

**THIS PRINT COVERS CALENDAR ITEM NO. : 17.4**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Taxis and Accessible Services

**BRIEF DESCRIPTION:**

Requesting the Board of Directors approve reprogramming the remaining balance in the Taxi Driver Fund to support the taxi industry through a marketing campaign.

**SUMMARY:**

- The Taxi Driver Fund was established in August 2010 specifically to benefit taxi drivers.
- On September 5, 2017, the SFMTA Board approved disbursement of the approximately \$4.9 million in the fund to active taxi drivers by providing a cash payout based on seniority and to pay driver permit renewal fees for the subsequent two fiscal years.
- From November 2017 to July 2020, SFMTA disbursed \$3.7M to 4,616 eligible drivers.
- From 2018 to July 2020, SFMTA waived renewal fees of 7,451 driver permits at a cost of \$953,291.
- The Taxi Driver Fund disbursement was closed in July 2020, and the remaining balance is approximately \$250,000.
- Staff is now recommending that the remaining funds be reprogrammed to support the SF Taxi industry through a marketing campaign, which staff anticipates will be particularly effective during this present moment as taxis have a higher level of safety and cleaning requirements, and Uber and Lyft have threatened to stop providing service in California.

**ENCLOSURES:**

1. SFMTAB Resolution

**APPROVALS:**

DIRECTOR 

SECRETARY 

**DATE**

September 30, 2020

September 29, 2020

**ASSIGNED SFMTAB CALENDAR DATE:** October 6, 2020

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### **PURPOSE**

Requesting the Board of Directors approve reprogramming the remaining balance in the Taxi Driver Fund to support the taxi industry through a marketing campaign.

### **STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES**

The reprogramming of the Taxi Driver Fund to support the taxi industry through a marketing campaign will support the following goals and objectives in the SFMTA's Strategic Plan:

Goal 1: Create a safer transportation experience for everyone.

Goal 2: Make transit and other sustainable modes of transportation the most attractive and preferred means of travel.

Objective 2.3: Manage congestion and parking demand to support the Transit First Policy

Goal 3: Improve the environment and quality of life in San Francisco.

Objective 3.2: Increase the transportation system's positive impact to the economy.

Objective 3.4: Deliver services efficiently.

Goal 4: Create a workplace that delivers outstanding service.

Objective 4.4: Improve relationships and partnerships with our stakeholders.

The reprogramming of the Taxi Driver Fund will support the following Transit First Policy Principles:

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.
2. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.

### **DESCRIPTION**

The Taxi Driver Fund was established in August 2010 at the same time the SFMTA Board of Directors approved the implementation of the Taxi Medallion Sales Pilot Program. The intention was to establish the Taxi Driver Fund for the purpose of improving the quality of life of taxi drivers, particularly those taxi drivers who were not Medallion Holders.

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Contributions were made to the Driver Fund upon purchase and/or resale of a transferable medallion and through a dedicated portion of the monthly use fee for 8000-series medallions, which were leased directly to taxicab companies (Color Schemes). Each time a transferable medallion was retransferred, the contribution from that transaction to the Taxi Driver Fund was \$12,500. For 8000-series medallions, \$100 of the monthly use fee was contributed to the Taxi Driver Fund.

In 2013, staff set out to develop a more specific plan for the Fund. Initially, staff explored the concept of using the Taxi Driver Fund to assist drivers with some form of healthcare coverage. Research showed that comprehensive healthcare would not be sustainable for such a large driver population, but that basic vision and dental coverage may be feasible. Outreach meetings were held with taxi industry members and a taxi driver survey was conducted to solicit feedback on the concept of using the Taxi Driver Fund to provide vision and dental care. The consensus at that time was that vision and dental benefits were a desired use of the Taxi Driver Fund.

After an extensive outreach and research process, Taxi Services released a Request for Proposals (RFP) to solicit services for a vision and dental benefit facilitator. Only one response was received which was not within the current or forecasted budget of the Taxi Driver Fund and was therefore considered non-responsive.

After this unsuccessful RFP process, staff re-evaluated the feasibility of providing vision and dental benefits through the Taxi Driver Fund, because of both the lack of responses to the solicitation and the diminishing flow of contributions to the Fund related to the softening demand for medallions. Given the new context, staff, working with the Taxi Task Force, established a Taxi Driver Fund Advisory Panel to solicit input regarding the potential uses for the Fund.

In September 2017, after a lengthy stakeholder engagement process with the both the taxi industry broadly and the Taxi Driver Fund Advisory Panel regarding the recommended use of the Fund, the SFMTA Board of Directors approved the disbursement of the Taxi Driver Fund to currently active taxi drivers by providing a cash payout based on seniority and to pay taxi driver permit renewal fees for the next two years. Prior to the disbursement, there was approximately \$4.9 million in the Taxi Driver Fund.

Subsequent to SFMTA Board approval in 2017, staff disbursed \$3,695,552 to 4,616 eligible drivers; individual checks were issued ranging from \$497 to \$1,224 based on seniority. The cost of the renewal fees for 7,451 driver permits totaled \$953,291.

The Taxi Driver Fund disbursement concluded in July 2020, and the remaining balance is approximately \$250,000.

In 2017, one of the recommendations that the Driver Fund Advisory Panel made to the SFMTA was that a portion of the fund be used for a marketing campaign to broadly support the industry at large. At the time, that recommendation was considered but not acted upon because the Driver

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Fund was established specifically to support drivers. The plan that was approved by the SFMTA Board in 2017 more directly benefited taxi drivers. Now that the fund has been disbursed to eligible drivers, and there are remaining funds, staff is now recommending to the SFMTA Board that the remaining balance, approximately \$250,000, be used for a marketing campaign for the taxi industry.

Taxi Services staff is working with the Communications team to develop concepts for the taxi marketing plan, and if the SFMTA Board approves reprogramming the remaining balance of the Taxi Driver Fund, staff will engage the taxi industry to solicit input on the marketing campaign. The marketing campaign is intended to be a long-term effort, and not simply a one-time event, and all relevant marketing channels, such as print, on-line, social media, will be considered and utilized as appropriate. The costs of the marketing campaign may include outside resource for content development, digital media buys, printing costs, print campaign costs, materials, and other related costs. The approach will be to develop sustained value over time, and the funding will be leveraged by SFMTA's in-house marketing talent, access to on-board advertising, and public service announcements.

Based on the current market conditions due to the COVID-19 pandemic, customer concerns about accessing other forms of transportation, the higher level of safety and cleaning requirements for taxis, and because Uber and Lyft have threatened to stop providing service in California if they are required to comply with state law (AB 5) that requires Transportation Network Company (TNC) drivers to be classified as employees, staff anticipates that this is a particularly good time to launch a taxi marketing campaign.

The COVID-19 pandemic has hit taxi industry particularly hard and the SFMTA has been working diligently to support the industry. In addition to working toward a marketing campaign, the SFMTA has provided the following support to the taxi industry:

- Waived all taxi-related fees for the next two fiscal year
- Established [Essential Trip Card \(ETC\) program](#) to provide discounted taxi trips for seniors and people with disabilities who would have otherwise taken the trip on Muni. Over 2,600 riders are currently signed up for this program and over 12,000 trips provided thus far. Posted [promotional video of ETC program](#).
- Supported the Department of Environment's [Essential Worker Ride Home program](#), which provides subsidized taxi trips for essential workers. SFMTA worked with the Transportation Authority and the Department of Environment staff to identify \$447,000 in funding that was reprogrammed to support this important program.
- Provided personal protective equipment (PPE) kits that include sanitizing fluid, paper towels, nitrile gloves, and face masks for taxi drivers.
- Trained taxi company representatives and posted [training video on proper cleaning procedures](#).
- Required that taxis be sanitized after each passenger trip and followed up with enforcement activities to ensure compliance

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- Procured and distributed clear plastic shields for vehicles at no charge to taxi companies. This plastic shield adds a layer of protection for both the driver and passenger.
- Publicized the benefits of taking taxis via [Blog Post](#)
- Honor outstanding [Every Day Heroes: Taxi Driver Corey Lamb](#)
- Increased the per vehicle rebate up to \$7,700 in the SFMTA's [Clean Air Taxi program](#) and used vehicles are now able to qualify. Over 96% vehicles in the taxi fleet are low-emission and play a critical role in meeting the City's ambitious climate goal of 80% of trips taken by sustainable means of travel by 2030.
- Taxis are included in the expansion of the network of transit only lanes, which will allow taxis to provide more efficient service to customers.
- Launched pre-pilot to test concept of using taxis to provide work-related trips for city employees to replace non-revenue vehicle trips.
- Distributed face mask stickers to inform passengers that they must wear a face mask while riding in a taxi.

## STAKEHOLDER ENGAGEMENT

Extensive outreach was conducted in 2016-17 with the taxi industry to develop recommendations for use of the Taxi Driver Fund. A special Taxi Driver Fund Advisory Panel was convened and met multiple times in meetings open to the public. SFMTA staff conducted outreach via surveys, email and through Taxi Town Hall meetings. One of the recommendations from the Driver Fund Advisory Panel was to allot a portion of the Fund to a marketing campaign. As noted above, this recommendation was not included in the final disbursement plan but is now being recommended for consideration because the drivers have received the direct benefit of the Fund and there is a remaining balance.

Staff has also recently solicited feedback from the taxi industry about the proposed recommendation that the SFMTA Board reprogram the funds remaining in the Driver Fund to develop and implement a marketing campaign for the taxi industry. The feedback was generally positive, and the industry is interested in engaging in the development of the marketing plan.

## ALTERNATIVES CONSIDERED

Staff considered two alternative approaches suggested by the taxi industry. Some taxi industry members suggested that the remaining funds be disbursed to purchased medallion holders. There are currently 528 purchased medallion holders and dividing the remaining Taxi Driver Fund balance among them would result in approximately \$473 per person. While it remains important to support purchased medallion holders, staff has determined that disbursing individual checks to purchased medallion holders would have a marginal benefit, more benefit would be provided to the industry on whole and purchased medallion holders to use the remaining funds on a marketing campaign. It is important to note that the SFMTA has provided the following support to purchased medallion holders over the past few years, including:

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- Eliminate driving requirement
- Eliminate retransfer fee
- Eliminate medallion renewal fees
- Prioritize pick-ups at SFO and prohibit corporate and pre-K medallions from picking up at SFO
- Allow purchased medallions to be operated after a revocation or death of a purchased medallion holder
- Remove restrictions on the types of entities that can purchase a medallion
- Allow up to 50 purchased medallions to be held by one entity

Staff also considered the suggestion from some taxi industry members that the SFMTA use the remaining balance on an e-hail application. This was not pursued for a number of reasons, including the amount would be far too low and there are many e-hail applications already on the market and SFMTA does not want to be in a position of competing with other apps, such as Flywheel or YoTaxi.

### **FUNDING IMPACT**

None.

### **ENVIRONMENTAL REVIEW**

On September 17, 2020, the SFMTA, under authority delegated by the Planning Department, determined that reprogramming the remaining balance in the Taxi Driver Fund is not a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination dated is on file with the Secretary to the SFMTA Board of Directors.

### **RECOMMENDATION**

Staff is requesting the Board of Directors approve reprogramming the remaining balance in the Taxi Driver Fund, to implement a marketing campaign to support the taxi industry.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, The Taxi Driver Fund was established in August 2010 to benefit taxi drivers; and,

WHEREAS, On September 5, 2017, the SFMTA Board approved disbursement of the approximately \$4.9 million in the fund to active taxi drivers by providing a cash payout based on seniority and to pay driver permit renewal fees for two years; and,

WHEREAS, From November 2017 through July 2020, SFMTA has disbursed \$3.7M from the Taxi Driver Fund to 4,616 eligible drivers and from 2018 to July 2020, SFMTA paid the renewal fees for 7,451 driver permits at a cost of \$953,291; and,

WHEREAS, The Taxi Driver Fund disbursement was concluded in July 2020, and the remaining balance is approximately \$250,000; and,

WHEREAS, Staff has determined that the best use of the remaining funds would be on a marketing campaign to support the taxi industry, particularly at this time; and,

WHEREAS, On September 17, 2020, the SFMTA, under authority delegated by the Planning Department, determined that reprogramming the remaining balance in the Taxi Driver Fund is not a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors; now, therefore, be it

RESOLVED, That the Board of Directors approves the reprogramming of the remaining balance in the Taxi Driver Fund to implement a marketing campaign to support the taxi industry.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of October 6, 2020.

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Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency