



U.S. Small Business
Administration



What is the HUBZone Program's Governor-Designated Areas Initiative?

The HUBZone program gives small businesses in historically underutilized business zones (HUBZones) more access to opportunities to earn contracts with the federal government, leading to small business growth and development in undercapitalized communities. The program is administered by the Small Business Administration (SBA).



The federal government's goal is to award at least 3 percent of all federal contracting dollars to HUBZone-certified small businesses each year.

Governor's Designated Areas: New HUBZone Category in 2020

- New opportunity to expand the HUBZone program into distressed rural communities
- Allows governors to petition SBA's administrator once a year to designate areas for HUBZone status

What Areas Can a Governor Designate?

To be eligible for designation, a covered area must:

- Be a **rural area** located outside of urbanized areas (as defined by the Census)
- Have a population of **50,000 or less**
- Have an average unemployment rate of at least **120 percent** of the average unemployment rate for the U.S. or the state (whichever is lowest)

Note: The total number of covered areas included in each petition may not exceed 10 percent of the total number of the covered areas in the state.

What Should a Governor's Petition Include?

A petition should identify the census tracts to be included as Governor Designated Areas with specific data supporting the inclusion as well as information that addresses:

- **Potential for job creation and investment** in the covered area
- Demonstrated **interest of small business concerns** in the covered area
- How state and local government officials have incorporated the covered area into an **economic development** strategy
- *If the covered area was previously a HUBZone:* the **impact** on the covered area **if the petition is not approved**
- *If applicable:* indicate whether the area is in an Opportunity Zone (Opportunity Zones not already in HUBZones are encouraged)

Process for Designation

1. Governor submits petition to SBA via email at HZGovernors@sba.gov
Note: Governors can only make one such request each year
2. SBA reviews the petition to confirm the covered areas are compliant with the statute
3. SBA issues a written response to the requesting governor's office informing of the decision and updates HUBZone maps to reflect the newly eligible areas
4. Governor annually submits data to the SBA Administrator certifying that each Governor-designated covered area continues to meet the definition of a covered area



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TO LEARN MORE

VISIT OUR WEBSITE:
www.sba.gov/hubzone

Read the HUBZone Program Improvements FAQ:
<https://www.sba.gov/brand/assets/sba/resource-partners/hz-program-improvements-faq.pdf>