

Ask Better QUESTIONS
Give Better ANSWERS
Expand County CAPACITY



COURSE MATERIALS

Emerging Issues:

The Sharing Economy

26 January 2017

CI 405



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Sharing Economy

Agenda

Thursday, 26 January 2017



- 10:00 *Welcome* Supervisor Kevin Cann, Mariposa County
- ♦ Introduction of facilitators and invited experts
 - ♦ Purpose and Outcome; Overview of Agenda
- 10:10 *Comments: Frame Issue*
- ♦ Facilitators provide an overview of the scope of the conversation of the day and their perspective of the issues
- 10:25 *Tabletop Discussion: Observations from Counties*
- ♦ In small groups participants share their observations – what are they seeing or hearing from constituents, county staff and the community
 - ♦ Share a key insight from each table
- 11:00 *Stage Setting Lecturettes: Content Expert Comments on the Issues*
- ♦ Trends on Shared Economy Lodging in California – Carolyn Chu, Legislative Analyst’s Office
 - ♦ Impacts on Transient Occupancy Tax Collection – Julia Erdkamp, MuniServices
 - ♦ Local Ordinances for Health and Safety – Matthew Summers, Colantuono, Highsmith & Whatley, PC
- 12:10 *Lunch*
- 12:45 *Tabletop Discussion: Evidence and Symptoms*
- ♦ Small groups identify evidence and symptoms they are observing in their counties
 - ♦ Most pressing are shared
- 1:15 *Case Study Presentationettes: County Practitioners Share Approaches*
- ♦ Ventura County – Chris Stephens, Director, Resource Management Agency
 - ♦ Placer County – Jennifer Merchant, Deputy County Executive Officer
- 2:00 *Reflection Loop: Responses from Facilitators and Experts*
- ♦ Comments on questions and what was heard from group discussions
- 2:20 *Tabletop Discussion: Problem Identification – Address Three Questions:*
- ♦ From discussion, what is the most pressing issue facing counties in the next 24 months?
 - ♦ What are three elements of the problem which counties could influence?
 - ♦ What are three key strategies for county action?
- 3:00 *Discussion: What Was Learned – What Needs to Happen Next*
- ♦ Summary of takeaways from the day, questions that linger and potential actions for individual counties and CSAC
- 3:30 *Adjourn*

Emerging Issues *The Sharing Economy*

Faculty Biographies



Supervisor Kevin Cann

Supervisor Kevin Cann has served on the Mariposa County Board of Supervisors since 2008 representing District 4. During this time, he has been a leader on a number of projects in Mariposa County including efforts to replace 90% of dilapidated utility infrastructure in Yosemite Valley, seeking modifications to the Ferguson Slide bridges for 45' bus passage, and moving all central maintenance facilities to El Portal. For these and other accomplishments, Supervisor Cann has been recognized by his community, receiving several leadership awards from groups ranging from the American Alpine Club Enduring Leadership Award (2003) to the Yosemite Fund Career Achievement Partnership Award (2005).

Carolyn Chu

Carolyn Chu is a Senior Fiscal and Policy Analyst with the California Legislative Analyst's Office. She works on local government issues, including land use, property taxes, and state mandates. Previously, Carolyn worked in the LAO's education unit, covering school finance and early childhood education. Before joining the LAO, Carolyn worked for the Defense Department and the RAND Corporation.

Julia Erdkamp

Julia Erdkamp is a Client Service Manager for MuniServices where she works to help local governments in Southern California maximize revenue. Before joining MuniServices, Julia worked on federal issues for both the U.S. Department of the Interior's Bureau of Reclamation as an office chief and the U.S. Department of Homeland Security as an aviation security liaison. Most recently, she worked for Orange County Waste & Recycling as a Strategic Communications Manager.

Matthew Summers

Matt Summers is Senior Counsel with the Colantuono, Highsmith & Whatley LLC Los Angeles office with advisory and litigation assignments. His practice covers a range of public law issues, including post-redevelopment disputes, telecommunications, land use, elections, conflicts of interest, open meetings law, CEQA, and Americans with Disabilities Act ("ADA") compliance. He also serves as City Attorney for the City of Ojai and Assistant City Attorney and Planning Commission Counsel for the City of Calabasas. Finally, he is the 2017 Chair of Chapter 3, Elections, of the California League of Cities' Municipal Law Handbook.

Chris Stephens

Chris Stephens is the Director of Ventura County's Resource Management Agency (RMA). The Ventura County RMA includes the Planning, Building & Safety, Environmental Health and Weights & Measures programs. Prior to his current position, Chris served in numerous planning capacities: Ventura County Planning Director, Deputy Director of the Ventura County Transportation Commission, and as a transportation planner in the City of Oxnard and the counties of Santa Cruz, Monterey, and San Luis Obispo.

Jennifer Merchant

Jennifer Merchant is the Placer County Deputy County Executive Officer. She oversees the North Lake Tahoe Resort Association's budget and works with the Tahoe Regional Planning Agency on land use planning, tourism, infrastructure, transportation, and affordable housing. Jennifer previously served as the executive director of the North Tahoe-Truckee Transportation Management Association.

The Sharing Economy – Managing the Challenge & Creating Opportunities

California State Association of Counties

Emerging Issues Summit

January 2017



The Sharing Economy

What is it?

- **Renting goods and contracting for short-term services is not new, but was limited in the past due to information limits and other barriers**
- **Sharing economy leverages the internet to connect consumers and suppliers with goods and services**
 - Peer-to-peer or business-to-consumer

LAOA

The Policy Debate

Why does the sharing economy prompt a policy debate?

- **Affects industries that have historically had significant regulatory frameworks**
- **Affects areas where the government traditionally has collected taxes**

LAOA

Trends in Leisure and Hospitality

California Tourism

➤ Leisure and Hospitality relatively large sector

Share of Wages and Business Income by Major Industry

2016 (11 Months)

| Sector | California | United States |
|-------------------------------------|------------|---------------|
| Professional and Technical Services | 12.6% | 10.2% |
| Wholesale and Retail Trade | 10.2 | 11.0 |
| Health Care and Social Assistance | 9.3 | 10.9 |
| Manufacturing | 9.2 | 9.5 |
| Finance, Insurance, and Real Estate | 8.5 | 9.1 |
| Leisure and Hospitality | 5.1 | 4.5 |
| Food Service | 2.7 | 2.6 |
| Arts, Entertainment, and Recreation | 1.8 | 1.2 |
| Lodging | 0.7 | 0.7 |

LAOA

Trends in Leisure and Hospitality

(Continued)

➤ Over 263 million person trips in 2015

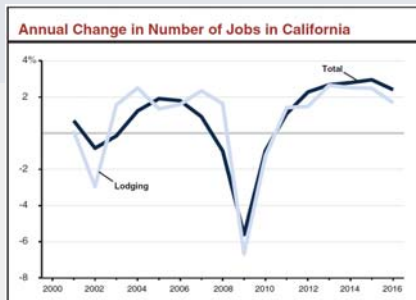
- Over 80 percent of these trips were for leisure
- Over 90 percent of visitors were from within the US

➤ Direct spending in California was almost \$123 billion in 2015

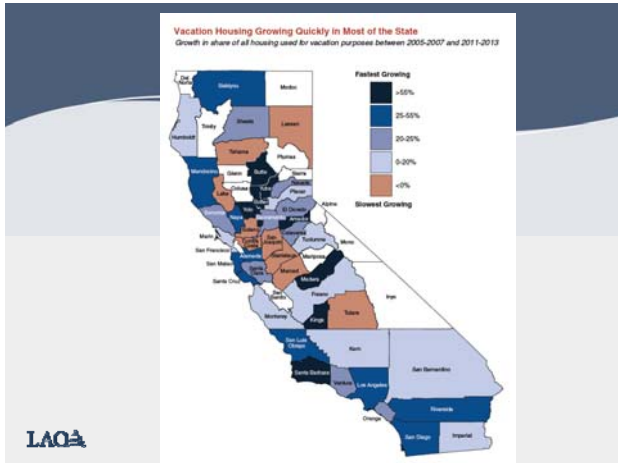
LAOA

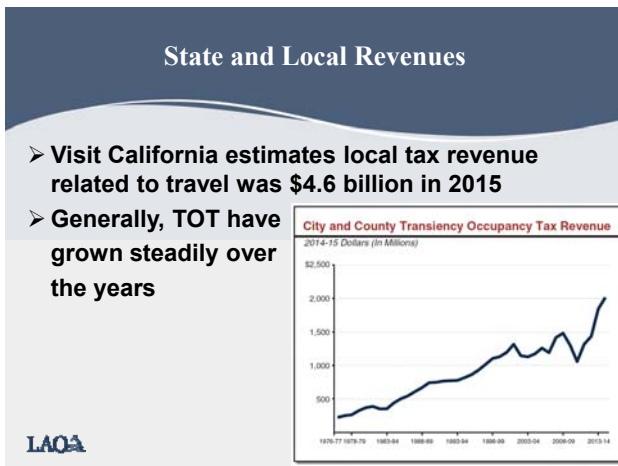
Lodging Jobs

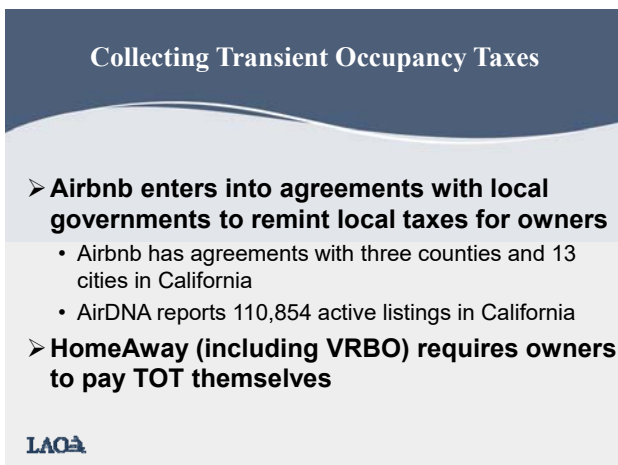
Changes in Lodging Jobs Track Overall Employment



LAOA







Attributes of Home-Sharing

- Generates income for providers
- Visitors save money
- Increases lodging infrastructure
- Can provide additional tax revenue for local governments

LAQA

Concerns with Home-Sharing

- Can be inconsistent with land use policies
 - Many communities have land use policies that limit rentals of less than 30 days, but websites have listings throughout the state

LAQA

Some Recent Efforts to Address Short-Term Rentals

- Coastal Commissions concerns with affordability for visitors
- San Francisco and San Diego recently vetoed cap on short-term rentals
- Oakland moving to legalize and regulate short-term rentals
- Palm Springs limited ownership and rentals

LAQA

Sharing Economy Defined

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Sharing economies allow individuals and groups to make money from underused assets. In this way, physical assets are shared as services. For example, a car owner may allow someone to rent out her vehicle while she is not using it, or a condo owner may rent out his condo while he's on vacation.

(Source: PwC)

Other names include: 'Peer Economy', 'Collaborative Consumption' and the 'Collaborative Economy.'

Sharing Economy Defined

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Collaborative Economy Honeycomb Version 1.0

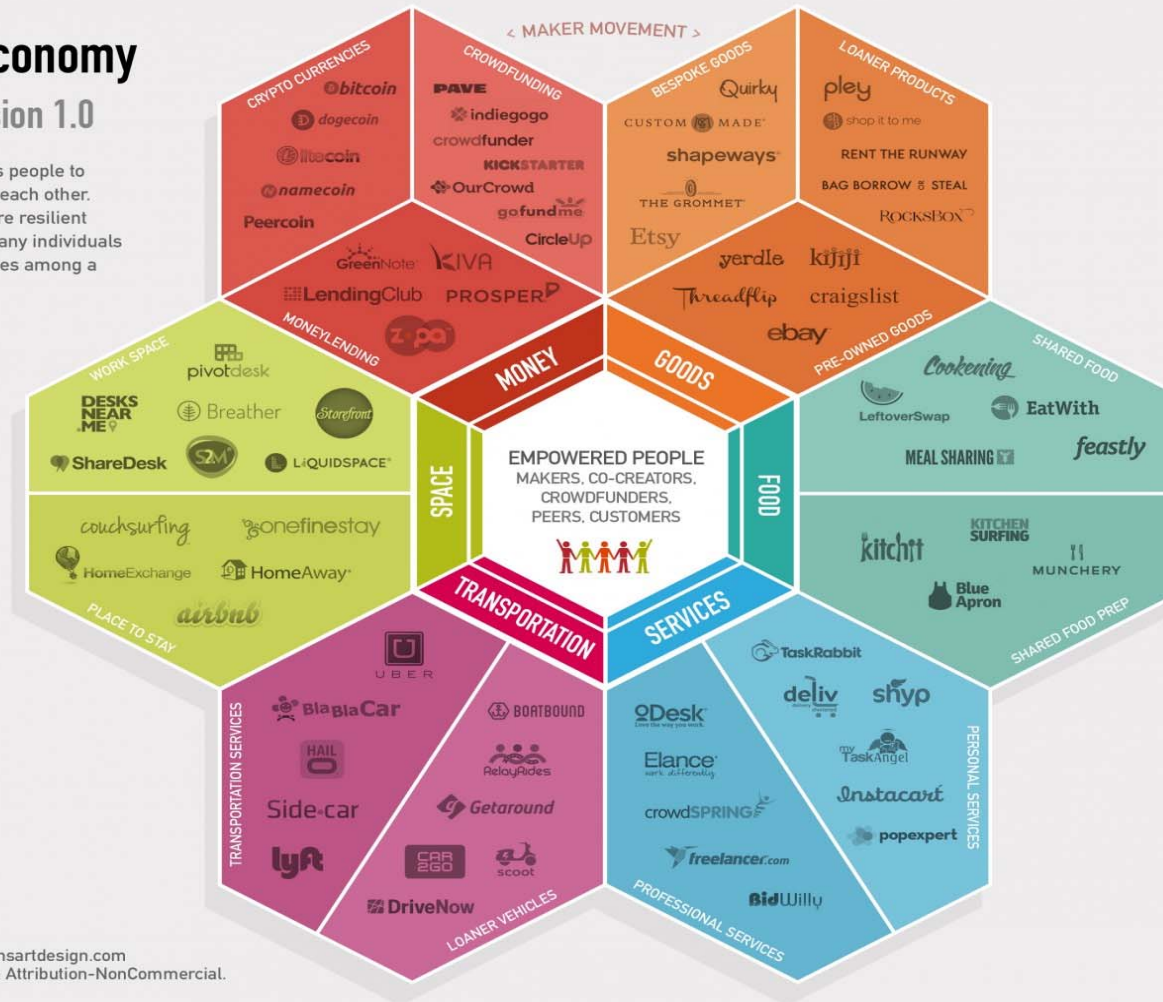
The Collaborative Economy enables people to efficiently get what they need from each other. Similarly, in nature, honeycombs are resilient structures that efficiently enable many individuals to access, share, and grow resources among a common group.

In this visual representation, this economy is organized into discrete families, sub-classes, and example companies. To access the full directory of 9000+ companies visit the Mesh Index, at meshing.it/companies managed by Mesh Labs.

By Jeremiah Owyang
@Jowyang

With input from:
Neal Gorenflo (@gorenflo),
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Mike Walsh (@mwalsh),
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Alexandra Samuel (@awsamuel),
and Vision Critical (@visioncritical).

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KEY MARKET FORCES



SOCIETAL DRIVERS

- DESIRE TO CONNECT
- SUSTAINABLE MINDSET
- POPULATION INCREASE



ECONOMIC DRIVERS

- FINANCIAL CLIMATE
- UNTAPPED IDLE RESOURCES
- STARTUPS HEAVILY FUNDED



TECHNOLOGY ENABLERS

- INTERNET OF EVERYTHING
- MOBILE TECHNOLOGIES
- SOCIAL NETWORKS



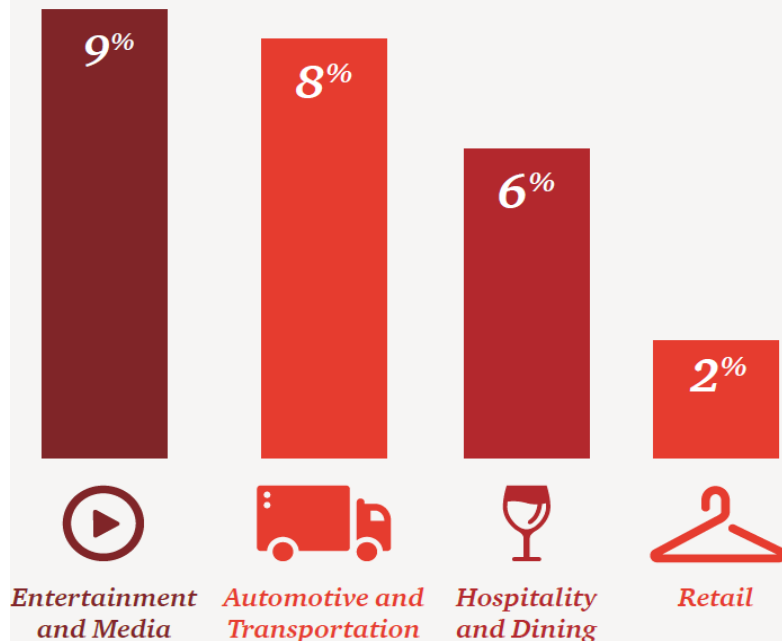
www.crowdcompanies.com

Sharing Economy Trends

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19%
of the total US adult population has
engaged in a sharing economy transaction

*Percentage of US adults who
have engaged in a sharing
economy transaction*



- Airbnb averages 425,000 guests per night, 22% more than Hilton Worldwide
- Uber operates in more than 250 cities after only five years in operation.

“PwC’s projections show that five key sharing sectors – travel, car sharing, finance, staffing, and music and video streaming – have the potential to increase global revenues from roughly \$15 billion today to around \$335 billion by 2025.”

- 6% of the US population has participated as a consumer in the hospitality sharing economy; 1.4% have served as a provider.
- Customization of travel experience
- Major platforms: Airbnb, Homeaway/VRBO, Couchsurfing

“The sharing economy effect is accelerating with internet and technology and is something that is impacting our business,”

- Christopher Nassetta, President/CEO Hilton
Worldwide

Benefits

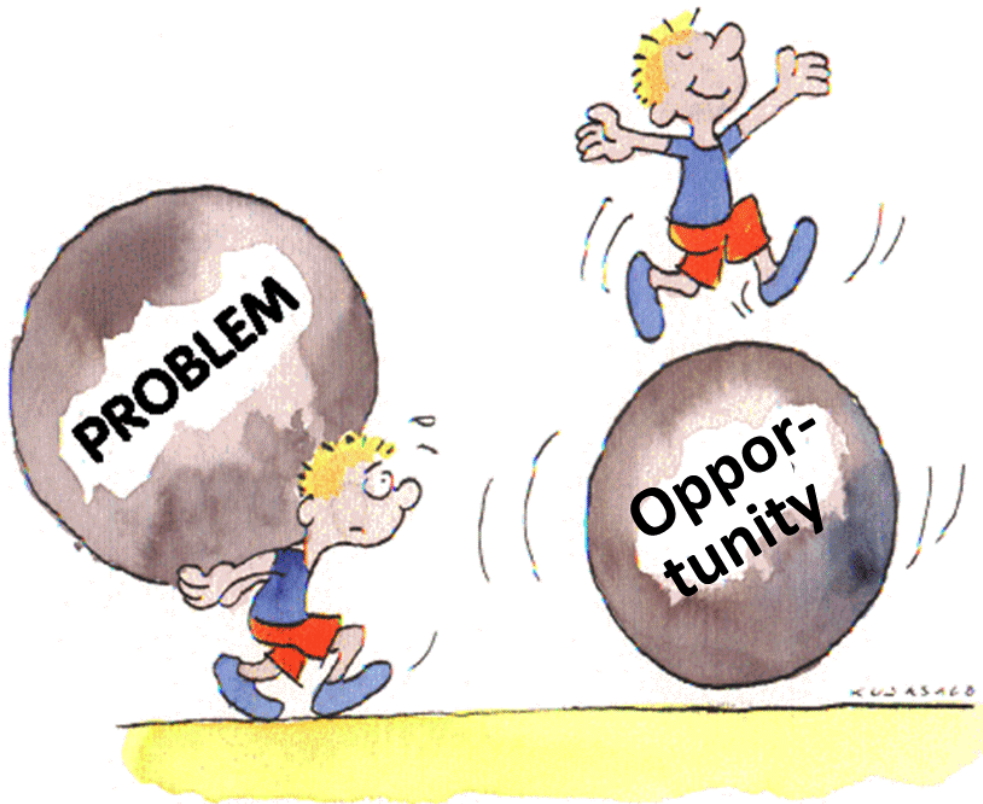
- Keeps travelers local and their dollars within the jurisdiction.
- Provide residents with additional income/capital to spend.
- Gives travelers more scalable and affordable lodging options.

Concerns

- TOT Revenues
- Zoning - Commercializing of residential areas.
- Safety – Loss of control over residents/occupants.

Problem or Opportunity?

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*Wherever there is change, and
wherever there is uncertainty,
there is opportunity!*
- Mark Cuban

- **SB 1102 (McGuire)** was intended to allow online platforms (also known as “collecting platforms”) to *elect* to participate and collect TOT revenues and then return the revenue to locals; “collecting platforms” would have been subject to an annual audit or review conducted by the State Controller; locals would have had to request that the Controller allow locals to review the Controller’s audit findings (*Died/ 2016*)
- **SB 133 (McGuire)** was intended to set up a mechanism to allow locals and on-line platforms to ‘*opt in*’ to a process for collect TOT revenues (*Died/ 2016*)
- **SB 593 (McGuire)** was intended to help local efforts to regulate land use impacts and collect applicable taxes (*Died/ 2015*)
- **SB 1220 (Harper)** included language to prohibit locals from levying a tax on occupying a residential short-term rental (*Died/ 2015*)

- **SB 1092 (Monning)** requires hosting platforms to provide notice warning individuals to review any restrictions on their homeowners' or renters' insurance policy related to short-term rental activities (*Chapter 113/ 2016*)
- **SB 761 (Hall)** a “landlord-tenant” law that is intended to educate tenants about the risks (violating rental leases or contracts) of listing a room on a rental website (*Chapter 239/ 2015*)
- **AB 229 (Chang)** prevents state agencies from prohibiting employees traveling on official business from using transportation network companies or short-term rentals (*Chapter 770/ 2015*)

DISRUPT SF

NBA Champion And Finals MVP Andre Iguodala To Speak At Disrupt SF [Get \\$1,000 Off Tickets Now ▶](#)

Airbnb Will Begin Collecting Transient Occupancy Taxes For San Francisco Bookings Next Month

Posted Sep 17, 2014 by [Ryan Lawler \(@ryanlawler\)](#)

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SHARES



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[VIDEO](#)

INFRASTRUCTURE & ENVIRONMENT

Instead of Fighting, Some Cities Team Up With Airbnb and Uber

While many places try to regulate or ban sharing-economy companies, a few are taking advantage of them to improve their emergency preparedness and transportation options.

Thank you

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The New York Times

The Opinion Pages | OP-ED CONTRIBUTOR

The Whatchamacallit Economy

By STEVEN GREENHOUSE DEC. 16, 2016

It's a hip, fast-growing sector of the economy, filled with headline-grabbing companies: Uber, Lyft, Airbnb, Task Rabbit. But there's a gnawing problem: People aren't sure what to call it. Many critics dislike the term most commonly used, the "sharing economy," because there often isn't much actual sharing going on. Others prefer to call it the on-demand economy, peer-to-peer economy, crowd-based economy, gig economy or collaborative economy.

Uber, Lyft and other e-hailing companies love to say they are "ride-sharing companies," signaling that they are collaborative and not crassly capitalistic. These companies maintain that their drivers share their cars with passengers and use apps to share information about where they are. But many academics and workers in this sector assert that the business model seems less like sharing than like traditional corporate profit-making that happens to use an app.

Rochelle LaPlante, who works for Mechanical Turk, an internet platform for people to post and find piecework jobs, sees public relations spin behind the term "sharing economy." "There's an exchange of money," she said. "It's not really sharing if a person's paying for it."

Her point: If you're living in San Francisco and you want to drive to Palo Alto and take a friend with you (perhaps splitting the cost of gas), that's ride sharing. But if you take an Uber to get to Palo Alto, that seems more like a taxi ride.

Arun Sundararajan, author of the new book "The Sharing Economy: The End of Employment and the Rise of Crowd-Based Capitalism," said he chose that term for his title because so many people use it. Yet Mr. Sundararajan, a professor at New York University's Stern School of Business, actually prefers "crowd-based capitalism," because a crowd of consumers obtains services by connecting, via a platform, with a crowd of suppliers.

In the early 2000s, the sharing economy generally referred to people with underused assets — whether automobiles, homes or vacuum cleaners — who let others "share"

them, usually for a fee. Such sharing was viewed not as a business but as a way to promote sustainability.

“The ‘sharing economy’ phrase has stuck,” Professor Sundararajan said, partly because it suggests a personal touch — say, an Airbnb host putting visitors up in a spare bedroom. “There’s a connection that people seem to enjoy.” (Even though some say that the Airbnb hosts who own a dozen apartments are not really sharing.)

Rachel Botsman, a co-author of “What’s Mine Is Yours: The Rise of Collaborative Consumption,” says that Uber and the like are not sharing companies. “The Uberfication of everything brings with it confusion about what is true sharing,” she [wrote](#) on Fast Company’s website. To her mind, companies shouldn’t be considered part of the sharing economy unless they have a “clear value-driven mission” and their workers are “respected” and “empowered.”

Ms. Botsman added that some companies can legitimately be called sharing companies, like Turo (previously called RelayRides), which enables car owners to rent out their unused cars, and BlaBlaCar, which connects riders with car owners planning to drive from one city to another.

With the term “sharing economy” under scrutiny, experts are casting about for substitutes. Miriam A. Cherry, a St. Louis University law professor, recommends the “on-demand economy,” but critics say that isn’t exact enough, because ordering a pizza by phone can be considered part of an on-demand economy. Others prefer “gig economy,” but some assert that phrase isn’t suitable for 21st-century app-based companies because gig workers — think jazz musicians — have been around for decades.

Shelby Clark, founder of RelayRides and chief executive of [Peers](#), which advises on-demand companies, prefers “peer-to-peer economy” because individual consumers use a platform to connect with “peer” service providers. But as Professor Sundararajan noted, illegal music and video sharing were once described as peer-to-peer, giving that term a bad connotation.

Some embrace “platform economy,” but Geoffrey G. Parker, an engineering professor at Dartmouth and the author of “Platform Revolution,” says that name is too broad because it includes giants like Google, Facebook and YouTube. Others like the “app-based on-demand economy” (the Abode economy), the “gig on-demand economy” (the GOD economy) or the “platform on-demand economy” (the POD economy), whose workers could be called pods.

Despite the criticism that “sharing economy” is inaccurate and sounds like corporate spin, Professor Sundararajan says we might be stuck with that description because corporations and the public so often use it. When Silicon Valley and Madison Avenue latch on to a phrase, it’s not easy to shake it off.

http://www.nytimes.com/2016/12/16/opinion/the-whatchamacallit-economy.html?emc=edit_ca_20161219&nl=california-today&nid=77105146&te=1&r=0

Notes

Topic _____

Date _____ Page _____

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A Foundation of Leadership



Hallmarks of effective county elected officials and senior executives

LEADERSHIP COMPETENCIES

Personal Literacy

- Trustworthiness
- Respect
- Responsibility
- Fairness
- Compassion

Strategy

- Strategic planning
- Adaptive change
- Shared vision
- Appreciate possibilities
- Future generations

Relationship Dexterity

- Coalition building
- Facilitate dialogue
- Appreciate differences
- Manage conflict

Advocacy

- Service to community
- Value to county
- Community needs

KNOWLEDGE COMPETENCIES

Governance

- State and local relations
- County roles and powers
- Finances
- Decision-making

Policy

- Social and human services
- Public safety
- Land use
- Environmental protection

Administration

- Personnel and employee relations
- Performance assessment
- Customer service
- Accountability

Stewardship

- Financial and human resources
- Meeting management
- Communication
- Media relations
- Crisis management

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ABOUT CSAC INSTITUTE

The **California State Association of Counties (CSAC)** is the voice of California's 58 counties at the state and federal level. The Association's long-term objective is to significantly improve the fiscal health of all California counties – from Alpine County with a little more than 1,200 people to Los Angeles County with more than 10 million – so they can adequately meet the demand for vital public programs and services. CSAC also places a strong emphasis on educating the public about the value and need for county programs and services.

The **CSAC Institute for Excellence in County Government** is a professional, practical continuing education program for county officials. The experience is designed to expand the capacity and capability of county elected officials, senior executives and managers to provide extraordinary services to their communities. Over 3,600 county officials and staff have participated in classes since the Institute was established in 2008.

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