



# AHLA *UPDATE*

**Advancing  
Hotel Recovery**

**Unifying  
The Industry**



# Despite Vaccination Rates, Holiday Travel Lags



## SURVEY: NEARLY 60% OF AMERICANS UNLIKELY TO TRAVEL FOR HOLIDAYS

A new national survey conducted by Morning Consult October 30–November 1, 2021, on behalf of the American Hotel & Lodging Association (AHLA) shows that while rising vaccination rates against COVID-19 have increased travelers' comfort levels, most Americans are still opting to stay home this holiday season.

### Majority of Americans Not Traveling for Holidays in 2021

**61%**

UNLIKELY TO TRAVEL  
FOR THANKSGIVING

**59%**

UNLIKELY TO TRAVEL  
FOR CHRISTMAS

### Among those who are traveling:

**2/3**

PLAN TO DRIVE  
(68% THANKSGIVING,  
64% CHRISTMAS)

**<15%**

PLAN TO FLY  
(11% THANKSGIVING,  
14% CHRISTMAS)

**<25%**

PLAN TO STAY IN A HOTEL  
(22% THANKSGIVING,  
23% CHRISTMAS)

## Vs 2020

The survey found that 29% of Americans are likely to travel for Thanksgiving and 33% are likely to travel for Christmas—an increase from **21%** and **24%**, respectively, compared to 2020.

**PPP Wins  
Provide  
Billions to  
Hoteliers**



## **Paycheck Protection Program (PPP)**

- ✓ **Waiving Affiliation Rule**
- ✓ **Strengthening PPP through Flexibility Act**
- ✓ **Passing second round of PPP with increased hotel grant cap**

**\$20 Billion**

# AHLA Secures Changes for Improved SBA Economic Injury Disaster Loan Program



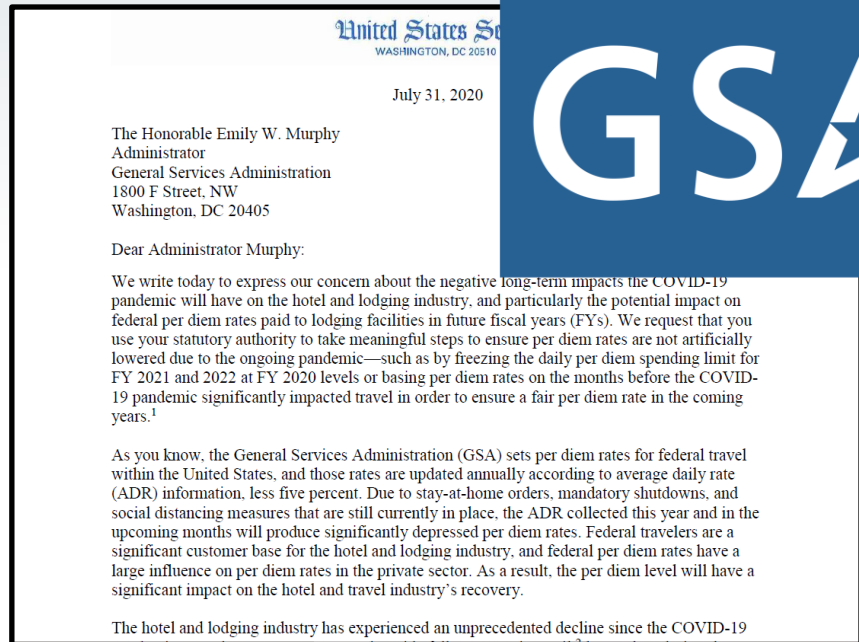
- **Increased loan size**
  - \$2 million per hotel property up to \$10 million in aggregate
- **Loans are 3.75% interest over a 30-year fixed amort. Period**
  - Includes a payment deferral
- **Waiver of affiliation rules (mirroring PPP)**
- **Would serve as subordinate debt**

**\$20 Billion**



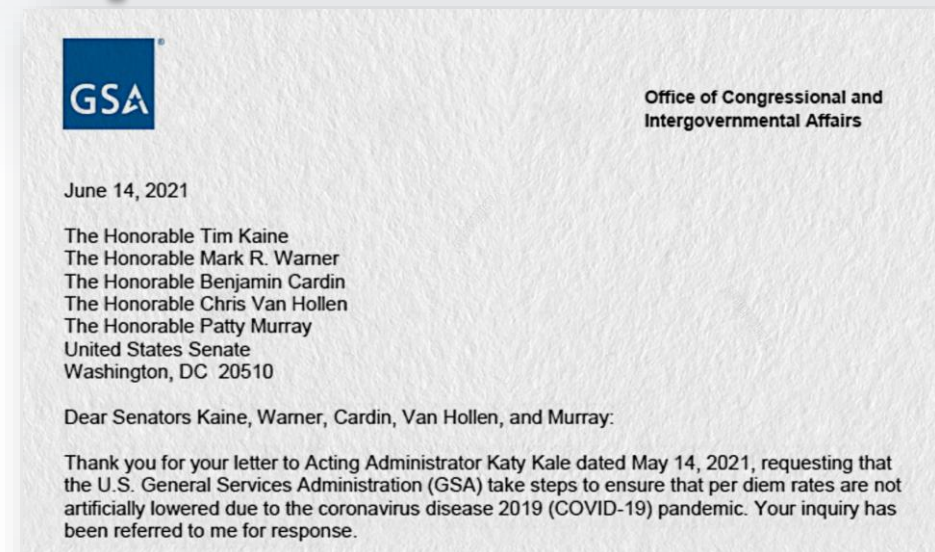
# Locking in Federal Per Diem Rates for 2021 & 2022

## GSA established reasonable rates for FY21



## RESTORED, EQUITABLE, CORONAVIRUS ADJUSTED LODGING ACT OF 2021

# \$1 Billion



# American Rescue Plan Offers Opportunity for Direct Financial Relief for Hotels

## American Rescue Plan (ARP)

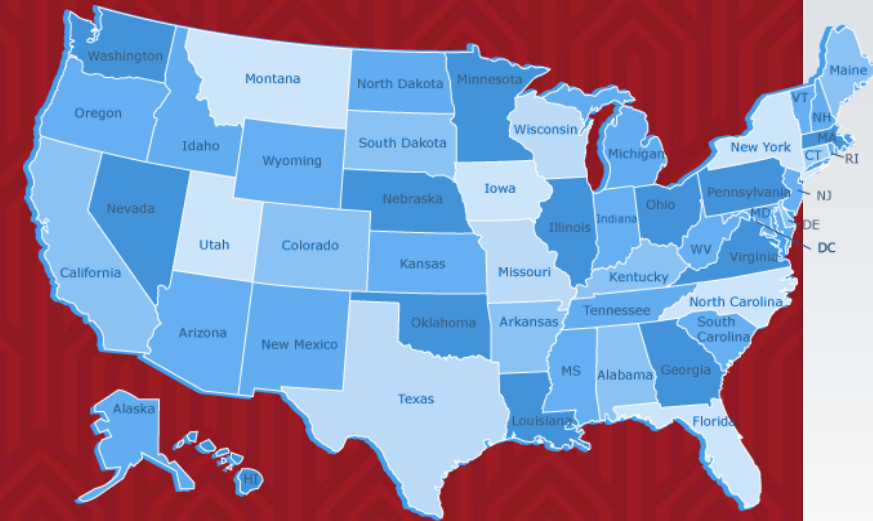
ARP directs state and local governments to focus **20%** of their relief efforts on the hospitality and tourism industries, including:  
**Sec. 6001, “Economic Adjustment Assistance Grants,”** and  
**Sec. 9901, “Coronavirus State and Local Fiscal Recovery Funds.”**

**2024** DEADLINE TO OBLIGATE FUNDS

**2026** DEADLINE TO SPEND FUNDS

Examples:

- **Illinois** allots \$25M to the lodging industry
- **Prince William County** allots \$10M million to hospitality and tourism-related businesses
- **Wisconsin** allots \$75M to the lodging industry
- **District of Columbia Hotel Bridge Fund**  
Resulted in payments to hotels of approximately \$1,400 per room



# Extension of Debt Relief and Business Tax Incentives Benefitting Hoteliers

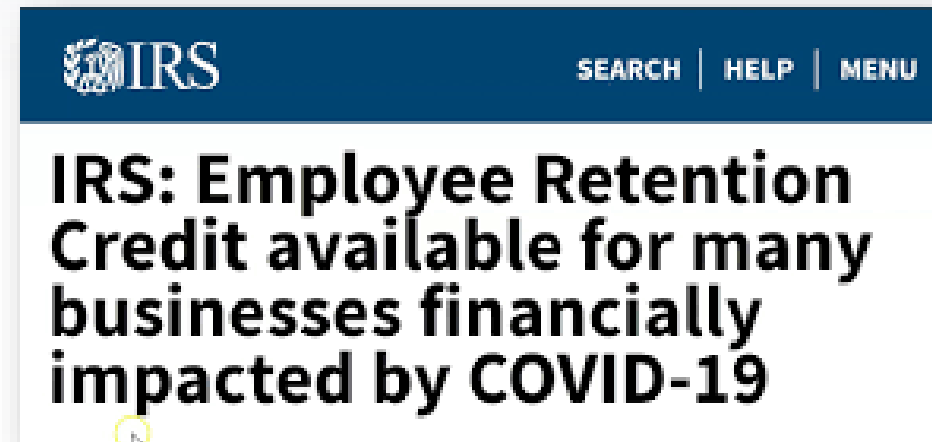
## Troubled Debt Restructuring

- Only 18% of hoteliers reported being able to get mortgage relief beyond the end of '20 before TDR was extended



## Employee Retention Tax Credit

- Up to \$7,000 per employee per quarter in 2021 for qualifying employers in refundable payroll tax credits





# The Bottom Line...

AHLA's Advocacy efforts have resulted in programs for the industry totaling nearly

**\$50 Billion**



# SAVE HOTEL JOBS ACT



Sen. Brian Schatz (D-HI)



Rep. Charlie Crist (D-FL-13)



## Supporting Hotel Workers Through Direct Payroll Grants.

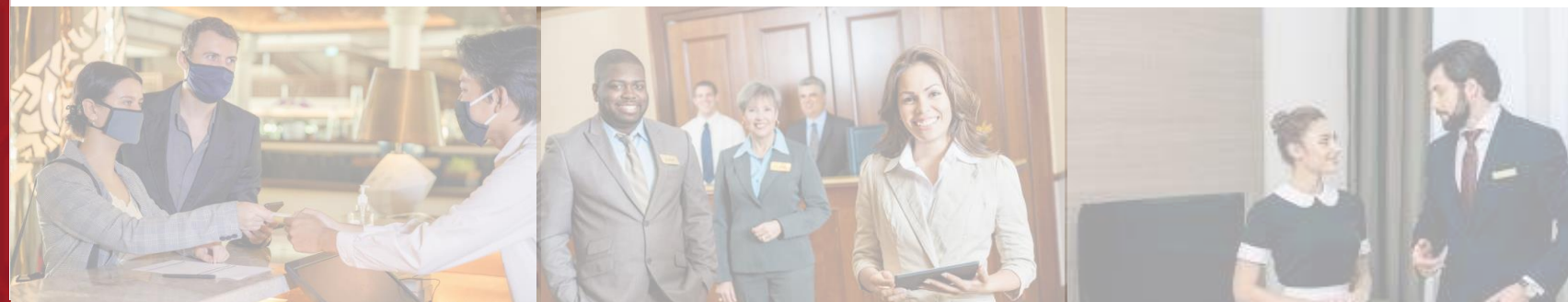


Grants = 3x monthly payroll and benefits expenses for workers



Grantees to give laid-off workers recall rights

*The Save Hotel Jobs Act provides grants to hotels that can demonstrate a loss of at least **40%** of gross receipts during a three-month period in 2020, compared 2019.*





# What's Next for H-2B Visas

22 (b) None of the funds made available by this Act may  
23 be used to process or approve any Application for Tem-  
24 porary Employment Certification for job opportunities in  
25 any industry that experienced an unemployment rate equal

1 to or exceeding 10 percent at any point between the date  
2 the petitioning employer submits its application to the Of-  
3 fice of Foreign Labor Certification and the preceding 12  
4 months.

✓ **Damaging H-2B Language  
removed in House  
Appropriations**



✓ **Temporary Increase  
in H-2b Visas for FY  
2021**



✓ **Bipartisan H-2B Returning  
Worker Legislation**



✓ **H-2A Definitional Change to  
Provide Cap Relief**



# Pushing Back Against Onerous Mandates

## NYC

- Requires hotels that don't reopen by October 11th, with 100 rooms or more to provide severance pay to hotel service employees
- Sunsets on June 1, 2022
- For hotel closures/mass layoffs: \$500 a week up to 30 weeks
- Litigation filed Oct. 8
- AHLA supporting efforts to overturn

## Washington, DC

- Daily room cleaning mandate
- Service disruption notification (à la NYC)
- Q1 '22 expected introduction
- Backed by Unite Here Local 25

## Los Angeles

- Housekeeping square footage limitations
- Potential ballot measure floated by Unite Here Local 11



*"Attacking hotels and their employees in the midst of the worst crisis the industry has ever faced is senseless in every way.*

*It is as if the Council has purposely set forth on a course to destroy the New York City hotel industry and the jobs it supports,"* **Chip Rogers, president and CEO of the American Hotel & Lodging Association**, said in a statement. *"We cannot find a more destructive policy anywhere else in the United States."*



*We're disappointed that the city chose to risk future tourism and our local economy by passing this legislation which forces hotels to pay money they do not have,"* **Vijay Dandapani, HANYC** said in a statement. *"Ultimately, this bill may force owners to close and leave New York altogether."*

# West Hollywood Ordinance Leads to Growing Concerns...

## Hotel Ordinance:

- Passed July 19<sup>th</sup>

## Key Provisions:

- Square footage cleaning limitations
  - 3,500 square feet for 40+ rooms
  - 4,000 square feet for 39 or less rooms
  - When housekeepers' work exceed limits, they must be paid double for entire shift – not just overtime hours
- Required employee education and training mandates
- Worker recall and retention mandates
- Personal security device mandates

## Cities with Square Footage Cleaning Limitations:

- Emeryville, Seattle, Long Beach, Oakland, Santa Monica, and West Hollywood

## Opposition Coalition:



## Support Coalition:



UNITE HERE Local 11



# Ensuring Fair Tax Treatment for Hotels



# Key Tax Provisions in Reconciliation

## PAY FORS

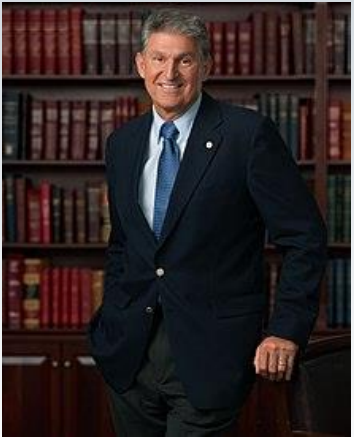
- ❑ Pass throughs bear brunt (23% of \$1.75T)
- ❑ Net Investment Income Tax (NIIT) up to 8%
- ❑ Capital Gains Rates to 25%-28%

## TAX PRESERVATION

- ❑ Preserves Like-Kind Exchanges
- ❑ Maintains step-up in basis
- ❑ No changes to Estate Tax
- ❑ Retains the small business deduction



# Important Issues to Watch For



## **Senator Manchin's Concerns:**

- Paid leave provision that provides up to 4 weeks of paid and medical leave
- Clean electricity program
- Further changes to the tax code



## **Senator Sinema's Concerns:**

- Hikes in the corporate rate to 28% and top marginal rates on the highest earners
- Prescription Drug provisions
- Proposed fees on oil and gas companies

# Tax Parity: Illegal Short-Term Rentals

## Short-Term Rental Tax Parity

- Short-Term Rentals platforms (Airbnb, etc.) do not enforce compliance of state & local taxes creating a significantly unfair competitive advantage
- According to *AllTheRooms*, there are over 2M active Short-Term Rentals in the U.S. generating \$31B vs \$118B from hotels





# Uniting The Industry on MAJOR Initiatives

# AHLA Evolves Safe Stay Guidance to Meet Guest & Employee Needs

## Safe Stay Accomplishments



## Future of Safe Stay

- Navigating employee vaccine requirement
- Monitoring emerging topics
- Continuing to communicate timely announcements and updates to AHLA members

# OSHA ETS on Employee Vaccinations



- By January 4<sup>th</sup>, employers with 100+ employees must require workers to be vaccinated or require unvaccinated employees to undergo weekly Covid-19 testing.
- By December 5<sup>th</sup>, employers must provide workers paid time off to get vaccinated or recover from any side effects from getting vaccinated.
- By December 5<sup>th</sup>, employers must know the vaccination status of their workers, ensure all unvaccinated employees are masked in the workplace and remove any employee from the workplace who receives a positive COVID-19 test.

## THE WALL STREET JOURNAL.

***Biden's Vaccine Mandate Means Millions of Workers Must Get Shots by Jan. 4 or Test Weekly***

## The Washington Post

***Federal Vaccine Requirement Released, In Ambitious OSHA Push To Increase Vaccinations***



# Industry Survey Underscores Labor Challenges: National Snapshot



## FRONT DESK FEEDBACK: NATIONAL LABOR CHALLENGES

**94%** of hotels are understaffed  
including 47% severely so

**96%** are unable to fill open positions

**59%** say housekeeping is the  
most critical need

**Nearly 7  
in 10** are investing in advertising

### Top Hiring Incentives

- Higher wages
- Greater flexibility with hours
- Increased benefits

# Growing & Developing a Diverse Workforce

- Launching national 'Hotels Are Hiring' ad campaign
- Creating industry-wide DE&I program
- Dispersing \$1 Million in scholarships to promising hospitality students
- Enrolling over 1,000 apprentices



# More Than Half a Million Employees Trained Through No Room for Trafficking Program



**TWO New Trainings announced for early 2022;  
donated by Marriott**





# Ways to Engage

# Register & Join Upcoming Events



THE FORUM™  
AN AHLA EXPERIENCE

SPEAKER SERIES

Fall 2021

Advancements in  
Technology & Innovation

Future of Business  
Travel

Hotel Investment Outlook



htng  
HT-NEXT  
2021


December 13-16  
Scottsdale, AZ



AHLA  
ON THE ROAD  
Hotel Conference Series

UPCOMING  
EVENTS

- 11/17 – California  
Hotel Conference:  
(CHLA)



AHLA 2022  
Stars of the  
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Awards

NEW YEAR.  
NEW STARS.

Sunday, January 23, 2022  
Los Angeles, CA



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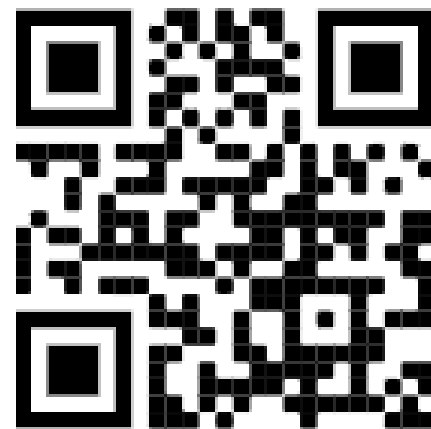
## HotelsAct.org



**Supporting  
HotelPAC  
Makes a  
Difference**



**Commanding Bipartisan Influence**



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