



Tuesday, April 14, 2020

Events DC Hotel Relief Update

As you are aware, last week, the Events DC Board approved a COVID-19 relief package that would assist the District's hospitality industry. Specifically, \$5 million has been allocated to go towards assistance with hotel employee operational costs. To help facilitate with the development of the application and payment process of the relief package, please let us know:

- **The percentage of your monthly operational costs that are allocated towards payroll and employee benefits.**
- **The ownership model of your hotel (Ex. REIT, etc.).**

As time is of the essence, and to ensure that these relief funds are disseminated in a timely fashion, **please send us this information by close of business tomorrow, April 15th.**

Assistance with Applying for Federal Relief

Many banks are now set up to accept applications for loans made available under the recent COVID-19 relief bill entitled the CARES Act. These Payroll Protection Program (PPP) loans are at a rate of 1% with a 6 month deferral and a 2-year term -- and will be 100% forgiven if certain requirements are met. Most importantly, the program is available to the hotel industry under preferential rules, including that the requirement of 500 or fewer employees is modified to allow hotels to qualify. Loans are capped at \$10 million per applicant and a single hotel group may qualify for more than one loan if there are separate payroll centers.

The new regulations and requirements for this program are very complicated and fluid, especially as they apply to the accommodations industry, with new guidance from SBA and Department of Treasury coming out daily. Jessica Wasserman, a board member of Destination DC and an attorney practicing in this area, has successfully navigated several hotel resort companies through this process and is available to assist you with the application process. She can be reached at jessica@wassermandc.com or 202-669-9449.

Additionally, the CARES Act includes two tax deferral provisions and a Main Street Loan Program that may be of interest.

Regards,
Lisa
