

From: [Somera, Alisa \(BOS\)](#)
To: [BOS Legislation, \(BOS\)](#)
Subject: FW: SUPPORTING BOS Agenda Item #31 [Urging the San Francisco Credit Union to Collaborate with SFMTA on Taxi Medallion Prices and Loan Forgiveness] File #211209
Date: Thursday, December 2, 2021 10:16:11 AM

Alisa Somera

Legislative Deputy Director
San Francisco Board of Supervisors
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**From:** Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>

**Sent:** Thursday, December 2, 2021 10:13 AM

**To:** Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>; Laxamana, Junko (BOS) <junko.laxamana@sfgov.org>; Mchugh, Eileen (BOS) <eileen.e.mchugh@sfgov.org>; Ng, Wilson (BOS) <wilson.l.ng@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>

**Subject:** FW: SUPPORTING BOS Agenda Item #31 [Urging the San Francisco Credit Union to Collaborate with SFMTA on Taxi Medallion Prices and Loan Forgiveness] File #211209

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**From:** aeboken <[aeboken@gmail.com](mailto:aeboken@gmail.com)>

**Sent:** Tuesday, November 30, 2021 12:28 PM

**To:** BOS-Supervisors <[bos-supervisors@sfgov.org](mailto:bos-supervisors@sfgov.org)>; BOS-Legislative Aides <[bos-legislative\\_aides@sfgov.org](mailto:bos-legislative_aides@sfgov.org)>

**Subject:** SUPPORTING BOS Agenda Item #31 [Urging the San Francisco Credit Union to Collaborate with SFMTA on Taxi Medallion Prices and Loan Forgiveness] File #211209

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**TO:** Board of Supervisors members

I am strongly supporting an equitable resolution of the taxi medallion issue which has left many taxi drivers in dire financial circumstances.

Eileen Boken  
Coalition for San Francisco Neighborhoods\*

\* For identification purposes only.

Sent from my Verizon, Samsung Galaxy smartphone

**From:** [Somera, Alisa \(BOS\)](#)  
**To:** [BOS Legislation, \(BOS\)](#)  
**Subject:** FW: Resolution Urging the Credit Union to Collaborate with the MTA on Medallion Prices, Loan Forgiveness, and Other Reforms  
**Date:** Monday, November 29, 2021 1:43:03 PM  
**Attachments:** [Kate Toran Settlement Proposal letter.pdf](#)

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211209

*Alisa Somera*

Legislative Deputy Director  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102  
415.554.7711 direct | 415.554.5163 fax  
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From: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Sent: Monday, November 29, 2021 11:43 AM
To: BOS-Supervisors <bos-supervisors@sfgov.org>
Cc: Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>; Laxamana, Junko (BOS) <junko.laxamana@sfgov.org>; Mchugh, Eileen (BOS) <eileen.e.mchugh@sfgov.org>; Ng, Wilson (BOS) <wilson.l.ng@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>
Subject: FW: Resolution Urging the Credit Union to Collaborate with the MTA on Medallion Prices, Loan Forgiveness, and Other Reforms

From: Marcelo Fonseca <mdf1389@hotmail.com>

Sent: Monday, November 29, 2021 9:48 AM

To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>

Cc: Breed, Mayor London (MYR) <mayorlondonbreed@sfgov.org>; MTA Board <mtaboard@sfmta.com>; Toran, Kate (MTA) <Kate.Toran@sfmta.com>

Subject: Resolution Urging the Credit Union to Collaborate with the MTA on Medallion Prices, Loan Forgiveness, and Other Reforms

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Supervisors,

Thank you for urging the Credit Union to collaborate with the SFMTA (MTA) in solving the "purchased" medallion crisis. Please note the failure of the Medallion Sales Program (MSP) to date has damaged the entire taxi industry, including older medallion holders (MHs) who acquired their permits under prior rules.

In the letter linked below, and in your resolution, it is mentioned that the MTA made an offer to settle the Credit Union lawsuit by providing millions of dollars in loan relief for medallion buyers. The offer referred to was only \$15 million. With over 700 medallions sold through the Program ---mostly at \$250,000 --- a much greater monetary pool is needed. The \$15 million settlement letter is attached.

[San Francisco's Taxi Medallion Program Moves Onward | SFMTA](#)

The MTA states that before taxis fell under their jurisdiction, the distribution of taxi permits was "dysfunctional." It's safe to say that the distribution of medallions since the MTA took over hasn't been functional either. Their policies haven't fixed anything; the medallion system is still broken. Not a single medallion has been sold in almost six years.

It is true that the MSP initially allowed some older medallion holders (MHs) to retire and exit the industry with dignity, which is why some members of the taxi industry supported the Program. But why does the MTA brag about the "exit strategy" now when we all know their actions contradict it?

In a presentation last week at the MTA Policy & Governance Committee, Director of Taxis Kate Toran said that the MTA will target elements of the medallion reform that do not require Credit Union cooperation. Clearly, the prior "exit strategy" for elderly MHs will no longer be considered. Notably, the MTA currently is attempting simply to revoke many of those permits, thereby reverting the medallions to MTA control. [PowerPoint Presentation \(sfmta.com\)](#)

Just so you know, on September 7, 2021, the MTA Board permanently removed disabled medallion holders from participating in the Medallion Sales/Surrender Program.

Even though Governor Newsom has extended portions of his March 2020 COVID emergency through March 2022, the MTA is hell-bent on enforcing a questionable Prop K driving requirement to exert major pressure on Prop K medallion holders. Effective December 1st, regardless of age and general health, Prop K MHs are ordered to be out there driving.

[Enforcement of the Full-Time Driving requirement is resuming 12/1/21 | SFMTA](#)

The Board of Appeals has numerous pending appeal cases filed by disabled MHs whose permits the MTA recently revoked. Questioning why the MTA would be doing this now, the Board of Appeals passed a motion to have all taxi hearings continued to February 16, 2022, or later.

One of those hearings pertains to a permanent wheelchair user who drove for 43 years and another to a blind person who got stabbed in the eyes near the Yellow Cab premises after the end of his shift.

I can't help but wonder what the DOJ, which has already investigated San Francisco City Hall, would think of this presumed violation of ADA laws.

Purchased medallion holders need debt relief now, and the medallion system is in urgent need of reform. The Medallion Sales Program must be amended. Revoking medallions held by older MHs will not help medallion buyers, and it will not make the industry more competitive. Additionally, doing so is cruel and likely illegal.

The Credit Union is still within its window of time to appeal the jury trial verdict. At some point --- when the litigation outcome is final --- the parties have an obvious mutual need to replace the current Lender Agreement which locks in a \$250,000 medallion purchase price with a new contract specifying either a lower or market-based price.

Once that happens, your Board should consider collaborating with the MTA to craft a bond measure designed for comprehensive taxi industry and stakeholder relief. Prop A of 2007 has a unique clause allowing the MTA to issue bonds upon your approval without requiring voter approval.

Thank you for your consideration.

Marcelo Fonseca
Medallion Holder
Career Cabdriver



London Breed, Mayor

Gwyneth Borden, Chair
Amanda Eaken, Vice Chair
Cheryl Brinkman, Director

Steve Heminger, Director
Sharon Lai, Director

Jeffrey Tumlin, Director of Transportation

September 21, 2020

Jonathan Oliver
San Francisco Federal Credit Union
770 Golden Gate Avenue
San Francisco, CA 94102

Dear Mr. Oliver,

This responds to your letters of September 8 and August 25 to Sean Elsbernd.

I can confirm that to settle this litigation, San Francisco proposes to contribute \$15 million in loan relief for medallion holders, as a key element in a holistic solution that will support the taxi industry and foster a functioning medallion market, which will benefit the SF Federal Credit Union, the SFMTA, and most importantly the hard-working drivers. This \$15 million would go directly to the Credit Union to pay down existing loan balances. I am disappointed that the Credit Union is unwilling even to discuss this generous offer. The \$15 million proposal exceeds all of the Credit Union's actual losses on foreclosed loans through March 2020, when Covid-19 upended the taxi industry. As you know, the Credit Union sold a significant proportion of its medallion loans to other lenders and insulated itself from losses when these loans were later foreclosed.

I will also use this opportunity to reiterate the SFMTA's deep distress that the Credit Union, notwithstanding the severe impact of Covid-19 on driver income, has discontinued loan forbearance for drivers who have managed, in the face of significant challenges, to preserve their performing loan status through March 2020. Indeed, the Credit Union has resumed foreclosures against these drivers. It would be in all parties' interest to stabilize these performing loans and to refrain from further foreclosures until this case is resolved, either through settlement or a court judgment. If the Credit Union holds fast to its refusal to engage with the SFMTA regarding its \$15 million proposal to settle the litigation, I invite the Credit Union to at least explore with the City a joint program that would provide loan forbearance to drivers pending judgment in this case. The City is prepared to contribute several million dollars to such a loan forbearance program. Since this contemplated loan forbearance program would not resolve the lawsuit, I'm sure you understand that the City's contribution to loan forbearance must be



treated as an offset or a credit against any judgment the Credit Union may ultimately obtain in this case.

The SFMTA strongly believes that taxis are well situated to emerge from the Covid-19 pandemic as a viable and competitive alternative to TNCs. The current business models of Uber and Lyft are not sustainable, as highlighted by the requirements of AB 5 and the employment status of their drivers. Indeed, TNCs are working to eliminate their reliance on drivers by racing toward autonomous vehicles. Taxis continue to have many advantages, such as experienced and professional drivers, stringent safety requirements, access to transit only lanes, designated curb space (taxi stands) and participation in the SF Paratransit program. By embracing excellence in customer service, the taxi industry can continue to serve the needs of the San Francisco public, including seniors, people with disabilities, tourists and all customers who want and expect a human operator.

A healthy medallion market is in the interest of both the SFMTA and the Credit Union. We are confident there is a better solution than to simply demand an unreasonable amount of money from the SFMTA that exceeds the Credit Union's actual losses, while letting the taxi industry crumble under the weight of the Covid-19 pandemic.

We look forward to continuing to engage with the Credit Union to develop a positive outcome for the medallion program and purchased medallion holders.

Sincerely,

Kate Toran

Kate Toran
Director of Taxis and Accessible Services

Cc:
Sean Elsbernd, Mayor's Chief of Staff
Andres Power, Mayor's Policy Director
Jeffrey Tumlin, SFMTA Director of Transportation