

The Regional Municipality of Durham

Office of the Regional Chair

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**John Henry** Regional Chair and CEO April 24, 2020

Rt. Hon. Justin Trudeau Prime Minister House of Commons Ottawa, Ontario K1A 0A6

Hon. Doug Ford Room 281 Legislative Building, Queen's Park Toronto,ON M7A 1A1

Dear Prime Minister Trudeau and Premier Ford:

## Re: Support for Small Business

On behalf of the Region of Durham, I thank you both for your leadership, support, and decisive actions to mitigate the unprecedented economic impacts of COVID-19. This letter is to share the feedback that I have received from the Durham Economic Task Force (DETF) and respectfully request that you each consider further actions to support small businesses.

The DETF is composed of Durham Region's Economic Development team; all eight local municipalities; all of Durham's Chambers of Commerce and Boards of Trade; BIAs, and the Business Advisory Centre of Durham. Combined, the task force represents the voices of over 12,600 businesses in the region.

The DETF has consulted with partners and thousands of businesses across the region and has identified specific gaps in the ability of small businesses and small business owners to access funding programs and meet their cash flow needs.

We applaud the recent announcements, including the Canada Emergency Commercial Rent Assistance (CECRA) program. Today's announcement is most welcome news for the small business community. We also appreciate that your government recognizes that some small businesses still do not qualify for

certain support programs and as a result, they are not receiving the help they need. We understand that you continue to work to address this.

For many small businesses, there is urgency to ensure that help is provided quickly to those without the necessary cash flow to meet current obligations.

To address the gaps in support for small businesses, the Durham Economic Task Force recommends that:

- 1. While the CECRA is being implemented, the federal government consider a temporary ban on all commercial evictions.
- 2. The federal government review and refine eligibility requirements for programs. For example:
  - Permit the combination of draw, dividend and payroll to account for the \$20k payroll requirement, to include thousands of businesses that currently do not qualify for the Canada Emergency Business Account. This change would enable support for very small corporations and sole proprietors.
  - Explore options to allow a business owner, who has stepped into the role
    of a staff member that is not working as a result of COVID-19, to use that
    staff member's wage as a baseline remuneration value to qualify for the
    Canada Emergency Wage Subsidy.
  - Ensure business owners, who do not pay themselves and cannot meet the \$5,000 income requirement, are eligible for the Canada Emergency Response Benefit.
  - Permit business owners to use RRSP withdrawals or drawings to qualify for Canada Emergency Response Benefit if the business is less than 5 years old and still reporting a loss.
- The federal government encourage banks, credit card companies and credit unions to apply interest relief on commercial mortgage deferrals, commercial credit card loan principal, and other commercial loans to support business recovery.
- The Ontario Together portal prioritizes businesses that are retooling and / or making medical supplies, to ensure they are connected to customers for their products.
- 5. Funding for Digital Main Street and similar programs be advanced immediately to facilitate the transition by small businesses to digital and eCommerce business models.
- 6. The South Lake Community Futures Development Corporation borders be expanded to include the Townships of Scugog and Uxbridge, to ensure that businesses in those communities have access to the additional credit recently made available through the Community Futures Network.

7. Federal and provincial broadband infrastructure funding for projects in Durham's rural and underserved areas be expedited, so that small rural and agri-food businesses can more quickly transition to online business models.

It is critically important to the businesses of Durham that the conditions and criteria for the step-by-step reopening of the economy be shared as soon as possible, along with the metrics and tracking data for these criteria, so that the information can be used by municipalities and small businesses to plan for a return to operations.

The urgency to act on behalf of small business cannot be over-emphasized. Your quick, coordinated action and support will help to ensure the economy resumes as effectively and efficiently as possible.

On behalf of the DETF, thank you for your resolve during these difficult times. We look forward to working with you as full partners in recovery in the weeks and months to come.

Sincerely,

Original signed by

John Henry Regional Chair and CEO