

New York City Taxi and Limousine Commission

Notice of Public Hearing and Opportunity to Comment on Proposed Rules

What are we proposing? The Taxi and Limousine Commission (“TLC”) is proposing to amend its rules relating to the issuance of grants under the Medallion Relief Program.

When and where is the hearing? TLC will hold a public hearing on the proposed rule. The public hearing will take place at 10:00 am on September 27, 2021. The public hearing will be held online using Zoom. There will be no in person public hearing. The public hearing will be livestreamed on TLC’s website at www.nyc.gov/tlc. To participate in the public hearing, please e-mail the TLC at tlcrules@tlc.nyc.gov or call TLC at 212-676-1135 by September 24, 2021. After you have signed up to speak, TLC will provide you with a Zoom URL to enter in on your computer or dial-in via phone number if you prefer to call in.

How do I comment on the proposed rules? Anyone can comment on the proposed rules by:

- **Website.** You can submit comments to the TLC through the NYC rules website at <http://rules.cityofnewyork.us>
- **Email.** You can email comments to tlcrules@tlc.nyc.gov
- **Mail.** You can mail comments to Taxi and Limousine Commission, Office of Legal Affairs, 33 Beaver St, 22nd Floor, New York, NY 10004
- **Fax.** You can fax comments to the Taxi and Limousine Commission, Office of Legal Affairs, at 212-676-1102
- **By speaking at the hearing.** Anyone who wants to comment on the proposed rule at the public hearing must sign up to speak. You can sign up before the hearing by calling 212-676-1135 or by emailing at tlcrules@tlc.nyc.gov by September 24, 2021. You can speak for up to three minutes.

Is there a deadline to submit comments? Yes, you must submit written comments by September 24, 2021.

What if I need assistance to participate in the hearing? You must tell the Office of Legal Affairs if you need a reasonable accommodation of a disability at the hearing. You must tell us if you need a sign language interpreter. You can tell us by mail at the address given above. You may also tell us by telephone at 212-676-1135. Advance notice is requested to allow sufficient time to arrange the accommodation. Please tell us by September 24, 2021.

This location has the following accessibility option(s) available: Simultaneous transcription for people who are deaf or hard of hearing and audio only access.

Can I review the comments made on the proposed rules? You can review the comments made online on the proposed rules by going to the website at <http://rules.cityofnewyork.us/>. A

few days after the hearing, copies of all comments submitted online and copies of all written comments will be available by request by emailing tlcrules@tlc.nyc.gov and a transcript of the hearing will be available online at www.nyc.gov/tlc and at the public at the Office of Legal Affairs.

What authorizes TLC to make this rule? Sections 1043 and 2303 of the City Charter and section 19-503 of the City Administrative Code authorize TLC to make this proposed rule. This proposed rule was not included in the Commission's regulatory agenda for this Fiscal Year because it was not contemplated when the Commission published the agenda.

Where can I find TLC rules? The Taxi and Limousine Commission rules are in title 35 of the Rules of the City of New York.

What laws govern the rulemaking process? TLC must meet the requirements of Section 1043 of the City Charter when creating or changing rules. This notice is made according to the requirements of Section 1043 of the City Charter.

Statement of Basis and Purpose of Proposed Rule

On March 9, 2021, the Mayor and Taxi and Limousine Commission (TLC) Chair announced a commitment of \$65 million to fund a Medallion Relief Program (MRP) to assist financially troubled medallion owners restructure their outstanding medallion debt. The goal of the MRP is to support the recovery of the yellow taxicab industry in New York City, which has seen a gradual decline in trips numbers and an increase in the number of medallions being placed into storage, which removes the medallion from the vehicle and temporarily returns it to the TLC until the taxi returns to service, over the past several years, problems which were exacerbated during the COVID-19 crisis. Despite the decline in earnings, medallions owners continued to carry loans on their medallions, many of which were financed during times of higher taxi demand and revenue.

This decline in taxi demand made many medallion loans unsustainable for medallion owners. Under the MRP, eligible medallion owners may apply for grants of up to \$20,000 to be provided to their lenders as a down payment in restructuring their medallion-related loans. Additionally, medallion owners who demonstrate additional and specific hardship after restructuring their loans may be eligible for additional grants of up to \$9,000 to help support initial loan payments. Relief payments will be distributed by a Community Development Financial Institution selected by the TLC and are intended to help individual medallion owners afford their medallion debt, so more owners can continue operating yellow taxis and more yellow taxis are available to serve the public.

The TLC's Owner-Driver Resource Center has worked with over 700 medallion owners and a dozen different lenders on renegotiating loans. Lenders have participated in the process and have offered restructuring and forgiveness terms that would meet the required parameters of the proposed rules.

These proposed rules establish the eligibility criteria for applying for a grant through the MRP.

TLC's authority for these rules is found in section 2303 of the New York City Charter and section 19-503 of the New York City Administrative Code.

New material is underlined.

[Deleted material is in brackets.]

“Shall” and “must” denote mandatory requirements and may be used interchangeably in the rules of this department, unless otherwise specified or unless the context clearly indicates otherwise.

Section 1. Title 35 of the Rules of the City of New York is amended by adding a new section 58-51, to read as follows:

§58-51 Medallion Relief Program

(a) Definitions Specific to this Section

- (1) Applicant means a medallion owner that is applying for a Grant or Supplemental Grant.
- (2) Application means a written request in a form satisfactory to the TLC, supplemented by all requested supporting documents, made by an Applicant to the TLC to determine the eligibility of an Applicant for a Grant.
- (3) Grant means one or more disbursements from the Medallion Relief Program for purposes of restructuring a medallion loan.
- (4) Loan Restructure means the new terms agreed to by the Applicant with their lender for the medallion loan.
- (5) Program Administrator means the entity selected by the TLC to receive Applications and distribute Grants and Supplemental Grants.
- (6) Supplemental Grant means one or more disbursements from the Medallion Relief Program for purposes of supporting payments on loans restructured under the Medallion Relief Program.

(b) Grant Eligibility Criteria. To be eligible for a Grant, an Applicant must satisfy the following criteria:

- (1) Applicant must be a Medallion Owner;
- (2) Applicant must possess in an interest in no more than five (5) medallions;
- (3) Applicant may not apply for more than one Grant per medallion in which the applicant has an interest;
- (4) Only one Applicant may apply for a Grant for any particular medallion;
- (5) Applicant must have acquired the interest in the medallion for which the Applicant seeks a Grant no later than March 9, 2021.
- (6) Applicant's Application must contain a Loan Restructure that meets the following minimum standards:
 - (i) Reduce principal owed by at least 40% and a monthly payment under \$2,000, or
 - (ii) Reduce principal owed by at least 30% and a monthly payment under \$1,750, or
 - (iii) Reduce principal owed by at least 20% and a monthly payment under \$1,500.
 - (iv) A Loan Restructure may be submitted with an Application if it does not meet the above minimum standards if:
 - A. The loan principal is reduced by at least 10%, and
 - B. The Loan Restructure contains other features, as determined by the Program Administrator, that are favorable to the Applicant, including extended payment terms, waiver of penalties and/or fees, absence of a confession of judgement, and other features the Program Administrator deems appropriate.

(c) Supplemental Grant Eligibility Criteria. To be eligible for a Supplemental Grant, an Applicant must satisfy the following criteria:

- (1) Applicant must have received a Grant for a Loan Restructure

- (2) Applicant must demonstrate a discrete and resolvable economic or other personal hardship that the Program Administrator determines would temporarily and substantially hinder the Applicant from making the totality of the initial payments on the Applicant's Loan Restructure. Examples of such hardships include but are not limited to:
 - (i) Applicant does not have a Vehicle attached to the Medallion
 - (ii) Applicant is temporarily unable to drive the Applicant's Taxi
- (d) Selection Criteria. Grant and Supplemental Grant funds will be awarded in order of completed applications received until such time as the funds are exhausted or TLC's agreement with the Program Administrator terminates.

**NEW YORK CITY LAW DEPARTMENT
DIVISION OF LEGAL COUNSEL
100 CHURCH STREET
NEW YORK, NY 10007
212-356-4028**

**CERTIFICATION PURSUANT TO
CHARTER §1043(d)**

RULE TITLE: Eligibility for Medallion Relief Program

REFERENCE NUMBER: 2021 RG 062

RULEMAKING AGENCY: Taxi and Limousine Commission

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN
Acting Corporation Counsel

Date: August 19, 2021

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS
253 BROADWAY, 10th FLOOR
NEW YORK, NY 10007
212-788-1400**

**CERTIFICATION / ANALYSIS
PURSUANT TO CHARTER SECTION 1043(d)**

RULE TITLE: Eligibility for Medallion Relief Program

REFERENCE NUMBER: TLC-121

RULEMAKING AGENCY: Taxi and Limousine Commission

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because it does not establish a violation, modification of a violation, or modification of the penalties associated with a violation.

/s/ Francisco X. Navarro
Mayor's Office of Operations

August 19, 2021
Date