

Delegation by Team Burlington in support of Motion 14.3 Resolution to participate in the Ontario-Canada Emergency Commercial Rent Assistance program (ADM-05-20)

Burlington's business organizations (Team Burlington) which include Burlington Chamber of Commerce, [Burlington Downtown Business Association](#), [Burlington Economic Development](#), [Aldershot Village BIA](#) and [Tourism Burlington](#) are taking a coordinated approach in engaging and supporting Burlington's business community. We are constantly monitoring developments with COVID-19 and the impact on the local business community and how we can support businesses through economic crisis and recovery.

From the onset of business closures as part of covid-19 measures by the government there have been significant impacts to Burlington businesses' ability to generate revenues and meet their ongoing business costs, including staffing and rent as major components. Local businesses have been able to mitigate expenses for variable costs, but are unable to change fixed costs such as rent. This means that despite revenue drops as significant as 40% for at least 1/3 of Canadian businesses ([Canadian Survey on Business Conditions: Impact of COVID-19 on businesses in Canada, March 2020](#)) their rent costs remain the same. According to the Federation of Canadian Independent Business (CFIB) ([COVID-19 State of Small Business Survey](#)) 32% of businesses are using personal savings and 34% are relying on credit cards to support the financial impacts of Covid-19 on small business.

A key role for Team Burlington has been advocating to the provincial and federal government from day one for support and relief on commercial rent. We welcomed the announcements of the Ontario-Canada Emergency Commercial Rent Assistance (OCECRA) program, which provides up to 75% rent relief for April, May and June for qualifying small business tenants.

To qualify for CECRA for small business tenants, the commercial property owner must:

1. own commercial real property which is occupied by one or more impacted small business tenants
2. enter (or have already entered) into a legally binding rent reduction agreement for the period of April, May and June 2020, reducing an impacted small business tenant's rent by at least 75%
3. ensure the rent reduction agreement with each impacted tenant includes:
 - a. a moratorium on eviction for the period during which the property owner agrees to apply the loan proceeds, and
 - b. a declaration of rental revenue included in the attestation.

CECRA for small businesses doesn't apply to any properties owned by the federal, provincial, or municipal governments.

Local businesses including both landlords and tenants have reported significant concerns with both the administration of the program and the speed at which small business are able to access the program with applications going live on May 25th - over 2 months since closures of

non-essential businesses were announced. The onus on the eligibility and administration of the program by landlords also places limits on the ability of small business tenants to benefit from the program. A recent survey of local businesses undertaken, which included both landlords and tenants, by Team Burlington indicated that 100% of business considered rent a major concern, 67% would like to access the program, only 42% were eligible and 67% felt they didn't have enough information to use the program.

Team Burlington, consistent with recommendations from the Ontario Chamber of Commerce (OCC), Canadian Chamber of Commerce (CCC) and Ontario Business Improvement Area Association (OBIAA), continues to advocate for amendments to be made to the eligibility criteria and administration of the program. To advocate on behalf of the Burlington business community, Team Burlington has penned an advocacy letter to Premier Ford and PM Trudeau regarding the effectiveness of the Ontario-Canada Emergency Commercial Rent Assistance Program (OCECRA) to assist property owners and tenants in escalating their concerns to senior levels of government. The letter highlights problems related to the current program's eligibility criteria and the administrative complexity and burden on the applicants. Affected Burlington businesses are encouraged to [download the advocacy letter here](#) (also included as appendix 1 to this delegation) add their signature to the document and place on company letterhead. The completed letter should be returned asap to info@burlingtonchamber.com. The Chamber of Commerce will forward copies to the Office of the Premier, the Office of the Prime Minister and all Provincial and Federal Ministers and representatives noted on the correspondence. We feel this advocacy package in conjunction with this resolution of council will send a strong message to the provincial and federal governments to advocate for changes to the Ontario-Canada Emergency Commercial Rent Assistance program that will allow more Burlington businesses to benefit from the program.

May 21, 2020

Premier Doug Ford
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Prime Minister Trudeau
Office of the Prime Minister
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Regarding: **Ontario-Canada Emergency Commercial Rent Assistance Program (OCECRA)**

At the end of April, the Federal and Ontario governments unveiled a rent relief initiative for small businesses and their landlords through the Ontario-Canada Emergency Commercial Rent Assistance Program (OCECRA). The OCECRA aims to provide forgivable loans to eligible commercial property owners who experience potential rent shortfalls where their business tenants are being heavily impacted by the COVID-19 crisis.

While the program is intended to provide small business tenants and landlords with up to a 50% rental subsidy that is to be cost shared by the provincial and federal government, **serious concerns exist about the effectiveness of this program related to eligibility criteria and the administrative complexity and burden on the applicants.** Because many landlords and tenants will not be able to access and benefit from the current rent relief program, it is not meeting the urgent need that exists for immediate and broad-sweeping rent relief to ensure the short and long-term viability of Ontario's economy.

Business rent remains a predominant and urgent concern for most small and medium-size businesses; without an accessible and responsive solution that provides for immediate relief from commercial rental payments, many businesses will be forced to permanently cease operations *before* recovery can begin.

On behalf of the undersigned business, we urge the Province of Ontario and Government of Canada to immediately adjust the current OCECRA program to ensure broader eligibility and ease of access to much needed funding to offset the economic hardship of business rental payments in order to directly assist commercial tenants and landlords.

Respectfully Submitted,

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Title

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