

RESTAURANTS

The \$25 billion Restaurant Revitalization Fund (RRF) is intended to help businesses in the food services sector. In addition to restaurants and bars, other entities eligible for support from the RRF include food stands, food trucks, food carts, caterers, saloons, inns, taverns, lounges, brewpubs, tasting rooms, taprooms, and any licensed facility or premise of a beverage alcohol producer where the public may taste, sample, or purchase products, or other similar place of business in which the public or patrons assemble for the primary purpose of being served food or drink.

The grant funds may be used to pay for the following eligible expenses:

- Payroll costs
- Principal and interest payments on a mortgage, not including any prepayments on principal.
- Rent payments, not including prepayments
- Utilities
- Maintenance expenses including construction to accommodate outdoor seating and walls, floods, deck surfaces, furniture, fixtures, and equipment
- Supplies including personal protective equipment and cleaning materials
- Food and beverage expenses within the eligible entity's scope of normal business practice before the covered period, which runs from Feb. 15, 2020, through Dec. 31, 2021, or another date as determined by the SBA

Covered supplier costs include:

- Operational expenses
- Paid sick leave
- Any other expenses the SBA determines to be essential to maintaining the eligible entity

The plan requires applicants to make a good-faith certification that the uncertainty of current economic conditions makes the grant request necessary to support the applicant's ongoing operations and that the applicant has not also applied for or received a Shuttered Venue Operator grant.

The act allows for grants equal to the pandemic-related revenue loss of the eligible entity, up to \$10 million per entity, or \$5 million per physical location.

The grants are calculated by subtracting 2020 revenue from 2019 revenue. Entities are limited to 20 locations.

The plan sets aside \$5 billion for eligible applicants with 2019 gross receipts of \$500,000 or less. The bill also charges the SBA with awarding the other \$20 billion in grants in "an equitable manner to eligible entities of different sizes based on annual gross receipts."

During the first 21 days of the grants, the SBA will prioritize applications from restaurants owned and operated or controlled by women, veterans, or socially and economically disadvantaged individuals.

Applications will be made available by the SBA.

The SBA has not announced a start date for the program.