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## Small Business Administration Finalizing Details of Restaurant Revitalization Program

The American Rescue Plan passed in March established a program to be administered by the Small Business Administration (SBA) that will provide \$28.6 billion in funds as a part of the Restaurant Revitalization Fund (RRF).

The RRF is intended to provide grants to restaurants and bars that have been hurt financially due to the pandemic with grants to help them mitigate the effects of loss revenue resulting from closures and capacity limits imposed on their establishments.

### HOW WILL THE RRF PROGRAM WORK?

The RRF will provide restaurants and bars with grants up to \$10 million (or \$5 million per separate physical location) equivalent to the amount of revenue lost as a result of the coronavirus pandemic.

The SBA is still working to establish the final details of the application process. Once the details of the application process have been made available, it is anticipated that women, minority, and veteran business owners will be prioritized during the initial three weeks of fund distribution before being opened more broadly to other businesses.

Rather than applying through the business owners' bank or other financial institution, it is anticipated that impacted businesses will apply directly with the Small Business Administration for funding.

### WHO WILL BE ELIGIBLE FOR THE RESTAURANT REVITALIZATION PROGRAM?

While the eligibility and application details have not been finalized, the following business types are expected to be eligible for funding.

Entities should be those whose primary purpose is to serve food and drink, including:

- Restaurants and bars
- Food stands
- Food trucks
- Saloons
- Inns
- Taverns, and others

Eligibility requirements will be highlighted once additional funding details are available.

### WHAT TYPES OF EXPENSES CAN RRF BE USED FOR?

Funds from the RRF can be used for a number of operating expenses of the business which include

- Employee payroll expenses
- Paid sick leave

- Past due or current mortgage payments
- Past due or current rent or lease payments
- Restaurant supplies including personal protective equipment (PPE) and cleaning supplies
- Food and beverage costs incurred during the normal course of business before the beginning of the covered period related to the pandemic (currently February 15, 2020 to December 31, 2021)
- Utilities of the restaurant
- Eligible vendor costs
- Operating expenses
- The costs of repairs and maintenance including the creation of outdoor seating, walls, decks, furniture and fixtures, and necessary equipment
- Any other expenses deemed necessary by the SBA

#### **WHEN IS THE RESTAURANT REVITALIZATION PROGRAM EXPECTED TO BEGIN?**

While the SBA has not provided a final date for the start of accepting applications, it is anticipated that they may begin this process in mid- to late-April. Information about the documentation required to apply for the grant and other information related to the application process will be made available prior to accepting applications.

If you have any questions about the Restaurant Revitalization Fund Program and how it might impact your business, please contact Frankel Zacharia at 402.496.9100.