

May 11, 2020

Premier of Ontario
Legislative Building
Queen's Park
Toronto, ON M7A 1A1

Re: Providing Further Rent Relief for Commercial Tenants

Dear Premier Ford,

Thank you for your continued leadership to support both employers and employees as they experience economic disruption related to COVID-19. As the situation continues to evolve, the Ontario Chamber of Commerce (OCC) is taking concerns from the business community and communicating them to all levels of government.

I am writing to ask you to consider working with the federal government to make amendments to the recently announced Ontario-Canada Emergency Commercial Rent Assistance (OCECRA) program. We believe the measures outlined below can help provide immediate rent relief to businesses, better align incentives between commercial tenants and landlords, and reduce barriers for landlords to participate in the program.

Reduce the 70 percent threshold to 30 percent. Broadening the eligibility criteria to include tenant businesses and not-for-profits that have experienced significant revenue losses that are greater than 30 percent will help ensure that businesses who have managed to remain open, but still have significantly less revenues than before, will be eligible to qualify. This would also align eligibility criteria with the Canada Emergency Wage Subsidy program.

Expand the criteria to allow landlords of un-mortgaged properties to qualify for the program. The current program is only available to landlords of properties that have a mortgage. This excludes a significant portion of Ontario's landlords and puts their commercial tenants in greater jeopardy of being evicted and going into bankruptcy.

Provide clarity on what "ultimate parent level" means. Details surrounding the current program suggest that a tenant could "generate no more than \$20 million in gross annual revenues, calculated on a consolidated basis (at the ultimate parent level)". This clarification is most pressing for the franchised business community in Ontario, that operates 35,000 franchised business locations and employs 772,000 Ontarians. We believe that the definition of "ultimate parent level" should refer to the franchisee as they are the owners and operators of their business. We also believe increasing the cap from \$20 to \$40 million would allow Ontario's medium-sized enterprises to access the program.

Inclusion of "Dark Sites" in the program. There are many businesses around Ontario that leased space and were in the process of renovating with plans to open in the spring. Unfortunately, these businesses were unable to open and are currently not eligible for any of the support programs because they are pre-revenue. We believe the program should be amended to include businesses that have leased a site and taken possession before March 15, 2020.

Other recommendations we would like for you to consider are:

- Allow tenants to apply for the program in conjunction with landlords so that tenants can help drive the process and reduce the administrative burden on landlords.
- Consider the implementation of a rental rebate program in which landlords can be reimbursed for expenses they have personally incurred as a result of participation in the OCERCA program.
- Institute a temporary moratorium on commercial rent default evictions regardless of whether they are participants in the OCECRA program. The moratorium will help create more of an incentive for landlords to participate in the program and negotiate a mutually agreeable commercial rent agreement with their tenant.
- Temporarily suspend the vacancy rebate that municipalities have in place for landlords that have vacant properties and who have not participated in this program. This rebate is providing a further incentive for landlords not to participate in this program.

The OCC [supports measures](#) that encourages corporate landlords to set up relief funds for their commercial renters and providing landlords appropriate access to small business aid packages so that they are better able to cancel or defer rents for those tenants who cannot pay. We also [encourage](#) the leveraging of existing financial credit structures to offer forgivable loans to meet costs associated with commercial leases for the duration of COVID-19 containment measures.

Public health and safety are priorities for all Ontario businesses. We will continue to monitor and assess new developments pertaining to COVID-19 closely and work with our members, partners, and all levels of government to provide support to Ontario business.

Sincerely,



Rocco Rossi
President and CEO
Ontario Chamber of Commerce

Cc: Hon. Rod Phillips, Minister of Finance; Hon. Steve Clark, Minister of Municipal Affairs and Housing