

*OSD/Military Service/Community
Conference
The Role of the HUBZone
Program*

*Michael P. McHale
Associate Administrator
HUBZone Program*

Atlanta, Georgia

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Program Overview

*From the outset, designed as a virtual program
always available at: www.sba.gov/hubzone*

*HUBZone Program -
Community Based:*

- *Employment*
- *Empowerment*
- *Enterprise*



Purpose

- *Provide Federal contracting assistance to qualified small business concerns located in historically underutilized business zones (HUBZones) to:*
 - *Increase employment opportunities*
 - *Stimulate capital investment in those areas*
 - *Empower communities through economic leveraging and the “multiplier effect.”*

Applicant firm Eligibility Requirements

■ *Size:*

- *Small, by relevant SBA standards.*

■ *Ownership and Control:*

- *At least **51%** by U.S. citizen(s), Community Development Corporation, Agriculture Cooperative, Alaska Native Corporation, or Indian tribe.*

Firm Eligibility Requirements, cont'd...

■ *Location:*

- *“Principal Office” must be located in a HUBZone (may differ for tribally owned concerns).*

■ *Employment:*

- *At least 35% of employees must reside in a HUBZone (may differ for tribally owned concerns).*

HUBZone Eligibility, Qualified Areas, cont'd...

- *Metropolitan Area Census Tracts : 11,600 areas*
 - *“Qualified Census Tract” that meets test for Low Income Housing Tax Credit. (HUD) (Changes with decennial census.)*
- *Non-metropolitan Counties: 1,200 counties*
 - *Median household income is less than 80% of the non-metropolitan state level (Census) (Changes with decennial census.)*
 - *Unemployment rate that is at least 140% of the lower of the state-wide or U.S. average (BLS) (Changes annually.)*

HUBZone Eligibility, Qualified Areas, cont'd...

- *Federally recognized Indian Reservations: Includes land meeting definition of Indian Country*
- *Base Closure Areas (BRAC)*
 - *Definition: Lands within the external boundaries of a military installation that were closed through a privatization process.*
 - *Qualification Term: a period of 5 years either from December 8, 2004 or from the date of final base closure, whichever is later.*

HUBZone Portfolio

FYE 05

- *Total Portfolio: 13,500*
- *HUBZone firms' total average annual receipts: \$24 Billion*
- *HUBZone firms' total employment: 191,000 employees*
- *HUBZone residents employed by HUBZone firms: 124,000 (65%)*

HUBZone Contracting

- *Set-aside awards*
- *Sole source awards*
- *Awards through full and open competition after application of 10% price evaluation preference (PEP)*
- *Subcontracting Opportunities*
- *FY 2004 Goal – 3.0% Actual - (1.59%) \$4.8 B*

“In the quiet of the American conscience, we know that deep persistent poverty is unworthy of our Nation’s promise.”

President George W. Bush

The best social program is a job.

President Ronald Reagan

The HUBZone Program

*“Rebuilding America's
Communities, One Small
Business at a Time ”*