



San Francisco Local Agency Formation Commission

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September 18, 2020

TO: LAFCo Commissioners

FROM: Bryan Goebel, Executive Officer
Jackson Nutt-Beers, LAFCo Research Associate

SUBJECT: Item 5 Presentation and Discussion on an E-Bike Rebate Program for Delivery Workers

Today we're excited to present the report, "San Francisco and an Electric Bicycle Rebate Program for Delivery Workers," the culmination of work this past summer by LAFCo research associate Jackson Nutt-Beers, a graduate student in the Urban and Public Affairs Program at the University of San Francisco.

The LAFCo-commissioned UC Santa Cruz survey of on-demand work revealed an encouraging interest among drivers performing ride-hail and delivery work in switching to doing delivery on an e-bike, if given an incentive. Based on that finding, the LAFCo recommended the City explore an e-bike rebate program for delivery workers. Jackson was tasked with examining best practices and exploring e-bike rebate programs nationally and internationally.

The report recommends the City establish a pilot e-bike rebate program for delivery workers, which staff at the Department of Environment has expressed an interest in administering and securing funding for. A robust community and stakeholder engagement process, including focus groups with delivery workers, still needs to be undertaken.

While the pilot would target delivery workers who would like to switch from driving to an e-bike, the report's final recommendation is that the City consider a broader e-bike rebate program for all San Franciscans.

RECOMMENDATION: Receive the report and offer feedback.

ATTACHMENTS:

- San Francisco and an Electric Bicycle Rebate Program for Delivery Workers
- Power Point presentation



San Francisco and an Electric Bicycle Rebate Program

Jackson Nutt-Beers, LAFCo Research Associate

September 18, 2020



Background

- study was commissioned by San Francisco Local Agency Formation Commission in 2020 to understand the experiences of ride-hailing and food delivery workers in San Francisco
- the survey concluded early due to the spread of the COVID-19 Pandemic
- while 18% of respondents said they rode bicycles to deliver food, approximately 70% said they would switch or consider switching with a financial incentive provided

Survey Results



- over half did not have health insurance or were reliant on public services
- 59% drivers could not afford a \$400 emergency w/o borrowing
- over half of drivers work more than 41 hours per week
- three fourths of drivers identified as a person of color

**LAFCo recommended
the City explore
establishing an e-bike
rebate program for
delivery workers**

25% of Uber and Lyft drivers
would shift or maybe
shift to an e-bike for
delivery if they were
offered an incentive

39% of delivery drivers said
yes they would switch
to e-bike with an
incentive

31% said maybe





Methodology

- conducted interviews with program administrators, city department officials, and bike manufacturers to understand the variety of perspectives of the electric bicycle industry
- researched varying electric bicycle rebate programs within the United States and across the world to understand how each program found success and where there were opportunities for improvement

Existing Models of Electric Bicycle Rebate Programs

Holy Cross Energy (Boulder, Colorado)

- offers a \$200 rebate to participating members towards the purchase of an electric bicycle
- implemented to meet environmental goals such as 70% renewable energy by 2030
- marketed as a way to get community members out of their cars and onto bicycles
- receives approximately \$2 million/year from a 2% WE CARE surcharge on every member's bill to fund eBike, energy efficiency renewable energy, and beneficial electrification rebates



Existing Models of Electric Bicycle Rebate Programs cont'd.

Burlington Electric Department (Burlington, Vermont)

- offers a \$200 point of sale rebate at participating bicycle vendors in Burlington
- managed and administered by LocalMotion, a bike advocacy and rental organization
- created to help the State of Vermont achieve it's environmental goals through energy transformation projects that help reduce fossil fuel usage and increase renewable energy transportation



Existing Models of Electric Bicycle Rebate Programs cont'd.

Île-de-France Mobilités (Paris, France)

- offers 50% rebate up to \$550 for electric bicycles, \$700 for electric cargo bicycles, and additional equipment deemed essential to cyclist safety
- implemented by the regional public transit agency Île-de-France Mobilités in February to achieve progressive environmental goals and mitigate traffic congestion in Paris
- built on top of the Veligo Program which offered long-term bike rentals at \$45 per month that could be subsidized by the renter's employer



Existing Models of Electric Bicycle Rebate Programs cont'd.

Active San Gabriel Valley (San Gabriel Valley, California)

- offered a rebate up to \$700 towards the purchase of an electric bicycle
- funded through \$70k collected from tolls on I-10 that runs through San Gabriel Valley
- received massive interest from low-income communities due to the large rebate being offered
- rebates were issued following the completion of a one day training course on bicycle safety
- allowed the purchase of electric bicycles to be from any electric bicycle shop

The logo for Active San Gabriel Valley (ACTIVE SGV) features the word "ACTIVE" in orange and "SGV" in blue, both in a bold, sans-serif font. Below the text is a horizontal dashed yellow line.

Recommendations

- The City should establish a Pilot Worker Rebate Program
 - can help the City achieve environmental goals, encourage a healthier lifestyle, and mitigate traffic congestion, offer flexibility for workers in San Francisco
 - allows for the collection of data for food delivery workers in San Francisco that was previously unavailable
 - require a bicycle safety training course that covers bicycle safety and is required to qualify for the rebate
 - administered through the San Francisco Department of the Environment

Recommendations cont'd.

- The City should establish a Citywide Rebate Program
 - administered through the San Francisco Department of the Environment
 - helps the city achieve it's ambitious climate goals, mitigate traffic congestion, and increase mobility for low-income families
 - offer a point of sale rebate on a sliding scale basis that reduces the upfront cost for low-income families
 - require a bicycle safety course to ensure cyclists are informed of the rules of the road, and of bicycle safety in general
 - conduct additional research through the use of focus groups and additional outreach to the community

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Thank You



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San Francisco and an Electric Bicycle Rebate Program for Delivery Workers

San Francisco Local Agency Formation Commission

By Jackson Nutt-Beers
Research Associate

Introduction

In 2019, the San Francisco Local Agency Formation Commission (LAFCo) commissioned a survey of on-demand workers in the emerging mobility services sector in San Francisco. The goals of this survey were to provide the City with insight into this exponentially growing workforce and to ascertain whether the labor policies of companies such as Uber, Lyft, DoorDash, Caviar, etc. were aligned with the City's labor principles. The data gathered by the survey team was used to inform labor policy recommendations by LAFCo to improve the labor conditions of this vulnerable workforce.

For several weeks during the beginning of 2020, the survey team inquired about the experiences of on-demand ride-hailing and food delivery workers in San Francisco. However, the survey was cut short due to the global COVID-19 pandemic. Surveyors found that of food delivery workers interviewed, about 51% did not have insurance or were reliant on public or public-access health insurance such as Medi-Cal or Covered California, and 59% could not afford a \$400 emergency outright or without borrowing. The survey also found that over 50% of food delivery workers in San Francisco work *more* than 41 hours a week. These staggering circumstances disproportionately impact Black, Indigenous, and other people of color. According to the same survey, approximately 77% of drivers identified as a person of color while 22% were white. Additionally, 56% of drivers surveyed were foreign-born. Because emerging mobility workers were classified as independent contractors until the passing of Assembly Bill 5 by the California Legislature, they were not eligible for labor protections or employment benefits under California labor laws. However, the reclassification of emerging mobility workers is currently under litigation in California.

One of the most interesting aspects of the survey was an inquiry regarding bicycle food delivery in San Francisco. Of the food delivery workers interviewed, approximately 18% said bicycling was their primary mode of transportation with half of the cyclists opting for an electric bicycle (eBike). Of delivery workers who use a bicycle for transportation, only 33% said they didn't have additional expenses to perform their work to the best of their abilities. With growing traffic congestion in San Francisco, ambitious climate goals by the State of California, and efforts to improve overall safety for bike couriers, there is growing potential to expand bicycle delivery in San Francisco. In the survey, bike couriers reported that they opted for bikes because cars were too expensive (52%) and expenses to maintain a vehicle were too high (77%). Couriers

also reported that they preferred biking because of increased opportunities to exercise (77%) and quicker delivery (83%). With the environmental goals and courier responses in mind, the survey team inquired about an electric bicycle rebate program for on demand food delivery workers in San Francisco. When surveyed, 70% of food delivery drivers said they would switch or consider switching from driving if they were offered a financial incentive. Additionally, one in four ride hailing drivers said they would switch or consider switching to electric bicycle delivery if provided with a financial incentive. The responses received by the survey team provide the City and County of San Francisco with a unique opportunity to help provide an equitable transportation option to Black, Indigenous, and other people of color who work as food delivery drivers in the City.

Acknowledgments

Mary Wiener (Energy Efficiency Program Manager, [Holy Cross Energy](#))

Mary has been the Energy Efficiency Program Administrator at Holy Cross Energy in Colorado for almost eight years. Her extensive work experiences range from an environmental trainer for the United States Peace Corps to a Park Ranger for the City of Boulder, Colorado, to being an Energy Efficiency and Sustainability Specialist for Boulder County. Mary's leadership resulted in the complete transformation of the energy efficiency program at Holy Cross Energy.

Jonathon Weber (Livable Streets Program Manager, [Local Motion](#))

Jonathan has been with Local Motion in Burlington, Vermont for almost three years, and has been in his current position as Livable Streets Program Manager since the beginning of last summer. In our correspondence, Jonathon provided insight into how to create an equitable rebate program, and how his program addresses the desire to reduce the upfront cost of electric bicycles.

Mike Taylor (Senior Commercial Sales, [Rad Power Bikes](#))

Mike has been with Rad Power Bikes since June of 2019. Based in Seattle, Washington, Mike works as a senior commercial sales representative, managing the sale of electric bicycle fleets to law enforcement agencies, educational institutions, and local municipalities throughout the United States.

Luke Dawson (Commercial Business Development, [Rad Power Bikes](#))

Luke has been with Rad Power Bikes since the beginning of 2020. At Rad Power Bikes, Luke's primary work focus has been on commercial business development while also working in B2B sales, operations, and logistics.

Deborah Raphael (San Francisco Department of the Environment)

Since 2014, Deborah has been the director of the San Francisco Department of the Environment. With a background spanning two decades, Deborah has dedicated her career to crafting and implementing public policy and programs that positively impact not only the environment, but human health. In her capacity as Director, Deborah continues the multi-agency implementation of San Francisco's Climate Action Strategy which is aimed at significantly reducing The City's carbon footprint.

Jose Jiminez (Education Director, [Active San Gabriel Valley](#))

As a member of the San Gabriel Valley community, Jose is currently the education director at Active San Gabriel Valley and has played a role in the cycling industry for the last ten years. From managing a variety of bicycle shops to his current role as education director, Jose has viewed cycling as a way to increase community between family and friends while achieving environmental goals through a healthy activity.

Methodology

The objective of this report is to examine electric bicycle rebate programs that exist or have existed to inform City leaders on the best practices of each program. Research was done through comparative analyses, interviewing, and collaboration with research associates. Because electric bicycle rebate programs are designed to meet the needs of residents in a specific area, it is important to include a wide range of programs that vary in terms of location of each rebate program, sources of funding, and the demographic makeup of each participating population. With a variety of rebate programs explored, the City and County of San Francisco will be able to adopt certain aspects of each program to meet the needs of all San Francisco residents through an equitable lens. To get a better understanding of the viability of an electric bicycle rebate program in San Francisco, it is critical to understand the perspectives of bike manufacturers, utility administrators, City department officials, community members and food delivery workers.

With every interview, each individual shared their experience from their own programs, communities, or professions to inform this report on established successes and where there are opportunities for improvement. Following the research of the programs and interviews with a range of individuals, this report compiles a list of recommendations applicable to equitable transportation programming in the City of San Francisco.

Existing Models of Electric Bicycle Rebate Programs

While electric bicycle rebate programs are relatively new phenomena, there have been several successful initiatives by utility cooperatives, City utility departments, and municipalities that have had lasting impacts on the local communities they serve. Of the existing electric bicycle rebate programs, the following programs represent some of the ways through which different organizations provide electric bicycle rebate programs to the eligible recipients:

Holy Cross Energy

As the interest in electric bicycle rebate programs spreads across the United States, one of the most unique models comes from Holy Cross Energy, a not-for-profit utility cooperative located in the western slope of Colorado. With ambitious environmental goals, such as operating on 70% of renewable energy by 2030, Holy Cross Energy crafted their electric bicycle rebate program as a way to get cooperative members out of their cars and onto electric bicycles. With a 2% monthly WE CARE surcharge on every member's bill, Holy Cross Energy receives approximately \$2 million a year to fund the e-Bike, energy efficiency, beneficial electrification and renewable energy rebates. Members receive a \$200 check for offsetting vehicle miles with their e-bike. When discussing how this program operates with Mary Wiener, she was open about her desire to get people outside during widespread shelter in place orders. Her desire is exemplified in the eligibility requirements for the rebate program. By allowing participating members to purchase their electric bicycles from anywhere, and even allowing for conventional bike conversion, Holy Cross Energy's electric bicycle rebate program is highly accessible and relatively easy to qualify for all participating members.

Burlington Electric Department

In 2015, Vermont's legislative body implemented their environmentally ambitious goals of reducing carbon emissions and increasing sources of renewable energy through the Renewable Energy Standard (RES). In order to achieve their goals, Vermont utilizes energy transformation projects to decrease fossil fuel usage and increase usage of renewable energy transportation. These transformation projects include, but are not limited to, the transition from internal combustion engine vehicles to electric vehicles. Because of electric bicycles capability to replace vehicle miles traveled using fossil fuels, they are included in energy transformation projects. The transformation projects are incentivized through an electric bicycle rebate program administered by LocalMotion, a bike advocacy and rental organization located in Burlington, Vermont. In collaboration with local bicycle retailers in Burlington, rebates, valued at \$200, are issued at the

point of sale when the consumer purchases an electric bicycle or buys the necessary equipment to transform a conventional bicycle to an electric bicycle.

Additionally, LocalMotion receives a monthly report from participating bicycle retailers that provide necessary data to invoice the utility on behalf of the participating bike shops. In correspondence with Jonathon of LocalMotion, he indicated that direct-to-consumer purchases were not eligible for a rebate at this time. In terms of opportunity, Jonathon indicated that by allowing rebates to be issued at the point of sale it is more challenging to collect data to ensure that the program is equitable. By including data collection as a requirement for the rebate, LocalMotion would have an opportunity to ensure that the program is reaching a multitude of populations and demographics .

Île-de-France Mobilités (Paris, France)

Beginning in February 2020, the regional government of Île-de-France, or Greater Paris, began their own electric bicycle rebate program to curb the usage of gas-powered vehicles to achieve progressive environmental goals and mitigate traffic congestion in the region. The eBike rebate program, administered by regional public transit authority Île-de-France Mobilités, offers residents 50% of the cost up to €500 (\$550) per electric bicycle, €600 (\$700) per electric cargo bicycle, and additional equipment necessary for cyclist safety. The program builds on top of the Veligo program that existed in the region starting in the fall of 2019. The Veligo program allows for long-term bike rentals for approximately €40 (\$45) per month that can additionally be subsidized by their employer. The budget for this program totals approximately \$14 million per year with an anticipated 20,000-30,000 Parisians taking advantage of the rebate program every year. Though the program began in February of 2020, residents are eligible for the rebate if they purchased an electric bicycle from December 1, 2019. In order to qualify for the subsidy, the consumer must provide documentation such as, but not limited to, proof of purchase, address, identification, etc. through an application process with Île-de-France Mobilités. If the applicant is approved, the rebate will be paid via bank transfer (Île-de-France Regional Council).

Active San Gabriel Valley

Active San Gabriel Valley (ActiveSGV) is a non-profit bicycle advocacy organization located in El Monte, California. Though the electric bicycle program in El Monte did not last very long, it had one of the most ambitious rebates offered to date. In addition to meeting ambitious environmental goals to reduce gas-powered vehicles, the rebate program supported by the City of El Monte and Active San Gabriel Valley provided one of the largest rebates offered throughout the country. After the completion of the Active San Gabriel Valley's City Cycle course to ensure each cyclist was appropriately trained to operate an electric bicycle and aware of local bicycling laws, eligible consumers were offered an electric bicycle rebate of up to \$700 towards the purchase of an electric bicycle at a verifiable retailer. Though the approval process

took over a year to complete, ActiveSGV was able to double the rebate offered from \$350 to \$700 per rebate. With this increase, the level of interest sky-rocketed among members of the community. The growing interest resulted in an increase from 10 participants to having a backlog of over 100 applicants by the end of the program.

In order to fund the rebate program, approved funding of \$70,000 was raised from new tolls on Interstate 10 that runs through the San Gabriel Valley (McQueen et al., 2019). With the funding received from the interstate tolls, the San Gabriel Valley was able to provide approximately 100 eBikes to residents who lived within three miles of the interstate, a requirement under state law (Curry, 2018). However, during an interview with Jose, he said that because ActiveSGV's electric bicycle rebate program was one of the first rebate programs, there were things that the program could have done differently. By allowing participants to purchase their electric bicycles from anywhere, the approval process was delayed which in turn took Active San Gabriel Valley longer to issue rebates to eligible participants.

Recommendations

In order to address The City's ambitious climate goals, mitigate growing traffic congestion, and provide equitable alternatives to motor vehicle transportation for food delivery workers, the City and County of San Francisco should establish an electric bicycle rebate program. In establishing such program, The City should consider the following:

Establish a Worker Rebate Program

The City and County of San Francisco should consider establishing a worker rebate program that would provide electric bicycles to workers in San Francisco. Through a City-sponsored worker rebate program, San Francisco can collect data involving food delivery drivers that has previously been inaccessible. This data can inform City officials on the amount of food delivery drivers working in the City, and provide detailed information regarding demographics and place of residence of delivery drivers. A worker rebate program established by the City should also require a training course at no expense to the worker that provides a comprehensive examination of electric bicycle operations, bike laws in San Francisco, and cycling safety. At the completion of the required training course, the City could offer a point of sale rebate at verified electric bicycle retailers to reduce upfront costs that could hinder delivery drivers interest in the program. Similar to the Île-de-France Mobilités program in France, the City should consider establishing a long-term rental option for food delivery workers that can be subsidized by the worker's employer. This aspect can work similarly to how employers subsidize transportation fees for workers who use MUNI, BART, or other public transportation options in San Francisco. This could work in partnership with existing rental programs in the City. By offering this option,

the City is providing alternatives to workers who do not purchase an electric bicycle but want the flexibility of cycling instead of driving.

Establish a Citywide Rebate Program

The City and County of San Francisco should consider establishing a Citywide rebate program for eligible residents to help the City mitigate traffic congestion and achieve greenhouse emissions reduction goals. Through the Department of the Environment, San Francisco should offer a large equitable rebate program that is accessible to low-income communities across the City. An example of this can be found in ActiveSGV's electric bicycle rebate program where an increase in the total rebate amount led to an increase in interest from low-income communities. With more electric bicycles on the road, it is imperative that City officials require a course covering bicycle operations, bike laws, and safety at no cost to participants. Additionally, the City should offer a point-of-sale rebate at verified electric bicycle retailers to reduce the upfront cost of electric bicycles to participants. Requiring participants to pay the upfront cost of an electric bicycle can reduce interest among low-income communities and decrease the amount of participants in the program.

Conclusion

Over the last decade, electric bicycle rebate programs have grown exponentially in localities across the United States of America and the world. According to the NPD Group, electric bicycle sales totaled approximately \$77 million dollars in 2017, a 91% increase from the year prior (The NPD Group). As urban streets begin to fill with personal, ride-hailing, food delivery, and public transportation vehicles, cities are faced with growing environmental, traffic, and driver safety concerns. As San Francisco's population grows, the City has also seen an increase in traffic congestion, which will likely worsen.

According to the San Francisco Municipal Transportation Agency (SFMTA), Transportation Network Companies maintain a growing presence on the streets of San Francisco. With approximately 45,000 Uber and Lyft drivers in the City, Transportation Network Companies are responsible for 20% of all vehicle-miles-traveled and half of a total increase in congestion San Francisco between 2010 and 2016. With increased traffic congestion over the last decade and projected increases in congestion levels in the future, the City and County of San Francisco has an opportunity to reduce carbon emissions from gas-powered vehicles and mitigate traffic congestion that has plagued the City for decades. Cities with similar ambitious environmental and traffic congestion goals across the country and around the world have already implemented electric bicycle rebate programs to help with these issues. In addition to the growing variety of public transportation that includes trains, buses, trolleys, subways, etc.,

electric bicycles can augment San Francisco’s portfolio of transportation options outside of passenger vehicles.

However, as wages for food delivery drivers have historically been low, and decreased further during the COVID-19 pandemic, it is essential that additional modes of transportation be available and affordable for everyone who lives and works in San Francisco. Of the many electric bicycle rebate programs that exist, very few offered rebates that significantly reduced the price of electric bicycles. With electric bicycles starting at approximately \$999 and peaking at over \$6,000, many organizations offered rebates of \$350 or less. These programs have seen growing interest in rebates because of municipal governments encouraging cycling as a means of exercise during the COVID-19 pandemic and the implementation of “Slow Streets”(a network of streets that are off limits to vehicles and are available for recreational use such as walking, jogging, running, and cycling).

As economies around the world are seeing a downturn, it is understandable that the City and County of San Francisco is cautious when it comes to establishing an electric bicycle rebate program that calls for large financial incentives to help low-income residents with the cost of electric bicycles. With this in mind, the City and County of San Francisco should establish a combination of the programs other organizations have already implemented. Through this combination, City leaders can consider a variety of components from other electric bicycle rebate programs that have found success while addressing the very unique issues faced by transportation officials, environmentalists, and low-income food delivery drivers in San Francisco. Additional outreach will be required to ensure that the program meets the needs of all San Franciscans. In addition to the research presented here, it is imperative that input from a variety of stakeholders, a focus group of food delivery drivers in San Francisco, and other people who ride electric bikes on their experience of cycling in the City, be included in this project.

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