

From: [Philip Kocev](#)
To: [councilmeeting](#)
Cc: [Councillor Fletcher](#); [Susan \(Danforth BIA\) Puff](#); [Albert Stortchak](#); [Amr Elimam](#); [Toby Carrel](#); [shanqualityoptical@gmail.com](#); [Cameron Wright](#)
Subject: [External Sender] My comments for 2023.MM6.1 on May 10, 2023 City Council
Date: May 10, 2023 1:37:28 PM
Attachments: [BDBIA Survey 2023 FINAL.pdf](#)
[CEBA Loan Repayment Survey Results 20230329\[1\].pdf](#)

To the City Clerk:

Please add my comments to the agenda for the May 10, 2023 City Council meeting on item 2023.MM6.1, 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

I understand that my comments and the personal information in this email will form part of the public record and that my name will be listed as a correspondent on agendas and minutes of City Council or its committees. Also, I understand that agendas and minutes are posted online and my name may be indexed by search engines like Google.

Comments:

Dear Mayor and Councillors,

As a board member and Treasurer of the Broadview Danforth BIA who has been advocating for small businesses throughout the pandemic, I see the struggle many of these businesses are still facing. There appears to be a sense across levels of government that the pandemic is over and business is back to normal. But this is far from reality as many small businesses have accumulated a large amount of debt throughout the pandemic and have been unable to pay themselves in order to keep their businesses afloat, let alone repay debt they have accumulated as a result of the pandemic.

Our BIA recently conducted a survey across the cities BIA's about the repayment of CEBA that produced some alarming results, including:

- 97% of respondents indicated that the repayment deadline will adversely affect their business
- 77% indicated it will take more than 3 years to pay back the loan
- 74% stated that they will be forced further into debt under the current repayment plan
- 41% fear that paying back CEBA will force them to close the business
- 39% said they will have to lay off staff

Our press release and survey results are attached.

Many of these businesses will be forced to take on more debt to meet the December deadline and qualify for the \$20,000 in promised CEBA debt forgiveness. Others not able to pay in time will not only lose out on the \$20,000 in debt relief but also be charged interest on their CEBA loan.

Small businesses are the lifeline of our neighbourhoods, and they need to know the city has their

support! Please support Councillor Paula Fletcher's motion 2023.MM6.1.

Thank you,

Philip Kocev
Board Member & Treasurer, Broadview Danforth BIA
Broker & Managing Partner, iPro Realty Ltd.



BROADVIEW DANFORTH BIA RELEASES CEBA LOAN REPAYMENT SURVEY RESULTS

**97% of respondents indicated that repayment deadline will adversely
affect their business**

For Immediate Release

April 11, 2023 - TORONTO - The **Broadview Danforth BIA** released the results of a survey today outlining the impact that the December 2023 CEBA Federal Loan repayment will have on small businesses across the city after an already devastating pandemic. Almost 500 small businesses in the GTA participated in the survey coordinated by TABIA and the Broadview Danforth BIA.

Businesses who repay their loan by December 31, 2023 will be eligible for up to a \$20,000 forgiveness, those who do not will have to repay their entire loan amount with interest (calculated beginning on January 1, 2024). Businesses across the City of Toronto and beyond have been expressing concern that their post-COVID financial recovery has been challenging and slow. This is leading to a high level of stress and anxiety about making the repayment deadline.

“This increasing level of concern led us to partner with TABIA (Toronto Association of BIAs) to conduct a city-wide survey of businesses to get information on their current financial situations,” said **BIA Board Treasurer Philip Kocev**. “The results clearly indicate that the majority of businesses will be negatively impacted if changes are not implemented before the December repayment date. We implore the government to reconsider the current plan.”

“The results of this survey clearly show that many small businesses are still struggling from the impacts of the pandemic,” said **Paula Fletcher, Councillor for Toronto Danforth**. “They also show that many businesses will be forced to take on further debt to make the Federal Government’s current CEBA deadline. I will be asking City Council at our next meeting to request that the federal CEBA loan repayment deadline be extended. I have shared the survey results with my City Council colleagues and will ask them to support this request.”

Some insights from the survey are highlighted below:

- 97% of respondents indicated that the 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
- 3 out of 4 businesses who were in operation before COVID declared that they are below 75% of pre-pandemic sales

The survey results have prompted the Broadview Danforth BIA to ask the Federal Government to review the current repayment plan and consider the following potential alternatives:

- 1) Create a multi-year no interest repayment plan which begins this December and continues for the next 2 to 3 years.
- 2) Consider a blanket forgiveness plan for the \$20k if businesses begin a multi-year repayment plan this December. The forgiveness of this \$20k portion for all CEBA recipients would be an investment by the Government in the Canadian small/medium business sector - a very tangible show of support for the rebuilding of businesses’ financial security during this post-COVID recovery period.

The full report can be viewed by clicking [here](#).

About the Broadview Danforth BIA

The Broadview Danforth BIA boasts over 350 shops, restaurants and services along Danforth Ave. from Broadview Ave. to Hampton Ave. and along Broadview Ave. north to Pretoria Ave., and south to Dearborne Ave. The BIA works to promote and provide an urban destination neighbourhood for delicious food, entertaining theatre, lively pubs, romantic cafés and distinctive shops and services.

For more information and all media inquiries, please contact:

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CEBA Loan Repayment Survey Results

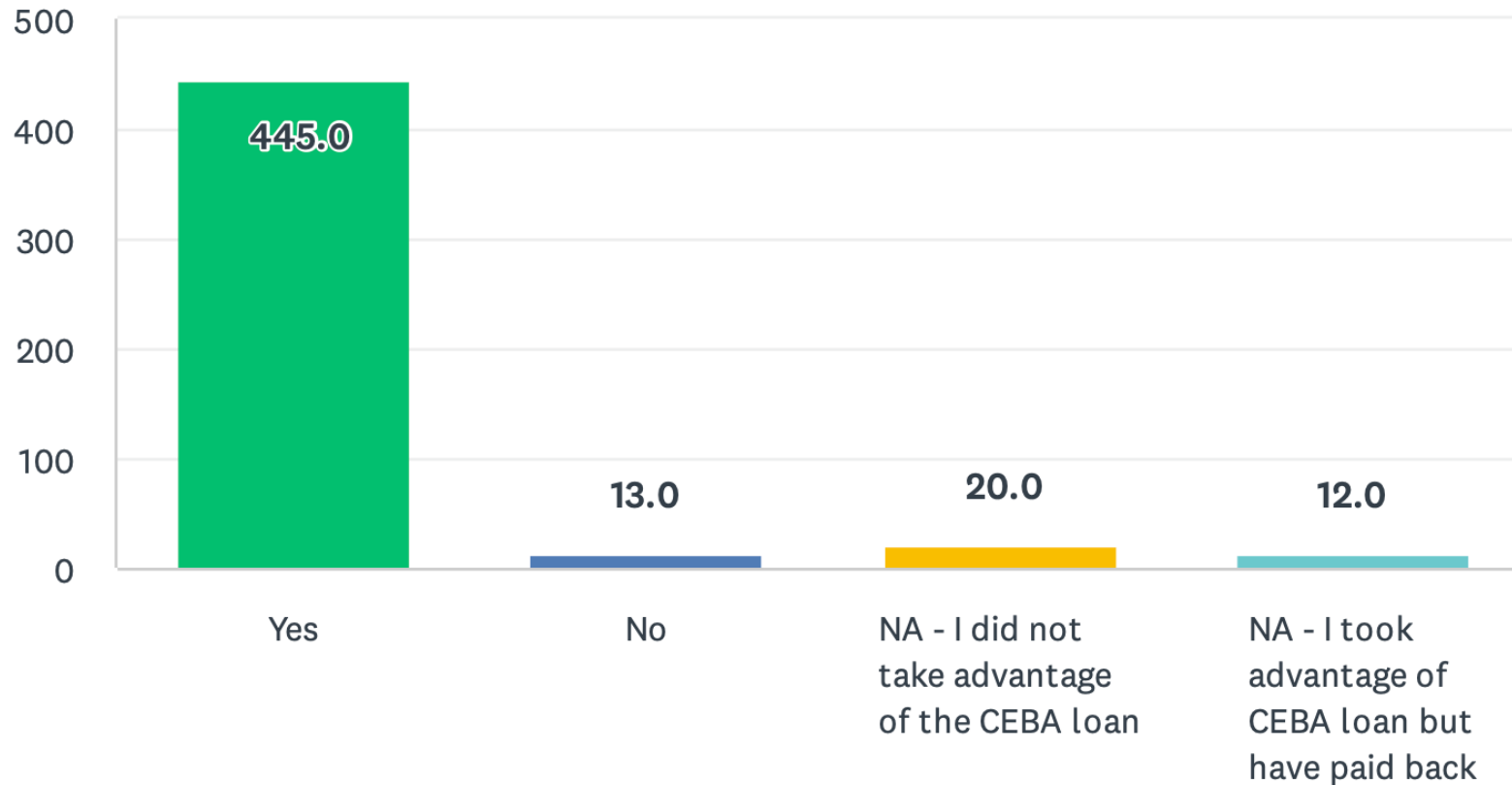
Results as of Monday March 27th, 2023

490 small businesses responded across Toronto

Survey Conducted by the City of Toronto Business Improvement Areas
(Coordinated by TABIA & the Broadview Danforth BIA)

CEBA Loan Repayment Survey Results

Will the CEBA loan repayment impact your business?

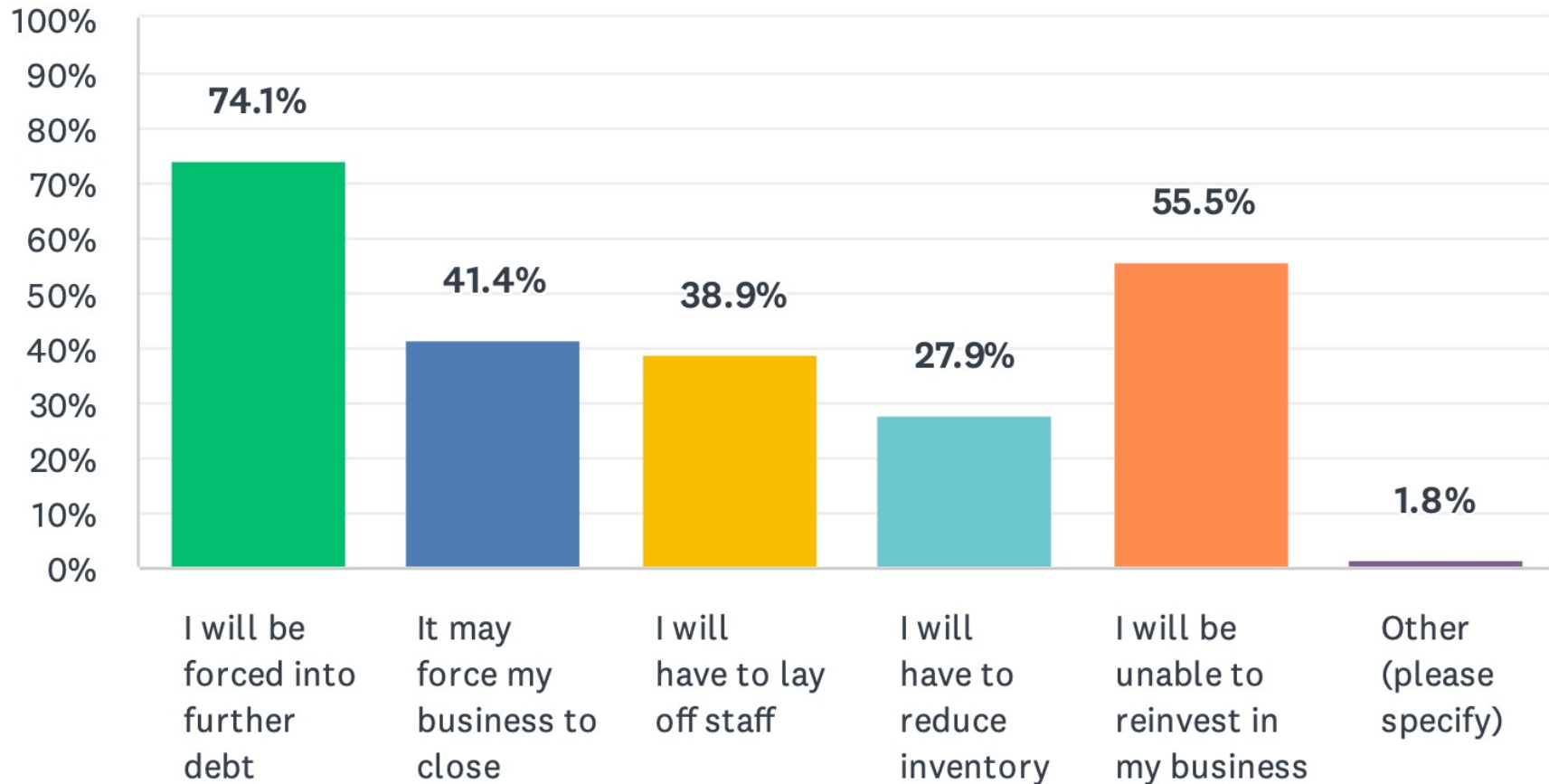


97% of businesses who currently have a CEBA loan indicate that a repayment will impact their business.

(excludes those who did not take the loan and those who have already paid it back)

CEBA Loan Repayment Survey Results

If yes, how will repaying the CEBA loan impact your business?

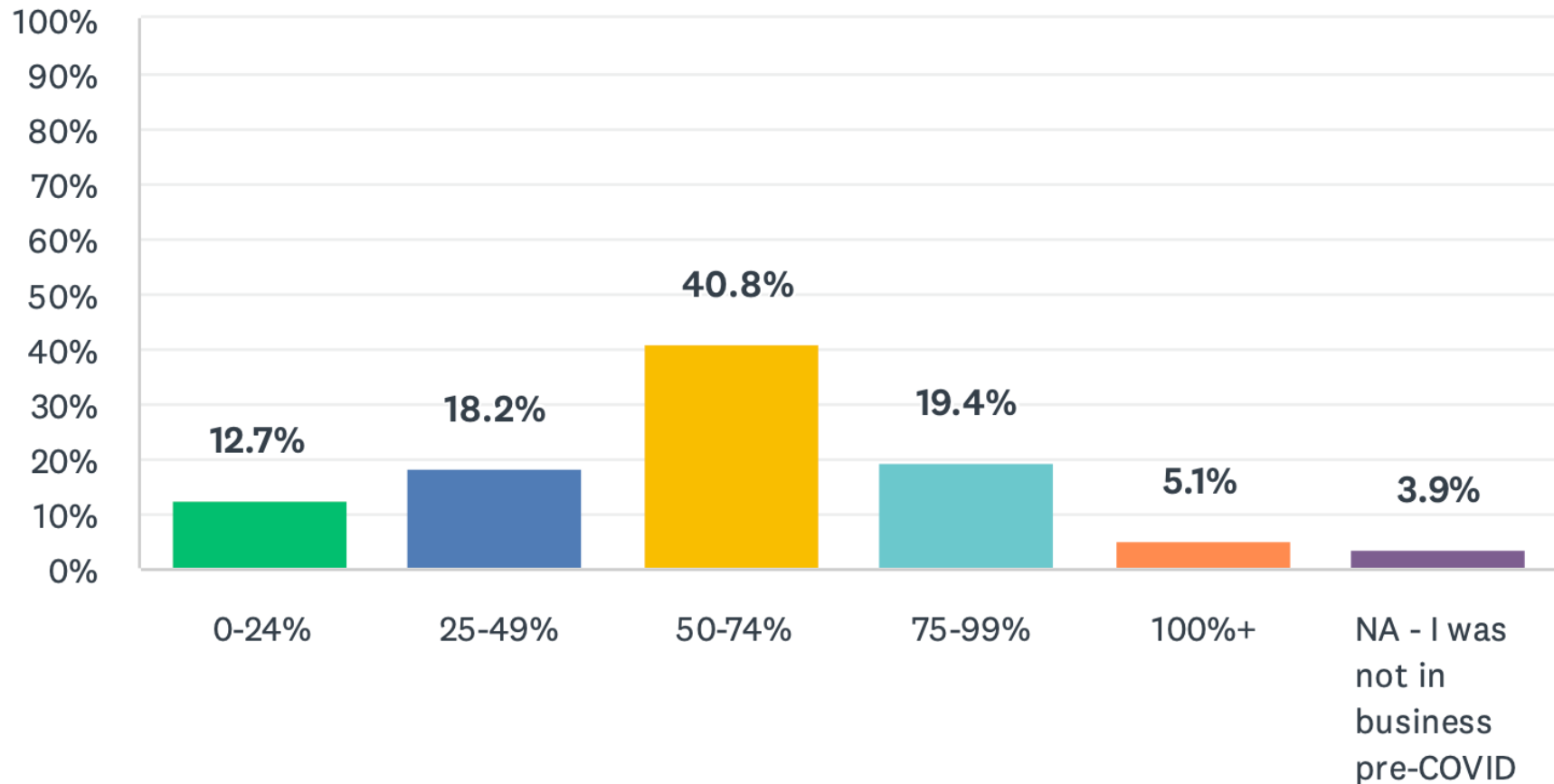


Restaurants only: May be forced to close increases to 46% and layoff staff increased to 48%

Other comments: Reduce staff hours, bankruptcy, limit staff raises, risk of eviction

CEBA Loan Repayment Survey Results

At what level are your current sales compared to your pre-covid sales?

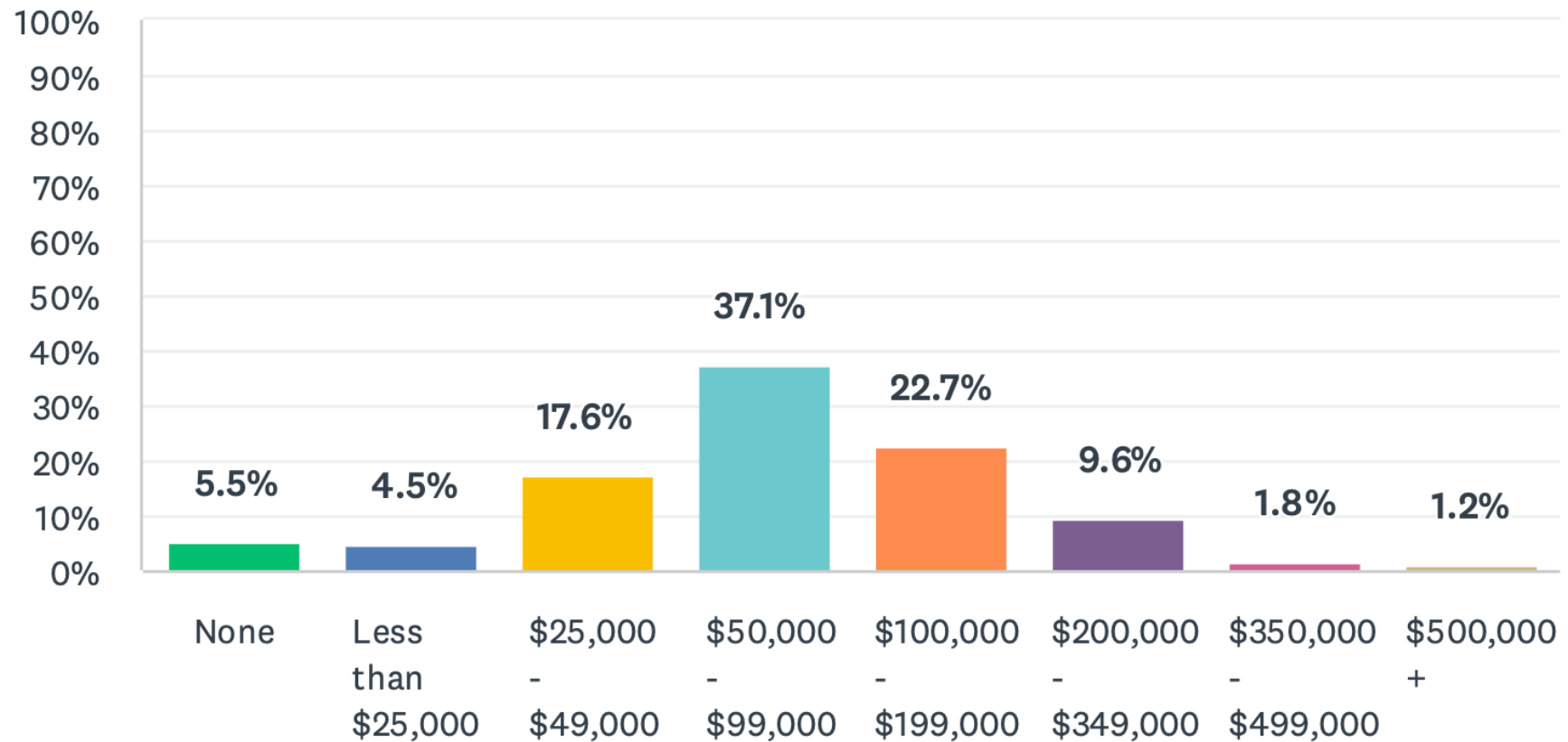


3 out of 4 businesses who were in business pre-COVID indicate they are below 75% of their pre-COVID sales

(excludes the 19 NA responses who were not in business pre-COVID)

CEBA Loan Repayment Survey Results

How much debt have you taken on as a direct result of COVID?

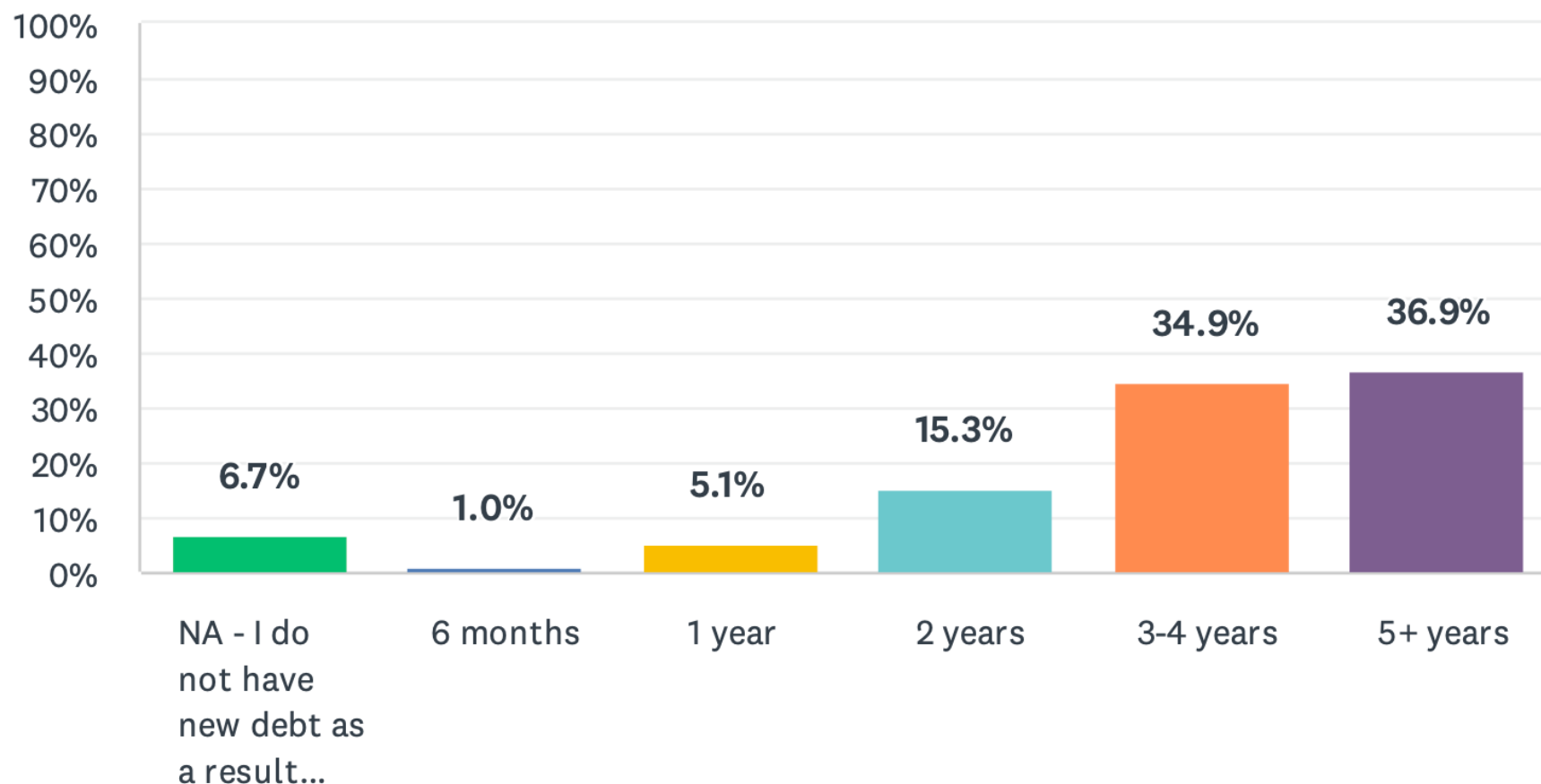


72.4% of businesses have taken on \$50,000+ debt (79.3% restaurants only)

35% of businesses have taken on \$100,000+ debt (39.9% restaurants only)

CEBA Loan Repayment Survey Results

How long do you think it will take you to repay the debt you have taken on as a result of COVID?



77% of businesses who have taken on additional debt as a result of COVID indicate it will take more than 3 years to repay it.

(excludes the 33 NA responses who do not have new debt as a result of COVID)

CEBA Loan Repayment Survey Results

General Commentary

The results of this survey show that business owners are not in a secure enough financial position to meet the Federal Government's current December 31, 2023 deadline to repay the CEBA loan and have access to the \$20k forgiven portion.

Business owners are asking the Federal Government to review the current repayment plan and consider the following as potential alternatives:

- Create a multi-year no interest repayment plan which begins this December and continues for the next 2 to 3 years.
- Consider a blanket forgiveness plan for the \$20k if businesses begin a multi-year repayment plan this December. The forgiveness of this \$20k portion for all CEBA recipients would be an investment by the Government in the Canadian small/medium business sector – a very tangible show of support for the rebuilding of businesses' financial security during this post covid recovery period.

The following are a sample of comments that businesses provided at the end of the survey which provide personal insights on the current state of Canadian small/medium businesses:

- If this debt cannot be forgiven, maybe more of a grace period for repayment could be offered. Continuing business post pandemic is almost as much of a struggle as being in pandemic.
- From a policy perspective, the cost of support services for individuals laid off due to CEBA repayment (including business owners) will end up costing more than loan forgiveness.

CEBA Loan Repayment Survey Results

Commentary Continued

- The CEBA loan was extremely helpful, but the conditions to pay it off were designed with a much shorter length of time expected for shutdowns. The amount of debt taken on has grown considerably and thanks to inflation, business margins have become slimmer than ever. Paying off CEBA as of Dec 31, would basically drain me of all assets and seriously compromise my ability to operate if facing any sort of crisis or financial shortfall
- We want to pay back the debt slowly with no interest (installment).
- I will be borrowing money at a high interest rate from a non-bank lender to pay off the \$40k unforgiven CEBA loan by December 31 in order to qualify for the \$20k portion that is forgiven. Otherwise I will owe the full \$60k at 5%. I need time or full forgiveness.
- Considering the government just gave 76 million to the airlines for people having grievances with luggage...this will force many to close or let go of staff.
- I think that small business is at the end of the food chain so to speak. The businesses that provide services to us (accountant, lawyer, insurance etc) never took a hit. In fact they increased prices. Everyone along the chain should carry some of the burden. I feel that we have been left to pay off enormous covid debts while the rest of the world has just moved ahead and forgotten about us (conveniently)

Additional comments are included in the attached addendum.