
City Council

Notice of Motion

MM6.1	ACTION			Ward: All
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Supporting Small Businesses: Calling on the Federal Government to Forgive a Portion of the Canada Emergency Business Account Loans - by Councillor Paula Fletcher, seconded by Councillor Alejandra Bravo

** Notice of this Motion has been given.*

** This Motion is subject to referral to the Economic and Community Development Committee. A two-thirds vote is required to waive referral.*

Recommendations

Councillor Paula Fletcher, seconded by Councillor Alejandra Bravo, recommends that:

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 agree to the multi-year repayment plan.
3. City Council forward this Item to all Toronto area Members of Parliament.

Summary

The Canada Emergency Business Account was an important lifeline to many businesses who found themselves suddenly unable to be open or provide services as normal.

The Federal Government has announced that businesses are required to pay back the full amount of their loans by December 2023 in order to receive \$20,000 of forgiveness.

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

City Council has made a number of changes to how the City operates in recognition of the need to support post-pandemic recovery for local businesses. Offering small businesses a multi-year repayment plan would alleviate the pressure that many of them are feeling due to the looming repayment requirement.

Background Information (City Council)

Member Motion MM6.1