZone firms take to be prepared when the map changes are implemented on July 1, 2023?

Use the preview map to verify that your firm's principal office (the location where the most employees work) will be located in a HUBZone on your recertification anniversary date following July 1, 2023. If not, consider relocating your principal office to another HUBZone area. All firms with a principal office in a HUBZone must verify that 35 percent of their employees still reside in a HUBZone on their recertification anniversary date following the map update on July 1, 2023.

Before determining that your firm is no longer eligible, check whether your principal office may continue to be considered to be in a HUBZone under the "long term investment" provision. In addition, check whether you have any employees that may continue to be considered HUBZone employees under the "legacy employee" provision. For additional information, see the <u>HUBZone Program Improvements FAQs.</u>



## 11. What happens to employees who will no longer live in a HUBZone when the map is updated? Is there a grace period for them?

These employees would no longer be counted as HUBZone residents when determining eligibility with the 35 percent HUBZone residency requirement unless they qualify as "legacy employees." For more information, see the <a href="https://example.com/hubZone/hubZone/rogram">https://example.com/hubZone/rogram</a> Improvements FAQs.

# 12. My firm's address is not currently in a HUBZone, but it is listed on the preview map as a HUBZone area beginning July 1, 2023. How soon may I apply for certification?

You may apply as soon as July 1, 2023. SBA encourages small businesses to learn more about the HUBZone program on the <u>SBA website</u>. It is also important to understand the federal marketplace and how to be ready for government procurement. For more tips, see <u>Top Tips for HUBZone Certification</u>. To meet the principal office requirement, a firm must be able to demonstrate it has been operating at the newly qualified HUBZone location for at least 30 days prior to the application verification date. To meet the 35 percent residency requirement, firms must submit the two most recent payrolls that demonstrate 35 percent of the workforce lives in areas designated as HUBZones for at least 180 days prior to the application verification date or certification anniversary date.

#### 13. What assistance is available to help firms?

If your firm is no longer eligible, consider whether you may be eligible for other SBA contracting assistance programs.

SBA and our network of partners offer free or low-cost counseling and training. Find SBA resource partners near you at <a href="mailto:sba.gov/local-assistance">sba.gov/local-assistance</a>. Resource partners include Apex Accelerators (formerly known as PTACs), Small Business Development Centers (SBDCs), Veteran's Business Outreach Centers (VBOCs), and Women's Business Centers.

Application support for firms that are newly eligible is also available. Familiarize yourself with the application process by reviewing the materials on the <a href="HUBZone">HUBZone</a> <a href="https://process.org/proces