



COVID-19 RECOVERY GUIDE

Resources and Aid for Small Businesses



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This communication is for the general education and knowledge of our readers. Because all legal problems involve their own specific set of facts, this informational resource is not and should not be used as a substitute for independent legal advice. This informational resource also is not intended to create, and its receipt does not constitute, an attorney-client relationship. Please contact competent, independent legal counsel for an assessment of your particular legal concerns, or contact our Legal Hotline (212-626-7383 or <https://www.citybarjusticecenter.org/legal-hotline/>) to determine whether you qualify for assistance from the City Bar Justice Center.

Resources and Aid for Small Businesses

The City Bar Justice Center's Neighborhood Entrepreneur Law Project (NELP) launched the [COVID-19 Remote Small Business Legal Clinic](#) (CV-19 Clinic) in April 2020 and has since received over 1,400 requests for assistance. The CV-19 Clinic offers limited scope pro bono legal consultations to entrepreneurs and small business owners (with fewer than 100 employees) to help them understand and act upon options available under the federal government's COVID-19 stimulus packages and other opportunities available through federal, state and local programs. CV-19 Clinic consultations can also prepare clients to navigate broader legal issues arising from the COVID-19 pandemic. Areas of advice include: small business loans & grants, contracts & force majeure clauses, employment law matters, real estate and commercial leasing issues, and insurance matters. To participate in the CV-19 Clinic, you may submit a request for assistance by filling out our [online intake form](#). Qualified applicants can expect to be contacted by an attorney within one to two weeks depending on the nature of their issues.

Loans and Grants

There are several government-backed and privately funded resources available to small business owners in New York City who are struggling in the face of the COVID-19 global pandemic. We have gathered a list of such resources here and we are keeping the list updated to the best of our ability. However, please note that the landscape continues to change rapidly on a day-to-day basis, and you should always conduct your own further research.

The loan and grant funds included in this list are limited, and they typically will be issued on a first-come-first-serve basis. Eligible applicants should submit their requests for assistance as soon as possible, so as to ensure the best chance of receiving funds

1. Federal Government Loan and Grant Programs

The United States' Small Business Administration (SBA) is providing [disaster relief](#) funding in the form of low-interest loans provided for small businesses and non-profits.

[Paycheck Protection Program](#) (PPP): **PPP ended on May 31, 2021.** However, existing borrowers may be eligible for **PPP loan forgiveness** (see below).

[Paycheck Protection Program Loan Forgiveness](#): A borrower can apply for forgiveness once all loan proceeds for which the borrower is requesting forgiveness have been used. Borrowers can apply for forgiveness any time up to the maturity date of the loan. If borrowers do not apply for forgiveness within 10 months after the last day of the covered period, then PPP loan payments are no longer deferred, and borrowers will begin making loan payments to their PPP lender

- **First Draw PPP Loan Forgiveness Terms:** First Draw PPP loans made to eligible borrowers qualify for full loan forgiveness if during the 8- to 24-week covered period following loan disbursement:

- Employee and compensation levels are maintained
 - The loan proceeds are spent on payroll costs and other eligible expenses; and
 - At least 60% of the proceeds are spent on payroll costs
- **Second Draw PPP Loan Forgiveness Terms:** Second Draw PPP loans made to eligible borrowers qualify for full loan forgiveness if during the 8- to 24-week covered period following loan disbursement:
 - Employee and compensation levels are maintained in the same manner as required for the First Draw PPP loan
 - The loan proceeds are spent on payroll costs and other eligible expenses; and
 - At least 60% of the proceeds are spent on payroll costs
 - Step-by-step application instructions may be found [here](#).

[Economic Injury Disaster Loan \(EIDL\)](#): The SBA continues to accept new EIDL COVID-19 applications from qualified small businesses and U.S. agricultural businesses with 500 or fewer employees and private non-profits. The EIDL provides economic aid to businesses experiencing a temporary loss of revenue due to COVID-19. The Economic Aid Act extended the deadline to apply to December 31, 2021. However, applicants may continue to request additional funds even after the application deadline.

- EIDL proceeds may be used for working capital and normal operating expenses, such as continuation of health care benefits, rent, utilities, and fixed debt payments. Terms include 3.75% for businesses (fixed), 2.75% for nonprofits (fixed), 30 year maturity date and no pre-payment penalty or fees. Collateral is required for loans over \$25,000. The EIDL loan is not forgivable, although EIDL Advance grants are forgivable.
- [EIDL Advance](#): Is no longer available, as advance funds have been fully allocated. Note, however if you received an EIDL Advance, you will not have to repay those funds. If you also received a PPP loan, note that you are no longer required to deduct EIDL Advance funds from the PPP loan forgiveness amount.
- The new [Targeted EIDL Advance](#) program provides businesses located in [low-income communities](#) that can demonstrate a 30% reduction in revenue during an 8-week period beginning March 2, 2020 or later with additional funds up to \$10,000 to ensure small business continuity.
- The [Supplemental Targeted Advance](#) program provides a supplemental payment of \$5,000 that does not have to be repaid. Even if you have previously received the original EIDL Advance in the full amount of \$10,000, you may be eligible for the Supplemental Targeted Advance if you meet eligibility criteria. To be eligible you must be located in a low -income community, be able to prove more than a 50% economic

loss during an 8-week period beginning on March 20, 2020, or later and have 10 or fewer employees.

Some Targeted EIDL Advance applications have been denied or advanced funds have been returned by banks to the SBA, for additional information on how to address such issues, please see the SBA's webpage on the Targeted EIDL program [here](#).

[SBA Debt Relief](#): SBA will automatically pay 6 months of principal, interest, and any associated fees that borrowers owe for all current 7(a), 504, and Microloans in regular servicing status as well as new 7(a), 504, and Microloans approved as of September 27, 2020. The Economic Aid Act also authorized additional debt relief payments to 7(a), 504, and Microloans beyond the 6 month period stated in the CARES Act. The level of assistance will vary based on when the loan was approved and will begin on or after February 1, 2021. This relief is not available for Paycheck Protection Program loans or Economic Injury Disaster loans. For borrowers of current SBA Serviced Disaster Loans in "regular servicing" status as of March 1, 2020, the SBA is providing automatic deferments through March 31, 2021. Please visit the SBA Debt Relief [website](#) for more information about automatic deferral.

[The Shuttered Venue Operators Grant Program \(SVOG\)](#): Established to aid those venue operators in the hospitality and entertainment industry, whose main business is putting on performances and selling tickets to such performances. Application registration is now open. Please click the following [link](#) to apply.

- Eligible businesses include: live venue operators or promoters, theatrical producers, live performing arts organizations and operators, relevant museum operators, zoos and aquariums who meet specific criteria, motion picture theatre operators, and talent representatives, among others. An outline of all eligible businesses and the eligibility requirements can be found [here](#).
- The venue must have been in operation as of February 29th, 2020.
- Eligible applicants may qualify for grants equal to 45% of their gross earned revenue, with the maximum amount available for a single grant award of up to \$10 million.
- \$2 billion is reserved for eligible applicants with up to 50 full-time employees.
- Those who have already received the first or second round of PPP loans may still apply for this grant program; however, if PPP funds were received on or after 12/27/2020 the SVOG award will be reduced by the amount of the PPP loan.

- Grants will be awarded based on greatest economic loss and will be awarded according to the priority levels listed below:
 - First Priority awards will be given within the first 14 days to businesses that have suffered revenue loss of 90% or more between April 2020 through December 2020;
 - Second Priority awards will be given in the following 14 days to businesses that have suffered revenue loss of 70% or more between April 2020 through December 2020;
 - Third Priority awards will be given in the 14 days following the Second Priority period to businesses that suffered a revenue loss of 25% or greater in any quarter of 2019 compared to the same corresponding quarter in 2020.
- Should funds remain after First, Second and Third priority awards have been issued then there will be a period of supplemental funding available to the First, Second and Third priority grant recipients who also suffered a revenue loss of 70% or greater from the most recent calendar quarter (as of April 1, 2021 or later). Businesses will not have to submit a separate application for this period, but will be notified by “zero-dollar” place holders as to whether they would be eligible, should there remain funds after all other rounds of funding have been completed.
- For permitted uses of the funds, please click [here](#).
- The [application](#) opened on April 8, 2021, and a preliminary checklist can be found at the following [link](#). For more information regarding the overall application process, see the following [link](#).

[The Restaurant Revitalization Fund \(RRF\)](#) is no longer accepting new applications due to the overwhelming number of applications received.

2. State and Local Loan & Grant Programs

[New York State Covid-19 Pandemic Small Business Recovery Grant Program](#): The program was created to provide flexible grant assistance to currently viable small businesses, micro-businesses and for-profit independent arts and cultural organizations in New York that have experienced economic hardship due to the pandemic.

- To be eligible, your organization must have begun operation on or before March 1, 2019 and continue to be in operation as of the date of the application (may be shuttered due to COVID restrictions).
- Grant awards will be calculated on a business' annual gross receipts for 2019 and will be allocated as follows:
 - Annual gross receipts = \$25,000-\$49,999: **\$5,000/business**
 - Annual gross receipts = \$50,000-\$99,999: **\$10,000/business**
 - Annual gross receipts = \$100,000-\$500,000: **10% of gross receipts** (max grant is \$50,000)
- To apply, click [here](#).

[New York Forward Loan Fund \(NYFLF\)](#): The NYFLF provides working capital loans to small businesses and nonprofits, and certain small residential landlords, who did **not** receive an SBA PPP loan in excess of \$500,000 or an EIDL Loan for COVID-19 in excess of \$150,000 in 2020 and who have suffered a direct economic hardship as a result of COVID-19 social distancing policies and stay-at-home orders. To qualify:

- Small businesses must employ 50 or fewer employees and have gross revenues of less than \$5 million per year.
- Non-profits must employ 50 or fewer full time equivalent employees, be a 501(c)(3) or faith based organization providing direct services, and have an annual operating budget of less than \$5 million per year.
- Small residential landlords who are eligible must have residential buildings with 50 units or less, and loans will be prioritized to those landlords who have properties in low and moderate income areas.
- Small businesses can apply for no more than \$100,000, or up to 100% of average monthly revenues in any 3-month period from 2019 or the first quarter of 2020.
- Non-profits can apply for a loan for no more than 100% of the average monthly expenses in any 3-month period from 2019 or first quarter of 2020.
- Small residential landlords can apply for a loan no more than \$100,000 or the projected reduction in 6-months' net operating income based on actual reductions in net operating income for the month of April or May 2020. Small businesses and landlords will have a fixed annual interest rate of 3% on the loan, while non-profits will have a fixed annual rate of 2%.

Applications will be reviewed on a rolling basis as regions and industries reopen. Further information on qualifications, guidelines and loan terms can be found [here](#).

[Interest Rate Reduction Grant Program](#): This grant program will help reduce the interest expense owed on an existing loan with select Community Development Financial Institutions (CDFI). CDFI's focus on serving businesses that cannot easily access capital and creating opportunities that positively impact the communities they serve. SBS had partnered with 11 CDFIs who work primarily with Asian, Black, Latino, and immigrant business owners. See the link above for the list of participating CDFI's.

The [Citizens Committee for NYC](#) has developed the [Neighborhood Business Grants](#), which will award grants of up to \$10,000 to small businesses vital to their neighborhoods to maintain their payroll and operations. Priority will be given to businesses owned by people of color, immigrants and women that also have the greatest need and minimal access to resources, and that have modified their operations to remain open during the pandemic. Applications are being accepted on a rolling basis. Please note that applications are now closed and will re-open in Fall 2021.

3. Private Loan & Grant Programs

[One Fair Wage Emergency Fund](#) provides free cash assistance to restaurant workers, delivery drivers, and other tipped workers and service workers struggling amidst the coronavirus crisis. To apply for assistance see the following [link](#).

[Artist Relief](#) will distribute \$5,000 grants between now and June 23, 2021 to practicing artists facing dire financial emergencies as a result of the COVID-19 pandemic. Applications will be reviewed on a week-by-week basis and qualifying applications will be selected via a lottery process for funding each week. Artists who do not receive funding are invited to re-apply each month. To apply for the grant, submit your information through the [online application platform](#).

[The Coronavirus Financial Impact Loan Program](#) provides interest-free loans of up to \$7,500 to residents of New York City's five boroughs, Westchester, or Long Island who are facing financial challenges caused by the Coronavirus outbreak. These loans are intended to address lost wages, childcare costs, small business losses, and COVID-related medical costs. Coronavirus Financial Impact Loans are repayable in 20 monthly installments beginning July 2020. Income eligibility restrictions apply.

The [Harlem Entrepreneurial Fund \(HEF\) COVID-19 Small Business Recovery Loan](#) Program will provide loans for working capital and equipment purchases up to \$15,000 with an interest rate of 1% for a 5 year term with a 3 month deferment period. To be eligible, must be a small business located in NYC which has been in business for 3 months or more.

The Artwork Archives Art [Business Accelerator Grant](#): Application cycle is now closed.

The [KKR Small Business Builders](#) program will provide grants of up to \$10,000 to selected small businesses in the community. Eligible businesses include those businesses with 5 to 50 employees, less than \$7 million in annual revenue, which demonstrated need for support, provided a small plan for moving forward, and is in good standing with the IRS and their local regulatory body. The application is now open and eligible businesses can apply [here](#).

The [Black Founder Startup Grant](#) program from the SoGal Foundation and other sponsors provides grants of up to \$10,000 to Black women or non-binary entrepreneurs. To be eligible, the entrepreneur should identify as a Black woman or Black non-binary entrepreneur (inclusive of multiracial Black women and multiracial Black non-binary individuals). Eligible applicants must have a legally registered business, plan to seek investor financing in order to scale, now or in the future, and have a scalable, high impact solution or idea with the ambition to be the next billion dollar business. To apply, please sign up [here](#).

IFundWomen launched a [COVID-19 Relief Fund](#) that provides microgrants and free coaching to women-owned businesses affected by COVID-19. Grants are distributed on a rolling basis. For more information and to apply for a grant, please sign up [here](#).

Federal Income Taxes and the IRS

1. The IRS and the NYS Department of Taxation and Finance have extended the due date for personal income tax returns and related tax payments to May 17, 2021. This includes individual tax payers who pay self-employment tax. However, this does not apply to estimated tax payments for the 2021 tax year that are due on April 15th, 2021. For more info, go to [IRS.gov](#) and see the following [notice](#) from NYSDTF.
2. [IRS Employee Retention Tax Credit \(ERTC\)](#): is a refundable federal tax credit designed to keep employees on payroll. The refundable tax credit is available against certain employment taxes in 2020 equal to 50% of up to \$10,000 in qualified wages paid by an eligible employer whose business has been impacted by COVID-19.

In most cases, the ERTC must be claimed when filing quarterly taxes, and most companies will submit quarterly tax payments by the end of January 2021 for operations in Q4 of 2020 (ultimately, that will be the last chance for many companies to get the ERTC for 2020).

The December 2020 stimulus bill revised the rules around the PPP and ERTC so that businesses can take advantage of both. However, you cannot claim ERTC for the same wages you paid using the PPP loan program funds.

For 2021, the ERTC has been raised to 70% on \$10,000 of wages per quarter through all four quarters of 2021, raising the maximum amount to \$7,000 per employee per quarter for eligible businesses, which amounts to \$28,000 per year per employee. Businesses with up to 500 employees and a revenue decline of more than 20% may be eligible. Check the [IRS website](#) regularly for more information and see the following [IRS news release](#).

Guidance for Reopening Businesses and Other Resources

As businesses throughout New York prepare to reopen in phases there is [guidance available](#) to inform the public which phase NYC is in at the moment. Included under each phase is a list of industries that are allowed to open during the current phase. To help you determine whether or not your business is eligible to reopen, and the public health and safety standards with which your business must comply, you can use the [business reopening tool](#). The list is further broken down by industry, with specific guidelines for reopening and a [business safety plan](#) template that must be completed and retained on the premises of the business.

Stay up to date on rapidly changing business information related to COVID-19 by visiting nyc.gov/covid19biz.

Governor Cuomo has released the [NY Forward Guide to Reopening](#), as well as the [Regional Monitoring Dashboard](#), where individuals and small business owners can stay updated on restrictions in their areas of operation

[NYC Department of Small Business Services](#) has also compiled guidance and resources for businesses as they look to reopen in the coming weeks and is also providing free face coverings for businesses and their employees.

The U.S. Chamber of Commerce shared [informative graphics](#) based on the CDC's latest guidance for business and workers across the country. These can be shared on a business' website, social media, or among colleagues and employees.

The CDC published an [Interim Guidance Report for Business and Employers](#) which provides information on workplace recommendations, strategies for employers and employees, as well as important considerations during this period. The CDC also published [guidance](#) for cleaning and disinfecting public spaces, workplaces, businesses, and schools for reopening the country.

The Department of Labor published [Guidance on Preparing Workplaces for COVID-19](#) which provides recommendations intended to assist employers in providing a safe and healthful workplace. In addition to recommendations the guidance also provides descriptions of mandatory safety and health standards.

Facebook released a [Resource Hub](#) with toolkits and guides aiming to protect small businesses from current interruptions in both supply and demand.

Commercial Evictions & Foreclosures

1. NYS enacted the [COVID-19 Emergency Protect our Small Businesses Act of 2021](#), which extends the commercial eviction moratorium for small businesses with less than 50 employees, who can demonstrate a financial hardship, while also extending mortgage foreclosure protections for small landlords with 10 or fewer units, upon submission of a hardship declaration to the landlord, mortgage lender or the courts, if proceedings have already been initiated. These protections are extended through August 31, 2021.
 - Commercial tenants must fill out a “Commercial Eviction Hardship Declaration Form” (below) in order to have eviction proceedings held off
 - Please find the hardship declaration form in English [here](#).
 - Please find the hardship declaration form in Spanish [here](#).
2. NYC Council enacted the [COVID-19 Relief Package - Personal liability provisions of leases for commercial tenants impacted by COVID-19](#): This Local Law amends the administrative code of the City of New York, as it relates to the personal liability provisions of leases for commercial tenants impacted by COVID-19. The law temporarily prohibits the enforcement of personal liability provisions in commercial leases or rental agreements involving a COVID-19 impacted tenant. This would apply to businesses that were impacted by mandated closures and service limitations as per the Governor's Executive Orders and was set to expire on March 30, 2021.
 - Specifically, it covers (1) businesses that were required to stop serving food or beverages on-premises (restaurants and bars); (2) businesses that were required to cease operations altogether (gyms, fitness centers, movie theaters); (3) retail businesses that were required to close and/or subject to in-person restrictions; and (4) businesses that were required to close to the public (barbershops, hair salons, tattoo or piercing parlors and related personal care services). Threatening or attempting to enforce such a provision would also be considered a prohibited form of tenant harassment, possibly carrying with it a civil penalty, under NYC Administrative Code §§ 22-902 and 22-903.