Is your NYC small business...

# **Struggling to Pay Rent?**



On March 9, 2021, Gov. Cuomo signed the <u>COVID-19 Emergency</u> <u>Protect Our Small Businesses Act of 2021</u>, which may temporarily protect your business from eviction<sup>1</sup>.

## IF:

- 1. Your business:
- $\checkmark$  Is a commercial tenant;
- $\checkmark$  Has under 50 employees;
- $\checkmark$  Is located in New York;
- $\checkmark$  Is independently owned and operated; and
- $\checkmark$  Is not dominant in its field

2. <u>Your business suffered losses during the pandemic</u> and cannot pay rent due *AND* 

**3.** <u>Your landlord wants to sue for eviction</u> because of non-payment of rent or you remain in your space after the termination or expiration of your lease.

# THEN:



Your landlord **MUST** send you a <u>Hardship Declaration Form</u> and their mailing or email address together with any notice to you that is required prior to the filing of an eviction proceeding<sup>2</sup>. A copy is attached here.

The information provided here does not, and is not intended to, constitute legal advice. All information and content is for general informational purposes only.

1. The purpose of this law is to "hit the pause button on eviction [...] proceedings for small businesses that are struggling, giving them a shot at survival, and giving them the opportunity to get back on their feet without the looming threat of being closed down for good just because they've fallen behind during the pandemic." NYS Legislature

2. Your landlord must show the court proof of sending you the hardship declaration form and that you did not return it before starting an eviction proceeding. If the court determines your landlord failed to comply, it will pause the proceeding for at least 10 days and send you a hardship declaration form.

# WHAT ARE MY RIGHTS?



- If you return a completed form, your landlord <u>MAY NOT</u> begin an eviction proceeding before August 31, 2021.
- If your landlord started an eviction proceeding against you any time before April 8, 2021, the court will pause the proceeding for at least 60 days or enough time to send the Hardship Declaration Form to you<sup>3</sup>.
- Generally, landlords *MAY NOT* conduct self-help evictions without a court order before August 31, 2021.
- Even if you submit a Hardship Declaration Form, you likely still owe any unpaid rent due under your lease.

**NOTE:** Landlords may still seek to evict tenants who cause a nuisance in the building or a substantial safety hazard. There are, however, strict rules for how landlords can currently obtain an eviction in this case.

**NOTE:** The law provides small commercial landlords who own 10 or fewer commercial units with similar protections from having their property foreclosed on by their lender for not paying their mortgage. For more information on free legal help for commercial tenants:

- Call our Hotline at (347) 521-5729
- Email us at <u>lease@volsprobono.org</u>

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3. Even if an eviction warrant or judgment of possession has already been issued against you but has not been executed before March 9, 2021, the judgement will not be enforced until the court has conducted a status conference between you and your landlord to determine if you are suffering financial hardship.



#### **NOTICE TO COMMERCIAL TENANT:**

If you have lost significant revenue or had significantly increased necessary costs during the COVID-19 pandemic, and you sign and deliver this hardship declaration form to your landlord, you cannot be evicted until at least May 1, 2021 for nonpayment of rent or for holding over after the expiration of your lease. You may still be evicted for violating your lease by persistently and unreasonably engaging in behavior that substantially infringes on the use and enjoyment of other tenants or occupants or causes a substantial safety hazard to others.

If your landlord has provided you with this form, your landlord must also provide you with a mailing address and e-mail address to which you can return this form. If your landlord has already started an eviction proceeding against you, you can return this form to either your landlord, the court, or both at any time. You should keep a copy or picture of the signed form for your records. You will still owe any unpaid rent to your landlord. You should also keep careful track of what you have paid and any amount you still owe.

Index Number (if known/applicable):

County and Court (if known/applicable):

### **COMMERCIAL TENANT'S DECLARATION OF HARDSHIP DURING THE COVID-19 PANDEMIC**

I am the owner, chief executive officer, president, or similar officer of (name of business),

in which is a commercial tenant at (address of commercial unit).



My business is resident in New York state, independently owned and operated, not dominant in its field, and employs fifty or fewer persons. My business is experiencing financial hardship, and is unable to pay the rent or other financial obligations under the lease in full or obtain an alternative suitable commercial property because of one or more of the following:

- 1. Significant loss of revenue during the COVID-19 pandemic.
- 2. Significant increase in necessary expenses related to providing personal protective equipment to employees or purchasing and installing other protective equipment to prevent the transmission of COVID-19 within the business.
- 3. Moving expenses and difficulty in securing an alternative commercial property make it a hardship for the business to relocate to another location during the COVID-19 pandemic. To the extent the business has lost revenue or had increased expenses, any public assistance the business has received since the start of the COVID-19 pandemic does not fully make up for the business's loss of revenue or increased expenses.

I understand that the business must comply with all other lawful terms under its commercial tenancy, lease agreement or similar contract. I further understand that lawful fees, penalties or interest for not having paid rent in full or met other financial obligations as required by the commercial tenancy, lease agreement or similar contract may still be charged or collected and may result in a monetary judgment. I further understand that the landlord may be able to seek eviction after May 1, 2021, and that the law may provide certain protections at that time that are separate from those available through this declaration.

Signed:	
Printed name:	
Date signed:	

**NOTICE:** You are signing and submitting this form under penalty of law. That means it is against the law to make a statement on this form that you know is false.