

Taxi Medallion Crisis Drives Council Candidates Demand for Bold Bailout

Several South Asian candidates seeking office have been shaped by family hardship in New York's yellow-cab medallion financial collapse. They say only sweeping reform will avoid disaster. They are prepared to lead the charge.

By Nico Picciuto

In early February, Felicia Singh, a candidate for the New York City Council from the borough of Queens, discovered a “For Sale” sign hanging outside her family’s house in Ozone Park. The sign came with a verbal warning: The Singh’s had 90 days to reach a settlement with trustees or the home they had lived in for more than two decades would be sold—leaving her parents, brother, sister and herself homeless. It wouldn’t be cheap, either. The trustees of the Bankruptcy Court, one of the only courts open during the pandemic, told them they would need to come up with \$250,000 within the 90-day span or the house would be seized.

“We were completely shocked,” Singh said. “The way we found out was by someone ringing the doorbell to ask for a listing price. Can you believe that?”

Singh, 32, is part of a new generation of South Asian City Council candidates advocating for taxi drivers in crisis, after years of little action to pull them out of overwhelming debt. The candidates include two daughters of drivers in Queens, a 29-year-old Bangladeshi Muslim woman and a taxi driver and organizer running in Brooklyn. They are supported by dozens of drivers who have been assembling outside of City Hall since early March to achieve a bailout that they say will help them avoid calamity.

Together they represent an unprecedented opportunity for change.

“People just keep kicking the can back and forth to each other,” 25-year-old Jaslin Kaur, who lives in Glen Oaks, Queens, and is running for a City Council seat in an area near Singh’s district. Like Singh, Kaur is the daughter of a yellow-cab driver, Partap Singh, 62, who has worked in the industry for three decades. “We have a lot of work to do if we want to negotiate a budget that provides the direct relief cab drivers have been demanding for years,” she said.

Bhairavi Desai, executive director of the 21,000-driver New York Taxi Workers Alliance, which is responsible for organizing the City Hall demonstrations, said the Council hopefuls represent the future for cab drivers.

“They’ve seen their parents struggle or they themselves struggle and they’ve seen the necessity for working-class voices,” Desai said in a Taxi Workers Alliance press release.

The success of the South Asian candidates could well mean that the taxi issue will move from the steps of City Hall and into the City Council Chamber. Their message resonated with voters.

Felicia Singh is the apparent winner in the Democratic primary to replace term-limited Eric Ulrich (R-Queens). If elected, she will become one of the first members of South Asian origin to join the City Council. Singh is one of 10 Indian American candidates in the running.

Jaslin Kaur is currently in second place, with 46 percent of the vote, behind Democrat Linda Lee in a race to fill the seat vacated by term-limited Barry Grodenchik (D-Queens).

South Asian candidates without a connection to the taxi debacle also had a strong showing. Shekar Krishnan, who is running to represent the city's 25th Council district in Jackson Heights, is in first place with 53 percent of the vote. And Mamnun Haq, a Kensington resident running to replace term-limited Brad Lander (D-Brooklyn), is so far losing the race to another South Asian candidate, Shahana Hanif, who could become the first Muslim woman to represent the Council if she wins.

Before the pandemic hit, the taxi industry was already in dire straits. The [price](#) of a medallion went from \$360,000 in 2004 to over \$1 million in 2014, around the time Uber and Lyft were turning anyone with a car into a driver for hire. By January 2018, the medallion's value sank to less than \$200,000, marking one of the lowest monthly average sales prices in years.

[Dangerous lending](#) imposed massive debts on drivers that far outweighed the medallion's worth, and cab drivers—almost all born outside the United States—found themselves stuck with underwater loans and plummeting business, a crisis underscored in a Pulitzer-winning New York Times investigation. Roughly 4,000 drivers drained their life savings to purchase medallions. At least nine have committed [suicide](#).

City Hall Impact

It's not hard to imagine how the drivers assembling outside of City Hall harken back to similar labor and cultural movements of past years. Just last summer, a much larger campaign demanding deep budget cuts to the Police Department after the death of George Floyd sparked a 24-hour "Occupy City Hall" demonstration in which hundreds of protestors flocked to the park surrounding the city's principal legislative building.

"People have been coming to City Hall to express their grievances with policies that impact a subset or more of New Yorkers for a long time," said David Lissman, who attended last year's protests. "It's a plausible way to get the attention of the people whose decisions effect all of us."

Since early March, cab drivers have been meeting at the corner of Broadway and Murray along a narrow stretch of sidewalk adjacent to City Hall, where representatives of the Taxi Workers Alliance set up a podium for guest speakers. In May, Senator Charles Schumer said he was working to achieve a solution for financially distressed medallion owners.

“We know how hard our cab drivers work,” he said. “I stand with you. We stand with you. We are going to press the city to do the right thing.”



NY Taxi Workers
@NYTWA

...

.@SenSchumer showed his support for cabbies at our City Hall debt relief protest today!!!

“I stand with you. We stand with you. We are going to press the city to do the right thing for you.”

(Did you know his father-in-law was a taxi driver?!)



2:09 PM · May 6, 2021 · Twitter for iPhone

Senator Charles Schumer at City Hall in May. @NYTWA

But the drivers at City Hall say it will take more than a speech by a prominent senator to persuade them that help is on the way. Most days, the group carries signs that read, “No More Suicide, No More Bankruptcy,” “S.O.S.” and, simply, “SHAME,” printed in bold, red letters. They say they will continue to protest until their demand for a bailout is met at the city-level.

These drivers are part of a predominantly immigrant and aging workforce, advocates say. According to the Taxi and Limousine Commission’s [2020 Fact Book](#), 40 percent of medallion owners are from Pakistan, India or Bangladesh. Their average age is 50.

Not every driver owns one of the more than 13,000 medallions in circulation, but those who do often say they bear enormous debt. The average debt load for medallion owners in New York City is more than \$500,000, according to the Taxi Workers Alliance.

“City Hall sold us the medallions in the first place and then ignored attempts to limit the number of ride-sharing vehicles on the streets,” said Augustine Tang, another medallion owner who has been a leading voice at the City Hall protests. “That’s why we come here—to the place that sold us our medallions—to demand a bailout that sharply caps principal and mortgage payments.”

That’s the crux of an initiative from the Taxi Workers Alliance, Tang says. Under their proposed [restructuring plan](#), a government body would serve as a backstop as medallions get repossessed and sold at auction, playing the role of middle man to buy back medallions and resell them, with loans limited to \$125,000 and a maximum payment of \$750 a month.

The public-sector cost would total \$75 million after 20 years, supporters of the plan say. This amount would account for the substantial up-front cost of paying lenders the balance of debt owed as well as future income from the resale of thousands of medallions.

“This is the only plan that achieves the solutions cab drivers are asking for,” said Tang. “But in the absence of a real proposal, we’ll be here, at City Hall, drawing attention to this catastrophe.”

Two Daughters’ Calling

For Felicia Singh, the need for a bold bailout remains urgent.

Her 66-year-old father, Dalip, purchased his medallion for \$250,000 in 1987 after emigrating from India, and he’s been stuck with underwater loans since. After he suffered a stroke, he borrowed \$750,000 against the medallion’s value in 2014 and gave up his right to fight back in court if he couldn’t keep up with the payments.

“You never get out this job,” said Dalip Singh. “The only way we can survive is if someone steps in to eliminate our debt. Otherwise, we’ll have to give up our house.”

In 2016, Dalip Singh defaulted on his loan but was able to keep his medallion, his daughter says. But that was around the time Uber was gaining popularity in the city, and the company’s cars were beginning to [outnumber](#) taxis and lead to [millions](#) of lost rides for yellow-cab drivers.

“It’s a terrible situation,” Felicia Singh said. “And all of this has only been made worse by the pandemic. Remember, there were 950-plus medallion owners who filed for bankruptcy before last year. That’s deeply saddening.”

The path to City Council has been a circuitous one for Felicia Singh. In 2007, Singh graduated from a vocational high school near her home in Ozone Park with a certificate in creative and commercial arts. Then she moved on to Adelphi University in Manhattan, where she pursued a bachelor's degree in English with minors in education and journalism through Adelphi's Scholar Teacher Education Program. When it came time to graduate, Singh was selected to deliver the keynote speech at commencement.

"It's a moment that I will always hold on to," she said in an interview with the university. "I got to say how grateful I was and how much I appreciated being a daughter of immigrant parents who worked so hard to get me where I was."

Just weeks after graduation, Singh was back in the classroom working toward a master's degree in education at Adelphi, which led to her first teaching position at Roosevelt Children's Academy. After a two-year period between 2013 and 2015 when she lived in China and served in the Peace Corps, Singh returned to New York to teach English-Language Arts at Coney Island Prep High School, a rigorous K-12 public charter school in the heart of South Brooklyn.

"I had this experience of working across lines of difference toward a common goal of learning, friendship and partnership," Singh told Brown Girl Magazine. "When I came back from the Peace Corps I really wanted to use the skills I learned in my hometown, so I had to re-engage with my community in a whole new way."

Singh has watched as outgoing Mayor Bill de Blasio and the Council have debated modest legislation that would help medallion owners but stopped short of the loan forgiveness recommendations proposed by the Taxi Workers Alliance and the drivers organizing outside of City Hall.

"Mayor de Blasio's response to our debt crisis does nothing for drivers," said Augustine Tang. "It's a cash bailout for lenders while drivers are left to drown with underwater loans, foreclosure and bankruptcy. That's not acceptable to us."



Felicia Singh (right) at City Hall protesting Mayor de Blasio's \$65 million debt relief initiative. Photo courtesy of Singh campaign.

In March, de Blasio announced a [\\$65 million debt relief initiative](#), and the city Taxi & Limousine Commission proposed a [resource center](#) for drivers in free fall. The Council also stepped in to [cap](#) the number of cars authorized to use ride-hailing apps like Uber and Lyft.

But Singh says the pandemic has only intensified the crisis and ran on a platform calling for immediate action to reduce medallion owners' debt and restructure loans. With another mayor on the way and new faces representing City Council, she says there's an opportunity for a dramatic transformation.

"We've been pushing these legislators nonstop to draft legislation that will actually serve medallion owners," she said. "Elections bring opportunities for change. That's what we're demanding."

For Jaslin Kaur, who is backed by Rep. Alexandria Ocasio-Cortez, it's hard to be optimistic. Seven years ago, the medallion bubble's collapse meant Kaur's family was no longer able to pay her N.Y.U. college tuition. She was forced to drop out and her family had to rely on food stamps. But her determination never wavered. She took out a loan to complete her degree, enrolled at Nassau Community College and ultimately finished her bachelor's degree in gender studies at CUNY Hunter College in 2019.

She's still paying off the loan and says that if she's elected, she will work with the Taxi Workers Alliance to achieve debt relief and retirement funds for cab drivers in crisis.

"For most of my life I watched my dad wake up at 4 a.m. and not come home until 5 or 6 p.m. He never stopped during the pandemic," she said. "If elected, I'd move the Taxi Workers Alliance financial plan forward and go further to demand mental health services and food assistance for our aging drivers."

But unless debt is restructured in a significant way, Kaur's father, Partap Singh, who is more than \$600,000 in debt, said he believes he won't be able to retire.

"At one time I had a very good future," said Partap Singh. "But now I have to work until my last breath." Kaur's father believes the only way forward is if the city steps in to provide funding for insolvent medallion owners.

Before the election, Felicia Singh suggested the Council isn't prepared to address the crisis.

"My family's story demonstrates the dangers of our city's neglect," she wrote in a blog post. "This would not have happened if the mayor had fully adopted the [New York Taxi Workers Alliance plan](#) for debt relief, which would restructure medallion loans. Their proposal is supported by Comptroller Stringer, Attorney General James and Senator Schumer, among others."

Singh also said she is "privileged to have a platform where I'm yelling about this because I'm a candidate."

"I stay up at night thinking about all the families that have to navigate this issue by themselves," she said.

'This is Not America'

In many ways, Mouhamadou Aliyu's story is familiar. He left Ivory Coast and came to the United States in search of a better life. He arrived in New York in 1994, worked in a warehouse, and eventually followed a friend into the taxi business. Until the pandemic hit, he'd been driving ever since.

In 2004, he thought he'd achieved his dream when he was able to buy his own taxi medallion, the coveted metal plate attached to the hood that allowed him to own a taxi instead of having to lease one. "Back then," Aliyu said, "a driver being able to purchase their own medallion was more than just a smart investment—it was the ultimate goal." For years, owning a medallion

seemed like a guaranteed route to financial security, the equivalent of a retirement fund or owning a home.

“But now they’ve completely destroyed us,” Aliyu said in a phone interview. “We’ve been taken advantage of as a group of immigrants who came to this country in pursuit of opportunity. This system has been so predatory to us.”

Aliyu purchased his medallion through a city auction in 2004 with a loan of around \$330,000. Today, it’s worth less than a third of the price he paid for it and he’s in debt to the tune of \$630,000. The epidemic of suicides among his fellow owner-drivers is also not lost upon him. “I used to think about suicide a lot,” said Aliyu. “[But] I have a wife and kids to support. I have no choice but to keep going.”

Aliyu has become a noteworthy voice at the City Hall demonstrations since they kicked off in early March. When he grabs the megaphone, surrounded by a merry-go-round of taxi drivers holding picket signs, people stop to listen. His voice bellows with raw emotion, and for many the pain of the moment begins to sink in. For years, critics charge, lending institutions and taxi industry leaders have engaged in exploitative and unpredictable lending practices by driving up the value of medallions and thrusting independent owner-drivers into over-venturesome loans.



Mouhamadou Aliyu outside of City Hall alongside yellow-cab drivers and advocates in early March. @Nico Picciuto

The methods, advocates for the drivers say, were distinctively similar to those that led to the housing market crash that precipitated the 2008 global financial crisis: Private lenders and banks signed off on dangerous loans and persuaded buyers to continually refinance, while cab drivers

took on debt they couldn't afford, under conditions they say they frequently didn't understand. But while the Taxi and Limousine Commission has considerable authority over cab regulations, it's still [unclear](#) if the suspicious lending methods used by brokers were illegal.

Many drivers at City Hall also blame the rise of largely unregulated ride-hailing companies for the declining medallion prices. Uber officially went live in New York in 2011; by 2014, the year the medallion market began to collapse, the company's cars led to millions of lost rides for cab drivers. Some of them, noticing the steep decline in passengers, simply hedged their bets and decided to leave the taxi business altogether. But for those who had exhausted their life savings to purchase medallions, the situation continued to spiral out of control.

"Uber and Lyft came in and took more than 40 percent of my business in 2014," said Partap Singh. Singh purchased a medallion more than a decade ago for \$140,000 after taking out a loan with nearly 15 percent interest. Like Aliyu, he's now more than \$600,000 in debt and says "there won't be a solution until the city steps in to bailout medallion owners."

Outgoing City Councilman Ydanis Rodriguez, who chairs the Council Transportation Committee, has said Mayor de Blasio's \$65 million investment was only a down payment, and that a "real plan" was needed to get medallion owners the bailout they've been demanding for years.

"[Because] these drivers have been severely, financially impacted by COVID-19, any recovery plan the city puts forth must be one that includes our taxi drivers," Rodriguez said. "We must draw from the proposed plan by the Taxi Workers Alliance and the recommendations made by the Taxi Medallion Task Force and ensure we are doing much more to help our struggling taxi medallion owners."

As for Mouhamadou Aliyu, he has a dour view about his own future—and that of his wife and four children. Like many of his fellow medallion owners, he blames the growth of Uber and Lyft but says they don't tell the whole story. The story, he says, is about immigrants and the manifold ways they've been cast aside by a system they thought could help them.

"I came here with big dreams," he said. "But this is not how we do things in this country. This is not America."

What's Next?

Before the Democratic primary in June, New York City had never chosen a person of South Asian decent to serve on the City Council. No Muslim woman or openly gay Black woman had ever been selected to sit among its 51 lawmakers, even as the city has become a haven for

religious minorities and L.G.B.T.Q. people of color. And though women made historic gains in politics in recent years, their representation on the City Council actually declined over the past two decades.

But now, among the record-breaking statistics of this incoming group, women members are expected to outnumber men on the Council, likely holding at least 28 of the 51 seats. New York's legislature is set to be one of the most progressive in the city's history, reflecting a diversity that many say mirrors the city it represents.

"In N.Y.C. the results are dramatic with a wholesale women-led overhaul of the power structure of the City Council," said Sonia Ossorio, executive director of NOW-NYC, in an interview with Gothamist. "The surge in women of color running for office and going on to win is historic. This is transformational change at its core."

↻ Felicia Singh for City Council Retweeted



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...

History in making: Felicia Singh @FSingh_NYC is likely to be the first South Asian in NYC City Council!!! Shekar Krishnan @voteshekar and Shahana Hanif @ShahanaFromBK are also likely to be a part of this history making cohort!!



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Felicia Singh

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Supporters of Felicia Singh on Twitter after her apparent victory was announced in early July. @Sanjay Mishra

For Felicia Singh, the strong showing of women and South Asian candidates could mean that the taxi issue will move from the steps of City Hall and into the Council Chamber. Since the election, yellow-cab drivers have continued to assemble outside of the city's main legislative building. And in late July, ushered by drivers from the Taxi Workers Alliance, demonstrators

shut down traffic on the Manhattan Bridge to draw attention to the taxi debacle and to demand a pathway to citizenship for all DACA recipients, T.P.S. holders and immigrant essential workers.

That several Council candidates and elected officials have backed the Taxi Workers Alliance proposal for restructuring medallion owners' debt gives Singh and other advocates for cab drivers hope that their circumstances might improve.

"Our fight is not over," Singh wrote in a recent blog post. "We will not stop fighting until the immigrant and working-class communities who kept this city moving during a pandemic are prioritized in policy and aid over banks and corporations and their profits."

Her family's story demonstrates the dangers of the city's neglect, she says. Earlier this year, Singh watched as trustees became the owner of the home she'd lived in her entire life. She recalls learning that it's common for trustees to use "fearmongering" and "threatening tactics" to drive lawyers and borrowers to seize property without "any acknowledgement of the time it takes for families to weigh their options of losing their home or acquiring more debt."

In the end, the Singh's were able to keep their home, but only after they'd agreed to a settlement that added an additional \$150,000 to their debt sum. If she's elected in November, Singh says she looks forward to the opportunity to shift the tide for other families in a similar position.

"I refuse to let this go," she says. "The city must take responsibility."