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Gov. Wolf Announces $145 Million in Relief Available for Hospitality Industry by March 15

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Human Services, Press Release

Governor Tom Wolf announced today that the hospitality industry will soon be able to apply for immediate relief through the COVID-19 Hospitality Industry Recovery Program (CHIRP), a new grant program established by the Wolf Administration to support local businesses in the hospitality industry that were affected by the COVID-19 pandemic.

“For so many businesses in the hospitality industry, taking the necessary steps that keep employees and patrons safe directly hurts their bottom line. After all the hardships businesses have endured, and all of the work they have done to keep their communities safer, they need and deserve our help,” Gov. Wolf said. “The COVID-19 Hospitality Industry Recovery Program will provide immediate relief to these businesses and I urge them to apply as soon as the program opens in their county.”

In December, the governor initiated a transfer of $145 million to be appropriated by the state legislature into grants for businesses. The legislature approved the measure unanimously and it was enacted in February.

The Department of Community and Economic Development (DCED) acted swiftly to open the application to all 67 counties, all of which immediately applied. Funding was provided in the form of block grants to each county based on population. Grants will be awarded in $5,000 increments with a $50,000 maximum.

“Over the past year, the COVID-19 pandemic has posed a threat to our health, our safety, our physical, emotional, and financial well-being. Our small businesses, particularly those in the hospitality industry, have been disproportionately hurt by the pandemic,” said DCED Secretary Dennis Davin. “This program was designed to provide the critical help this industry needs, and over the next couple of weeks, counties will get this money into the hands of Pennsylvania’s small business owners. From conception to execution, the CHIRP program can best be described—as the governor likes to say—as Government That Works.”

Each county will administer the funding through one or more designated Certified Economic Development Organization (CEDO) or Community Development Financial Institution (CDFI), which will then process applications from businesses in each county. CEDOs or CDFIs must begin accepting applications from businesses by March 15.

Program guidelines are available on DCED’s website.

The governor provided the update on CHIRP today at the Harrisburg Regional Chamber and Capital Region Economic Development Corporation (CREDC), which will be processing applications for and Dauphin and Perry counties.

“Businesses within our region’s hospitality and tourism sector have been severely and disproportionately impacted by the pandemic,” said Melissa Stone, vice president of economic development at the Harrisburg Regional Chamber and CREDC. “The CHIRP grants will provide crucial support to help these businesses endure the financial strain, get back to full operation and ultimately strengthen our region’s economic recovery.”

“This pandemic has caused untold losses for the hospitality industry, which employs thousands of workers and pumps billions of dollars into our economy,” said state Sen. Tim Kearney (D-Delaware, Chester), Democratic chairman of the Senate Local Government Committee. “Through the COVID-19 Hospitality Industry Recovery Program, relief is on the way for the hardest-hit small businesses across Pennsylvania. This investment is going to help the hospitality industry get back on its feet so it can rebound, rebuild, and return stronger than ever.”

“We all know the hospitality and entertainment industries were among the hardest hit throughout all the stages of COVID-19 mitigation measures. Governor Wolf recently announced that certain restrictions have been relaxed on gatherings and out-of-state travel, and this is a great sign that we’re moving in the right direction, but these small businesses are not out of the woods yet,” said state Rep. Steve Malagari (D-Montgomery). “These businesses are key to our communities. They are the places in our communities that we look forward to visiting the most. They need our support now more than ever and I know we all want to help make sure they can survive the crisis.

“The very roots of my hard-work ethic came from the hospitality industry. As a young man, I worked as a bus-boy, waiter, and bartender – and eventually owned my own bar and restaurant. I know too well the hard work that these men & women put into this industry every day,” said state Rep. Marty Flynn (D-Lackawanna). “These grants are above and beyond the previous grants and low interest loans that have been made available here in Pennsylvania. Tomorrow, our commissioners in Lackawanna County will announce the details of this program, that will distribute over $2.3 million to our Lackawanna County hospitality industry. This action will be repeated by counties around our commonwealth – and our governor and this administration will continue to work every single day for our businesses to help ensure the health and safety of our residents and our visitors.”

A business is eligible if:

- It has a North American Industry Classification System (NAICS) designation within the Accommodation subsector (721) or Food Services and Drinking Places subsector (722) and where accommodations, food or drink is served to or provided for the public, with or without charge;
- It has fewer than 300 full-time equivalent employees;
- It has a maximum tangible net worth of not more than $15 million;
- It was in operation on February 15, 2020 and remains in operation and does not intend to permanently cease operations within one year of the date of application;
- COVID-19 has had an adverse economic impact on the eligible applicant which makes the grant request necessary to support the ongoing operations of the eligible applicant.

Priority will be given to applicants that:

- Have not received a loan or grant issued under the authority of the commonwealth or the commonwealth’s political subdivisions or by the federal government;
- Were subject to closure by the Governor’s disaster declaration; or
- Can demonstrate one of the following:
  - A reduction in gross receipts of 50 percent or more for the period beginning after March 31, 2020, and ending before December 31, 2020, in comparison to the period beginning after March 31, 2019, and ending before December 31, 2019.
  - If the eligible applicant was not in operation during the entire comparison period, but was in operation on February 15, 2020, a monthly average reduction in gross receipts of 50 percent or more for the period beginning after March 31, 2020, and ending before December 31, 2020, in comparison to the period beginning after January 1, 2020, and ending before April 1, 2020.

Businesses with questions or concerns should contact their local county offices, CEDO, or CDFI for more information.