

Restaurants Revitalization Fund Provides COVID Relief to Hard-Hit Industry

March 30, 2021 Alexander Grishman, Brent Beckert

PRACTICES Food, Beverage and Restaurant, Finance, Franchise and Distribution, Corporate, Private Credit Finance

On March 11, 2021, President Biden signed the “[American Rescue Plan Act of 2021](#)”, a \$1.9 trillion stimulus bill aimed at curbing the economic toll of the COVID-19 pandemic. As part of a comprehensive relief package, the American Rescue Plan establishes a \$28 billion Restaurants Revitalization Fund (“**RRF**”) to provide direct grants to restaurants and other food and beverage businesses.

The RRF will provide grants to eligible businesses based on pandemic-related revenue loss, up to a maximum of \$10 million per recipient and \$5 million per physical location. The RRF has earmarked \$5 billion for small businesses—those with 2019 gross receipts of \$500,000 or less. The Small Business Administration (the “SBA”) will administer the remaining \$23.6 billion “in an equitable manner to eligible entities of different sizes based on annual gross receipts.” However, not all restaurants and food and beverage related businesses are eligible for RRF grants. Applicants for RRF funds must take into consideration their revenue, structure, operating history, and financial need to understand their eligibility and potential grant amount.

While we expect the SBA to publish new regulations and guidance in the coming weeks, we encourage restaurants and other prospective grantees to begin preparing their application in advance of the official program launch date, in order to maximize chances of obtaining a portion of the earmarked RRF funds.

Read the full alert [here](#).