

NOTICE OF MOTION

Continued Support for Small Business: Requesting an Extension for the Federal CEBA Loan Repayment Deadline

Moved by: Councillor Paula Fletcher

Seconded by: Councillor Alejandra Bravo

SUMMARY:

At the February meeting, City Council made changes to the CafeTO program to ensure small businesses, who are still recovering from the pandemic, could continue to enrol in the program.

The motion also requested the "Federal Government extend the deadline to repay the Canadian Emergency Business Account loans beyond December 2023."

The Canadian Emergency Business Account (CEBA) was an important lifeline for many businesses who found themselves suddenly unable to remain open or provide services as normal. The Federal Government announced that in order to receive \$20,000 of forgiveness on their loans, businesses are required to pay back the full amount of their loans by December 2023.

The Broadview-Danforth BIA in conjunction with TABIA recently conducted a survey of nearly 500 businesses regarding the Canada Emergency Business Account repayments which found that 97% of respondents indicated that repayment deadline will adversely affect their business. Over 74% of businesses stated that they will be forced further into debt under the current repayment plan, and 41.4% fear that it will force them to close the business and 3 out of 4 businesses who were in operation before COVID declared that are below 75% of pre-pandemic sales.

Offering small businesses a multi-year repayment plan would alleviate the pressure that many of them are experiencing due to the looming repayment requirement.

RECOMMENDATIONS:

1. City Council request the Federal Government to create a multi-year, no interest, repayment plan for small businesses who received the Canada Emergency Business Account.
2. City Council request the Federal Government to forgive \$20,000 for businesses who participate in the multi-year repayment plan.
3. City Council direct the City Clerk to forward this decision of Council to all Toronto area MP's.

May 10th, 11th & 12th 2023