

MEMORANDUM

To: Mayor & Members of City Council
Chambers of Commerce
Media
Date: May 15, 2020
Subject: COVID-19 – Update

SUMMARY

This week, we've been busy announcing new supports for Canadians. We have introduced the Large Employer Emergency Financing Facility, additional supports for seniors, the Regional Relief Recovery Fund, and the Fish Harvester Benefit and Fish Harvester Grant. We have also announced changes to the Canada Emergency Wage Subsidy and Farm Credit Canada. As well, applications are now being accepted for the Canada Emergency Student Benefit.

UPDATES

Large Employer Emergency Financing Facility (LEEFF):

Canada's mid and large-sized companies employ millions of Canadians. We need them to get through this crisis so that they can continue to support families across the country.

- For Canada's largest employers, our Government is creating the new Large Employer Emergency Financing Facility (LEEFF), which will provide liquidity so that companies and their employees can get through these challenging times.
- This bridge financing is intended for firms that need it – it's not low-cost lending, nor is it to rescue companies that were already facing insolvency.

For mid-sized companies, we are also expanding the Business Credit Availability Program (BCAP) to provide up to \$60 million (\$80 million in the case of guarantees) of support to companies in need. No matter what sector a Canadian works in, or the size of the company they work for, they deserve to know their government is supporting them in this time of crisis. Our message remains the same: we've got your back.

The LEEFF will support Canadians working in sectors across the economy in a fair and consistent manner. We will protect workers by ensuring companies that receive support respect any and all collective bargaining agreements and protect workers' pensions. We will protect taxpayers by putting in strict restrictions on executive pay, share buy backs, and dividends. We will protect our environment by ensuring companies commit to future climate disclosures and environmental sustainability goals and we will ensure that companies found guilty of tax evasion do not receive financing through the program.



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HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

With this important support, our Government is helping Canadian workers, supply chains, and businesses get through this unprecedented challenge.

Additional Support for Seniors:

Many Canadian seniors are facing significant health, economic, and social challenges due to COVID-19. They built this country, and now they need our help. Our Government is taking significant action to provide Canadian seniors with greater financial security and give them the help they need during this crisis. We will:

- Introduce a special one-time payment for those who receive OAS (top-up of \$300) and GIS (top-up of \$200), representing up to \$500 tax- free to seniors that receive both;
- Support community-based projects to improve the quality of life of seniors by mitigating social isolation through the New Horizons Program;
- And ensure that the most vulnerable seniors continue to receive benefits by temporarily extending GIS and Allowance payments if seniors' 2019 income information has not been assessed.

This builds on previous supports introduced in response to COVID-19, including the one-time GST top-up, benefitting 4 million seniors, and investments in community organizations that provide essential services, such as the delivery of groceries and medicine. As we go through this unprecedented challenge, our Government will continue to be there for Canadians every step of the way.

Regional Relief Recovery Fund:

The COVID-19 pandemic has resulted in uncertainty and anxiety for businesses and their employees. Small- and medium-sized enterprises (SMEs) are at the heart of our economy and our communities. As a source of local employment and pride, they play a key role in the well-being of communities across the country. That is why the Government of Canada has implemented a series of concrete and tangible measures to help them retain their employees, pay rent and access capital to pay their bills.

Building on these measures, the new Regional Relief and Recovery Fund (RRRF) is being delivered by regional development agencies (RDAs) to help more businesses and organizations in sectors across the economy such as manufacturing, technology, tourism and others that are key to the regions and local economies. RDAs are best positioned to provide this additional support as they work closely with communities across the country every day and understand the diverse local realities.

On Thursday, the Honourable Mélanie Joly, Minister of Economic Development and Official Languages, announced that southern Ontario businesses that are unable to access other existing measures can now apply for RRRF support through FedDev Ontario. As the RDA for southern Ontario, FedDev Ontario will work with key partners such as the Community Futures Development Corporations across the region to help southern Ontario businesses during these difficult times. A total of \$252.4 million will be available for southern Ontario businesses.

The Government of Canada's efforts are making a difference for many local businesses, but some are still falling through the cracks—particularly in rural and remote communities.

This is where the RRRF comes in, with \$962 million nationally—including \$252.4 million in southern Ontario—to support businesses economically impacted by the COVID-19 pandemic that did not qualify for or have been declined for existing measures. This is the case, for example, for SMEs in the tourism sector that have been severely impacted by COVID-19 and are, in some cases, ineligible for other federal programs.

Canada's businesses are as diverse as Canadians are, and the immediate, concrete support available through the Fund will be tailored to their unique needs. This will allow them to be in a position to play a meaningful role in our economic recovery in the months to come.

More information on the Fund is available on the FedDev Ontario website.

Canada Emergency Student Benefit:

Applications for the Canada Emergency Student Benefit open today and will allow students who cannot find summer employment, due to COVID-19, access to \$1250/ month or \$2000/month for students with dependants or a disability.

Farm Credit Canada:

The Honourable Marie-Claude Bibeau, Minister of Agriculture and Agri-Food, on behalf of Farm Credit Canada (FCC), yesterday announced the launch of a \$100-million Agriculture and Food Business Solutions Fund to support proven, viable companies through unexpected business disruptions, such as the COVID-19 pandemic.

Launched in partnership with Forage Capital Inc. – a Calgary-based venture capital firm – the Agriculture and Food Business Solutions Fund is set up to provide companies with the financial stability and flexibility they need to rebuild their business models during challenging times. FCC is the sole investor in the fund.

The fund is set up to support a wide range of enterprises in the agribusiness and agri-food sector, including companies involved in primary production, agri-tech, manufacturing, packaging and distribution. The fund will help companies in times of need through innovative solutions such as convertible debt investments and other flexible financing solutions. Applications will be assessed individually on their merit and will be supported to a maximum of \$10 million.

The primary goal of the Agriculture and Food Business Solutions Fund is to return recipient companies to a sound financial footing. To qualify, companies need to demonstrate an impact from an unexpected business disruption, such as the loss of a key supplier, temporary loss of a facility or permanent loss of critical staff or leadership. Funds cannot be used to repay shareholder loans or purchase shareholder equity positions.

Yesterday's announcement complements the Minister's announcement on March 23, 2020 to enhance FCC's lending capacity by an additional \$5 billion to help producers and agri-food businesses with access to cash flow to get through the COVID-19 pandemic.

Since that announcement, more than 4,800 producers and agri-food businesses have used payment deferral options on FCC loans totaling \$4 billion and have established credit lines totaling more than \$500 million to alleviate short-term cash flow concerns.

Fish Harvester Benefit and Fish Harvester Grant:

Canadians working in the fishing industry are feeling the economic impacts of the COVID-19 pandemic. That is why the Government of Canada is taking action to support those workers, who help provide families and communities across the country with high-quality fish and seafood.

The Prime Minister, Justin Trudeau, yesterday announced up to \$469.4 million in new measures to support Canada's fish harvesters, who are economically impacted by the pandemic but cannot access existing federal measures. This investment builds on the \$62.5 million for the new Canadian Seafood Stabilization Fund announced last month to help Canada's fish and seafood processing sector.

The Government of Canada will:

- Launch the Fish Harvester Benefit, a program worth up to \$267.6 million, to help provide income support for this year's fishing seasons to eligible self-employed fish harvesters and sharepersons crew who cannot access the Canada Emergency Wage Subsidy. Support will be provided to those that experience fishing income declines of greater than 25 per cent in the 2020 tax year, compared with a reference period to be identified. This measure covers 75 per cent of fishing income losses beyond a 25 per cent income decline threshold, up to a maximum individual entitlement equivalent to what is provided under the Canada Emergency Wage Subsidy (\$847 per week for up to 12 weeks).
- Launch the Fish Harvester Grant, a program worth up to \$201.8 million, to provide grants to help fish harvesters impacted by the COVID-19 pandemic, and who are ineligible for the Canada Emergency Business Account or equivalent measures. This will give them more liquidity to address non-deferrable business costs. The program would provide non-repayable support of up to \$10,000 to self-employed fish harvesters with a valid fishing licence. Size of the non-repayable support will vary depending on the level of fish harvesters' historic revenue.
- Propose measures or changes to Employment Insurance (EI) that would allow self-employed fish harvesters and sharepersons to access EI benefits on the basis of insurable earnings from previous seasons (winter and summer claims).

Additional details on these measures will be made available soon.

The Government of Canada is committed to supporting the resilience of Canada's food system and its workers. We will continue to monitor and respond to the wide-ranging impacts of COVID-19 and take additional actions as needed to protect the health and safety of Canadians and stabilize the economy.

Canada Emergency Wage Subsidy:

The Canada Emergency Wage Subsidy (CEWS) is supporting nearly 2 million workers across the country – covering 75% of wages for employees in hard-hit businesses. To help even more businesses support their workers and rehire people as they reopen, our Government is extending, and expanding, the CEWS. The expanded CEWS will be extended by an additional 12 weeks to August 29, 2020 to ensure Canadian workers continue to have the support they need during these difficult times. By expanding eligibility, our Government is ensuring that more Canadian workers, in more sectors, have the support they need. We also intend to propose legislative amendments which would ensure the CEWS continues to meet its objectives.

Extending the CEWS will give workers greater confidence that they will continue to get the support they need during these difficult times. We will consult with key business and labour representatives over the next month on potential adjustments to the program to incent jobs and growth, including the 30 percent revenue decline threshold. Any potential changes following the consultation will have as key objectives to maximize employment, ensure the CEWS reflects the immediate needs of businesses, and support the post-crisis economic recovery.

Once again, may I express my sincere appreciation to all residents, our front-line workers, essential service providers, government partners at all levels, businesses and students, for your ongoing efforts to help in this time of crisis. We are in this together! Your daily efforts are ensuring that we will get through this together. If you require any assistance, please do not hesitate to contact our office.

Enjoy your long weekend.

Stay safe.