



RESTAURANTS ACT OF 2021 (S. 255/ H.R. 793) WOULD CREATE A \$120 BILLION FUND TO HELP INDEPENDENT RESTAURANTS AND BARS SURVIVE THE PANDEMIC

The grassroots Independent Restaurant Coalition formed during the pandemic to provide a voice to the struggling independent restaurant and bar community nationwide. The group is fighting to create the RESTAURANTS Act, a \$120 billion restaurant revitalization fund that would provide debt-free relief to struggling independent restaurants and bars with demonstrable need. The \$120 billion program in the RESTAURANTS Act is the best plan to ensure independent restaurants and bars will not permanently close, can safely reopen, and can continue to employ over 11 million Americans.

The current \$1.9 Trillion COVID19 relief proposal being considered by Congress includes a \$25 billion grant program based on this proposal. When signed into law, this will be a significant first step to providing independent restaurants and bars the relief needed to survive the pandemic, but more relief will be needed.

How would a Restaurant Revitalization Fund work?

- Eligible businesses would apply for a grant equivalent to annual revenue loss from 2019 and 2020. These grants cover any eligible expenses (below) incurred starting on February 15, 2020 and ending eight months after this bill becomes law.
- The grants are not a blank check– eligible expenses must be approved and include payroll (not including employee compensation exceeding \$100,000/year), employee benefits, mortgage, rent, utilities, maintenance, outdoor seating construction, supplies, protective equipment, cleaning materials, food, operational expenses, paid sick leave, and debt obligations to suppliers.
- Applications for grants would be submitted to a government agency, not a bank.
- Grants cannot exceed \$10,000,000 per restaurant group (each group cannot have more than 20 restaurants), and \$5,000,000 per restaurant.
- The first 14 days of funds will only be made available to restaurants with annual revenues of \$1.5 million or less to target local small restaurants, particularly those that are women, veteran, or minority-owned and operated eligible entities that are owned or operated by women or people of color
- Restaurants would be allowed to use the Employee Retention Tax Credit and Economic Industry Disaster Loan and a Restaurant Revitalization Fund grant together, so long as they are not used for the same expenses. If you received a grant or loan from the Paycheck Protection Program you must deduct that amount from their requested grant amount.



Is my restaurant or bar eligible?

- This program is eligible to any business where patrons assemble for the primary purpose of being served food or drink and is part of a group of businesses that is 20 or less including: restaurants, food stands, food trucks, food carts, caterers, saloons, inns, taverns, bars, lounges, brewpubs, tasting rooms, and taprooms are all eligible.
- Businesses that opened in 2019 would also have a clear path of eligibility by averaging 2019 revenues to determine losses.
- Businesses that opened during the pandemic (after January 1, 2020) are eligible to receive grants equivalent to eligible expenses incurred.

Why is it necessary for restaurants and bars to have a specific grant program?

- Restaurants need a lifeline that does not put them at risk of taking on further debts.
- The COVID-19 pandemic has cost restaurants and bars over \$219 billion in sales, stopping a decade of historic growth through no fault of their own. To date, restaurants and bars received less than \$24 billion in the first round of PPP loans and more than one in six (110,000) have permanently closed.
- Nearly 2.5 million restaurant and bar workers have lost their jobs since the end of February -- more than any other industry. Failing to save the restaurant and bar industry would cause an employment crisis that would disproportionately affect young people, immigrants, people of color, women, and single mothers.
- Nobody should be forced to choose between earning a living or keeping their communities healthy. There is no predicting where this pandemic will rage, and we must give the restaurant and bar community the flexibility they need to stay safe and stay in business.
- To keep communities safe, these grants would cover resources for PPE and award “bonus” grants (above the eligible amount) for up to 10 days of paid sick leave to restaurant employees to keep them safe during the pandemic.
- Restaurants and bars owned by marginalized communities including women, veterans, or any socially and economically disadvantaged business are having a hard time accessing current small business relief programs. The RESTAURANTS Act is going to prioritize these businesses and earmarking funds to raise awareness of this program to specific communities.
- The restaurant revitalization fund sets aside \$60 million to perform outreach and create a resource center targeted toward traditionally marginalized and underserved communities.