Kyle Seeback frustrated with lack of support for small businesses

Written By ALYSSA PARKHILL

Dufferin-Caledon MP Kyle Seeback is frustrated by the lack of support being afforded to small business owners during the COVID-19 pandemic.

In a recent interview with the Free Press, Mr. Seeback criticized the Canada Emergency Commercial Rent Assistance (CERCA) program, contending it should do more to protect business owners who aren't able to fully operate, yet are expected to keep up rent payments throughout the ongoing crisis.

The program was first announced more than two months ago, with the federal and provincial governments joining forces, committing $900 million towards rent relief measures in Ontario. The program would see the government covering 50 percent of a tenant's rent, with the tenant required to pay an additional 25 percent. Essentially, property owners were expected to take a 25 percent hit on the rent they were originally supposed to receive.

CERCA was launched on April 24 and is intended to provide relief to tenants through to the end of June.

While the initiative has been lauded in some parts, many landlords and tenants see it as more of a burden than a gift.

Mr. Seeback says several landlords have reached out to him expressing concern over the difficulties they've had in applying for the program, while noting the amount of money they will eventually receive isn't enough to cover their own costs. This has led to landlords not applying.

?I'm hearing all kinds of stories across Dufferin-Caledon, where landlords are not applying for the commercial rent and relief programs. They're not applying for two reasons. Number one, they're saying ?why do I only get 75 per cent of my rent? I want 100 per cent.' And number two, it's a complicated and time-consuming process that is not easy to figure out and, therefore, they're not going to apply because they think they've got better things to do,? Seeback explained. ?Those are the two criticisms that I'm hearing about the program right now.?

On top of that, a number of small businesses and property owners aren't eligible to apply for assistance under the current requirements. This has led to a feeling of discontent amongst some in the local business community, that aren't receiving the support they need to get through these difficult times.

?Some landlords have looked into applying. The eligibility criteria to be able to apply; they're having issues with it,? Mr. Seeback said. ?The amount of information that you have to supply to the government to be eligible, they find it too much and too complicated.?

For property owners to meet the eligibility criteria, the government has listed a series of requirements, including owning property that generates rent revenue, being a commercial property owner for small businesses, having a mortgage loan secured by the commercial real estate property and occupied by a small business, have entered or plan to enter a rent reduction agreement for April, May and June to reduce small business tenant's rent by at least 75 per cent, having a rent reduction agreement with impacted tenants and having declared rental income their tax return for 2018 and/or 2019. Quite the mouthful.

An added complication ? entrepreneurs currently renting space to operate their business can't apply for assistance themselves. They have to rely on the landlords to apply for them.

Many members of the local business community are growing increasingly frustrated by a program that they initially believed would be their saving grace throughout the ongoing pandemic.

?Small businesses have either voluntarily closed due to COVID-19, or they were required to close as a result of the provincial order. So, they have no income. They have obligations that are due every month pursuant to their leases. So not only do they have no income coming in, but they now have to also pay their rent,? said Mr. Seeback. ?It's an exceptionally challenging for a small business.?

Mr. Seeback says he had a very short conversation last week with Bill Morneau, the federal Minister of Finance, who refused to answer any inquiries he had about these issues.

?He wouldn't give me even the remotest answer. He dodged my questions. Five times I asked him, and five times he did a tap dance and refused to commit to anything,? he explained. ?The problem is we need answers quickly. The government doesn't have the luxury of taking months to figure out that their program doesn't work.?

He added, ?We're hearing all across the country that the commercial rent relief program is a failure, and yet there's no commitment to examine it or make changes to it, and I find that very troubling.?

Mr. Seeback says that if tenants would be allowed the opportunity to apply themselves, and not restricting the eligibility just to the landlords, the program would see more action, and greater outcomes.

?Tenants should be able to apply. I think they have a greater incentive to apply for a program, file the necessary paperwork so that they can protect their businesses, and so their businesses don't collapse due to lack of financial resources.?

For more information about the CERCA, please visit cmhc-schl.gc.ca.