

Testimony of Cheetie Kumar
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U.S. House of Representatives Committee on Small Business, Subcommittee on Oversight,
Investigations, and Regulations
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Chairman Phillips, Ranking Member Van Duyne, and members of the subcommittee, thank you for inviting me today to talk about the successful launch of the Restaurant Revitalization Fund (RRF) and the need independent restaurants still have for help.

Let me start by thanking this Committee – all of you – and especially Chairman Phillips and Chair Velazquez for all of the support you have shown independent restaurants throughout this pandemic. You have given us a lifeline to survive in the RRF and we are eternally grateful.

I am the chef and co-owner of Garland in Raleigh, NC. In the same building as Garland is our music venue and basement cocktail bar. I am a self-taught chef who studied recipes while touring across the US as a guitar player alongside my husband and business partner, Paul Siler. Seeing every corner of this country with our band, Birds of Avalon, showed me the value of an independent, artistic spirit and that informed how we connect to our downtown Raleigh community.

I am proud to be here representing the hundreds of thousands of independent restaurants across the country and their millions of employees. My story is not very different from so many others in the restaurant industry. With my family, I immigrated from India to the Bronx at the age of 8 and eventually settled in the South to play music and open my restaurant. Our industry is full of these stories – from folks all across the country and all around the globe. Women, minorities, single parents, veterans, and so many others get their start in restaurants, build their lives working in restaurants, or make a career out of working in restaurants. Frankly, restaurants represent America more than any other industry.

I am a member of the leadership of the Independent Restaurant Coalition – a group borne out of crisis. We gathered in the first days of the pandemic to advocate for help for the restaurant industry. Fifteen months later I sit before you, virtually, to talk about the success of the RRF and how much more help we need.

The Independent Restaurant Coalition was formed by chefs and independent restaurant owners across the country who have built a grassroots movement to secure vital protections for the nation's 500,000 independent restaurants and the more than 11 million restaurant and bar workers impacted by the coronavirus pandemic.

And together we have advocated since last March for a stand-alone restaurant grant program to help support the \$200+ billion in losses in the industry. To help save our employees and their families. To help make our suppliers and landlords whole. And most of all to Save Restaurants.

I am proud to own an independent restaurant that has survived this far in the pandemic. We cut, cramped, changed, pivoted, closed, opened, closed again, opened again, pivoted again, did more

takeout, served outside, and myriad other things to get this far. At Garland, we took both rounds of the Paycheck Protection Program (PPP) funding. We were closed for weeks and did not do hot takeout through the summer but pivoted to launch a prepared meal program so we could make sure my staff could work safely. Frankly, as terrified as I was to lose our business, I value people over commerce. Programs like the RRF make it possible to keep people employed without sacrificing their health.

Garland is a great example of stitching together all of the programs possible to get help. Between PPP and the RRF we were able to pay people through the pandemic. We have been able to stay open and provide more jobs as it is hopefully ending. And we are going to be strong. Without them, Garland, Neptune's Parlour, and King's would be gone. Lost to the history of Raleigh. But this committee, so many of you, and the lawmakers in the House and Senate threw us a lifeline. I am here to ask you to do the same for every independent restaurant in America, to ensure they can survive, and we do not have an extinction event.

Even though a lot of the tough choices we made are behind us, we are not out of the woods yet, by a long shot. There are many jurisdictions that are still limiting indoor dining significantly and the Centers for Disease Control (CDC) still recommends six-foot spacing in restaurants. And a lot of us are taking opening up slowly to protect our customers and staff, which is the right thing to do. None of us are set up for this and as a result we are still well below full capacity. Not to mention that as states and localities move at different paces the rules are different everywhere and restaurants in a lot of places are still losing money, even if reservations are up,

Not to mention that 15 months of losses will not be recouped by a few weeks of full indoor capacity. No, this pandemic for restaurants is not over by a long shot.

I am also proud to be one of the first recipients of an RRF grant. I applied at 11:30 AM the day applications opened – and spent days reading the rules, getting my documents together, re-reading the rules, checking my books, and getting everything in order. A lot of people in my position are having something like “grantee guilt” where they feel bad for having gotten a grant when so many in the industry are still struggling to make ends meet and face an uncertain and terrifying future without a grant. A friend of mine told me not to feel guilty, but to accept the grant, make my business healthy and then work like hell to ask Congress for more money for this program, so that's exactly what I intend to do.

The RRF portal, application process, funding, and full experience worked very well for me. I applied on the first day and got word about my acceptance a couple of weeks later. Shortly after that my grant was funded. I was lucky, most of my financials were straightforward and the guidance was spot on for me. I know others have not been as lucky, but I am also happy to report that the SBA has been working hard to make sure everyone is treated fairly and equitably in this process.

As you know, when Congress designed this program – when it was intended to be funded with \$120 billion – they created a three-week priority window for businesses owned by women, veterans, and socially and economically disadvantaged groups. This was an enormously important piece of the bill since so many of those same people were left out of PPP and other aid

programs. The IRC proudly advocated for this provision and by all indications it is working as intended.

As you know, the Small Business Administration (SBA) closed the RRF application portal on Monday and demand was overwhelming. Here is what we know as of Monday May 24th: Within the first two and a half weeks of opening the application portal, over 303,000 restaurants, bars, and other eligible businesses have applied, requesting over \$69 billion in funds. Over half of the applications came from women (over 122,000 applications), Veterans (over 14,000 applications), and socially and economically disadvantaged business owners (over 71,000 applications). The SBA also received applications from the following priority groups:

- 12,898 applications from businesses with not more than \$50,000 in pre-pandemic revenue;
- 73,671 applications from businesses with not more than \$500,000 in annual pre-pandemic revenue; and
- 34,010 applications from businesses with \$500,000 - \$1,500,000 in annual pre-pandemic revenue.

I believe that for every restaurant in the country to be made whole, the program could need as much as \$140 billion more. That isn't reflected in the above statistics because not every restaurant knows about the program and not everyone applied, knowing \$28.6 billion would not be enough to help every restaurant that needs help.

Congressman Blumenauer, Congressman Fitzpatrick, Senator Sinema, and Senator Wicker plan to introduce a bill soon to put more money into the RRF. This still may not be enough to meet the full need, but I hope it will be enough to give grants to everyone who applied and take care of more restaurants. The restaurant community could not be more thankful for these four heroes for standing up and saying the U.S. Government had to help restaurants in our very darkest days.

Members of this committee have supported multiple reloads of the PPP program and if Congress refills the RRF with \$60 billion and it falls short, I hope it will support refilling the RRF again as well. In a hearing earlier this year, a bipartisan group of Members recognized that the original amount of the RRF was not enough to meet the need.

As I noted earlier, our data suggests the full need for independent restaurants (those with less than 20 locations) is \$168 billion, which is an astronomically high number. We also know that as states open and restaurants start to fill up that there may be a perception that more funds aren't needed. First, there are a handful of states that simply aren't opening. When we talk to members across the country, there are still widely divergent levels of distancing requirements, and a clear indication that this is going to be a much longer term recovery. Plus, as you know, a number of these restaurants survived by the very narrowest of margins and are still very fragile if not on the verge of another extinction event if there is any hiccup, others simply cannot make up for 15 months of lost revenue in one or two months and pay off the debts they incurred trying to survive the pandemic.

I am proud to be a venue and bar owner too. When the RRF passed, there was a choice to make – apply for an RRF grant or a Shuttered Venue Operator Grant (SVOG). I studied and studied and ultimately decided an RRF grant was best for me because the bulk of our revenue comes from the restaurant. Frankly, I also had more faith in the restaurant program, which has borne itself out. I know a lot of my venue friends are still waiting for grants and I feel for them. You are hearing some of their stories today and I look forward to the day we are all going to shows at each other's places.

I also want to take a moment today to talk about hiring. We have an unprecedented event happening – almost every restaurant in the country is trying to hire people. And a lot of people have been out of the restaurant industry for the better part of 18 months. The pandemic happened at the end of almost all of our slow season – post holidays, pre-spring. So we were not even fully staffed when the country closed.

A lot of our workers have moved on, not because of enhanced unemployment benefits, or too many government programs, but because they have found other work. In addition the natural pipeline of restaurants hasn't had anything in it. People are not able to jump to better jobs or work their way up the ladder. So many of us are starting from close to scratch in this process.

In closing, I want to emphasize one last, crucial point. I sit here today, not on behalf of Garland, but to stand for 11 million restaurant workers and 500,000 independent restaurants to say both thank you and more help is needed. Every single one of you has struggling restaurants in their districts and every single one of you will have some that do not get an RRF grant for which they applied. Please help all restaurants look like a post-pandemic success like Garland. Please add more money to the RRF.