NATIONAL LEAGUE of CITIES | CENTER FOR CITY SOLUTIONS AND APPLIED RESEARCH

CITIES, THE SHARING ECONOMY and WHAT'S NEXT

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About the National League of Cities

The National League of Cities (NLC) is the nation's leading advocacy organization devoted to strengthening and promoting cities as centers of opportunity, leadership and governance. Through its membership and partnerships with state municipal leagues, NLC serves as a resource and advocate for more than 19,000 cities and towns and more than 218 million Americans.

NLC's Center for City Solutions and Applied Research provides research and analysis on key topics and trends important to cities, creative solutions to improve the quality of life in communities, inspiration and ideas for local officials to use in tackling tough issues and opportunities for city leaders to connect with peers, share experiences and learn about innovative approaches in cities.

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Section I

INTRODUCTION

We are on the cusp of a monumental shift taking place in cities around the world. From innovative technologies and business models to redefined concepts of equity and safety, the sharing economy is impacting cities. At the same time, cities make the sharing economy work and power its ability to grow worldwide. And this is only the beginning. With more than half of the world's population living in cities - a figure projected to rise precipitously in coming years - all eyes are on cities for global leadership.

This National League of Cities report seeks to provide an analysis of what is currently happening in American cities so that city leaders may better understand, encourage and regulate the growing sharing economy. Interviews were conducted with city officials on the impact of the sharing economy and related topics, and the report centers around five key themes: innovation, economic development, equity, safety and implementation.

The sharing economy is also commonly referred to as collaborative consumption, the collaborative economy, or the peer-to-peer economy. This term refers to business models that enable providers and consumers to share resources and services, from housing to vehicles and more. These business models typically take the form of an online and/or application-based platform for business transactions. The vast differences in the types of sharing economy platforms can be mind-boggling, from pure sharing services with no money changing hands to commercial services and everything in between. Policymakers often assume that the concept of the sharing economy applies only to ridesharing (or ride-hailing[1]) and homesharing, and are typically unaware of the wide array of goods and services that can be shared, which range from food and other consumables to an individual's time and tools. Municipalities, for example, can even share heavy equipment, reducing overall expenditures and providing needed tools that might otherwise have been unavailable.

It is safe to say that the sharing economy is thriving - it is upending traditional industries, disrupting local regulatory environments, and serving as a benchmark for innovation and growth. This is all happening at once, and there is no status quo; while emerging models are developing, the relative novelty of this issue precludes long-term, tested best practices. Additionally, there is no "one-size-fits-all" regulatory framework that every locality can or should apply to the influx of new economic activity. One of the truly innovative aspects of cities is their ability to experiment and develop unique, locally-driven solutions to new challenges.

NLC recently published a research report analyzing the current sentiment towards homesharing and ridesharing, and we concluded that the general sentiment of cities towards the sharing economy is shifting in certain municipalities, while others remain more resistant to change. Unlike other emerging city issues, the patterns of diffusion across the country do not necessarily present themselves along the traditional lines of city size or region. States are also playing a significant role in the emergence of the sharing economy, often intervening in a manner that includes legislation, regulatory rulings and even legal action.

The common theme within this conceptual space is that cities make the sharing economy work. Cities play a central role in deciding which sharing economy practices are adopted and which are rejected. Further, the unanticipated surge in sharing economy business models and the proliferation of companies that serve as catalysts for collaborative consumption has created a disruption of existing systems. Traditional industries are being upended with the growth of innovative sharing economy models that do not fit neatly into existing local regulatory environments. Much of this shift has been a direct result of the fact that community members both expect on-demand services and crave collaborative opportunities. City leaders must walk a fine line, working to embrace change and innovation while simultaneously prioritizing safety and developing context-sensitive city solutions that work for their community.

[1] The terminology for what has been popularly termed ridesharing is in flux, with the Associate Press shifting to ride-hailing with a January 2015 decision whereas others continue to use the term ridesharing. For purposes of this report, because interviews were conducted prior to the AP's shift, and most city leaders know the terminology as ridesharing, we have used ridesharing throughout.

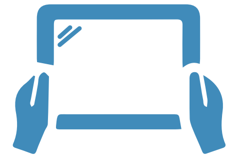
Why Sharing?

1 

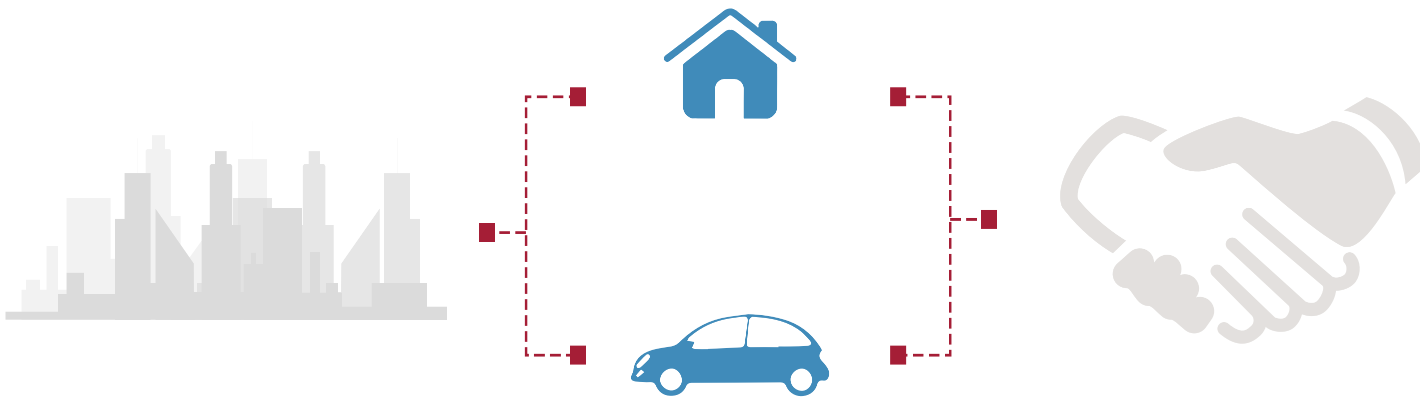
Cities experience an increase in
Urbanization

2 

Changing conditions in
Economics

3 

Generational changes in
User Preference/ Lifestyle



Many cities are welcoming these new business models, despite regulatory barriers and the swift and sometimes aggressive nature of their immersion.

Section II

METHODOLOGY

This research emerged from conversations with city leaders around the country who were looking for guidance on how to modify or develop new regulations for the sharing economy. The National League of Cities partnered with researchers from Fels Consulting at the University of Pennsylvania's Master's in Public Administration program to design a research approach, develop interview questions, and identify interview candidates who could share insights on their strategies, tactics and lessons learned while regulating this new space.

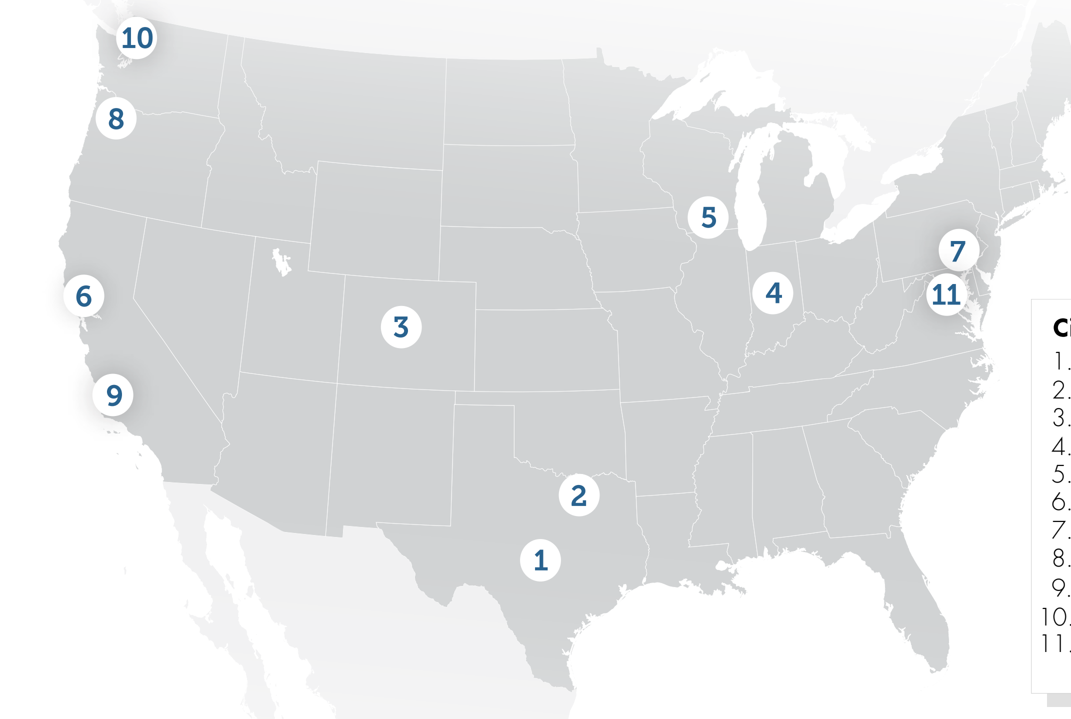
Over a four month period, from November 2014 through February 2015, Fels Consulting conducted 12 hour-long interviews with a diverse array of current and former city officials. In our selection process, we sought to maximize geographic diversity and maintain a balanced mix of representatives from both small and large cities. We also aimed to interview officials who served in a variety of positions in city government. Of the 12 interviews conducted, four officials held positions as a city councilmember, four held positions in offices focused on economic development or special projects, two held positions in offices focused on transit or sustainability, and the remaining two served as advisors to councilmembers or to the city. These officials represented the following cities: Austin, Texas (two interviews conducted); Dallas; Denver; Indianapolis; Madison, Wis.; Petaluma, Calif.; Philadelphia; Portland, Ore.; San Luis Obispo, Calif.; Seattle; and Washington, D.C.

To supplement this research, we also reviewed dozens of current articles on cities' responses to the sharing economy and studied ordinances, bills and various pieces of legislation.

The sections outlined in this report represent the major themes that emerged across our research, and are organized around the types of questions city officials may want to ask themselves as they embark on this regulatory process.

Sharing and the City

Interviews conducted with city officials from a diverse selection of cites across the United States.



Cities

1. Austin
2. Dallas
3. Denver
4. Indianapolis
5. Madison, WI
6. Petaluma, CA
7. Philadelphia
8. Portland, OR
9. San Luis Obispo, CA
10. Seattle
11. Washington DC

Section III

INNOVATION

How can cities meet their governing obligations while positioning themselves as innovative places to live, work and visit?

Innovation is one of the terms most often associated with the sharing economy. The first section of this report examines the role of local politics in the sharing economy. It also explores the ways in which cities can encourage and create innovative policies, and it considers the role of data in helping to make cities more innovative.

The concept of innovation is at the forefront of discussions about the sharing economy. Thanks to new technological platforms and widespread use of social media, citizens have gained the power to call and track a ride, rent out their homes, and share goods instead of purchasing more than they need or can afford. Sharing economy services have also presented cities with unprecedented, complex questions. The greatest challenge for any city is finding a balance between embracing these platforms, as well as the various benefits they offer to residents and visitors, and regulating them in the name of safety and responsibility. In the context of the sharing economy, being "receptive to innovation" has become the gold standard for any city. This was an emergent theme across interviews, as officials discussed the desire for their cities to be seen as innovative and adaptive. They stressed the importance of understanding the dynamics of city politics, tourism and business goals, as well as letting the market decide which companies most benefit residents and visitors.

Where do politics and innovation intersect as cities work to create new policies?

The unique political structure of any city, from its mayor to its city manager to its city councils and agencies, affects the process of working with and regulating the city's homesharing and Transportation Network Companies (TNCs) like Uber and Lyft that operate within its boundaries. Due to rapidly evolving business models, intense media campaigns, and vocal constituents, the process of regulating sharing economy businesses can be complex and contentious, often straining staff time and resources across multiple offices. With no clear precedent for the regulatory process, each city must determine which agency or agencies, committees and staff members will take the lead on meeting with stakeholders, drafting ordinances and implementing new policies.

Indianapolis has approached the sharing economy through what they have termed the "big tent" idea, welcoming any business that might positively impact the city and its residents to pilot their product. A city official explained that beyond "a good faith discussion and engagement around safety," the city does not want to impede a thriving platform built around a good idea and sophisticated data from doing what it does best.

Indianapolis continuously seeks ways to make its downtown vibrant and friendly and attract more traffic to the city. After recently hosting the Super Bowl, Indianapolis has seen an increase in conventions, and the presence of Uber and Lyft has greatly improved transportation connections for both residents and visitors. This focus on innovation as part of the urban economy has helped the city attract millennials and other groups who utilize these platforms, embrace competition among similar companies, and think broadly about whether sharing economy services benefit citizens.

In our interviews, an official from Indianapolis detailed how the first reaction to brand new ideas is often to limit or prohibit them, noting that cities have to temper this impulse by stepping back and asking whether the business or service is in the best interest of the community. An official from Dallas took a similar approach to crafting TNC regulations in his city, stating "embrace it, then see about regulating it. If you go at it with the approach that [these companies] are invading, you'll have a lot more trouble coming up with a good transportation-for-hire ordinance." From the outset, the city council decided it was crucial for Dallas to be seen as innovative and forward-thinking. To achieve this, the city opted to accept TNCs as widely used and desired by the public, and convened stakeholders to determine how best to regulate their services. The Dallas official maintained that, when cities fight over whether TNCs are legal at all, they do themselves a disservice by fighting the inevitable progress of innovative technology. If the public likes a product enough, it will thrive; therefore, it is in the best interests of cities to focus on establishing regulations to ensure citizen safety.

An official from Seattle echoed that sentiment, adding that cities reputed for technology and innovation run counter to those ideals when they attempt to stifle the sharing economy. No city wants to be perceived as anti-innovation. At the same time, elected officials who do support the sharing economy can face intense criticism when they make decisions they believe are in the best interests of the local economy. One Washington, D.C. city councilmember was vilified in the media and accused of being "anti-innovation" by TNC activists after imposing a temporary price floor on Uber soon after it launched, out of concern that it would suddenly put taxis out of business before the city could create and implement appropriate legislation.

The official from Seattle further observed that city planning practices are changing and becoming increasingly innovative. People have many alternatives to traditional taxis, thanks to more efficient public transportation, expanded bike lanes, shared bike programs, increased awareness of cyclists, improved walking paths, and better signage for pedestrians. The official questioned whether TNCs might simply be a convenient scapegoat in the eyes of taxi companies because ridesharing has brought frustrations with the conventional taxi model to the foreground. Additional research may be helpful in exploring how the evolution of modern city planning, with its emphasis on environmental sustainability, has diverted business away from taxis and toward different methods of transportation.

The demographic makeup of a particular city can also accelerate its regulation process and increase the role of innovation in related dialogue. Two officials from Austin, Texas, detailed how the city's rapidly growing population of tech-savvy millennials pushed the city to implement regulations for both TNCs and Airbnb. The Austin technology community is invested in the city itself and vocal about improvements it wants to see - an attitude that served as an impetus for creating ordinances. TNCs in particular appeal to Austin's millennial population and are useful to tourists and visitors who are already familiar with these companies. Uber first began operating in Austin during the city's South by Southwest (SXSW) festivals, offering free rides and building its client base. The city quickly cracked down, and the tech community responded by critiquing the city for hindering innovation. Austin responded to these concerns by becoming one of the first cities to pass sharing economy ordinances. Thanks to input from the entrepreneur and tech communities, Austin recognized the potential for data sharing and used this point as an impetus for regulation. The city has made a concerted effort to live up to its reputation of creativity and innovation, and is often cited by other cities as a model of sharing economy policy.

Overall, cities that have successfully created regulations around TNCs and homesharing have made a conscious choice to integrate these popular, increasingly trusted services. The officials from Dallas and Indianapolis emphasized the importance of letting the market decide whether sharing economy services should be accommodated; they both went on to note that natural competition will dictate which platforms will operate successfully in each city. Inherent in the desire to be progressive is the fact that a city must embrace the constant evolution of new, innovative companies – and accept some level of uncertainty in the process.

What role might data play in helping cities become more innovative?

Ideally, a city that obtains trip data from TNCs would build a platform with integrated, real-time data showing all available transportation connections. Such an application would greatly improve the ability of residents and travelers to safely and reliably navigate a city. The official from Indianapolis cited the city's desire to be as user-friendly as possible by consolidating transportation information in one smartphone application. The main obstacle to this goal is the general reluctance of TNCs to share certain data, especially real-time trip data and driver availability. This tension between the innovative potential of a municipality and the natural competition between companies offering similar products will continue to shape the debate about how the sharing economy impacts and benefits cities. Until more cities negotiate data agreements with TNCs - and are able to collect, effectively analyze and integrate this data with other transportation information - such innovative applications will remain on the wish list.

Section IV

ECONOMIC DEVELOPMENT

What is the impact of the sharing economy on economic development?

As cities weigh the pros and cons of the disruption of traditional services with the benefits of potentially improved and expanded services, a number of issues arise – in particular, issues involving revenue capture, job creation, and the impact of tourism.

As the sharing economy has grown in recent years, its relevance to local economies has also increased. The ease of participating in the sharing economy offers the potential to open up new revenue streams for individuals and generate additional activity in the local economy - but this is not a given. The officials we interviewed explained that they are considering how the sharing economy affects tourism, local spending and job creation; however, many interviewees felt as though they had incomplete answers and little reliable data. We also heard about different strategies officials have adopted to capture revenue from sharing economy services that are supplementing or substituting for services that are usually taxed. Finally, officials identified the need for a deeper understanding of the amount of new business being created versus the amount that is simply being replaced.

How can cities capture revenue from sharing economy activities without creating unnecessary burdens?

As the sharing economy continues to grow, cities have become concerned with the potential loss of revenue that would normally come from taxes on traditional services such as hotels and taxis. As cities have begun to regulate TNCs and homesharing, they have approached the issue of revenue capture in different ways. In Washington, D.C. the recent TNC legislation included a provision requiring TNCs to pay taxes equaling one percent of all revenues from trips originating in the city; annual totals are estimated to be in the millions. In Seattle, TNCs must pay a fee of 10 cents for each ride that originates in the city. This is expected to cover the costs of enforcement and regulation of TNC licensing, but it remains to be seen whether this will be a source of revenue for the city. Other cities, such as Dallas, decided not to touch the issue of revenue capture when drafting legislation, believing that the increased economic activity will help to boost local spending.

In the case of homesharing, much of the debate on revenue capture has centered on hotel or occupancy taxes, which are mandated for hotels and bed and breakfasts. In many cities, such as Austin, Washington, D.C., Madison, Portland, Chicago and San Francisco, homesharing companies have begun to include local hotel taxes in their rates, either voluntarily or as part of local regulations on homesharing. In other cities that have not reached an agreement, the onus is on hosts to pay taxes on their revenues; however, this is very difficult to enforce, and it is generally accepted that few hosts actually pay taxes on their homestays. This has been a point of contention for many hotels and bed and breakfasts, which feel that homesharing has an unfair advantage in pricing given that local occupancy taxes can be as high as 15 percent. Companies such as Airbnb have been willing to work with cities to include the occupancy taxes into their rates; however, in cities where homesharing is still illegal, this makes any formal agreements on payment of taxes difficult.

There is also the long-term question of lost sales revenue as the sharing economy grows. A Denver official stressed the need to think about how the sharing economy will impact the local economy in the long run; with more people looking to share space, goods and services, cities and local businesses may not be able to depend on or project the same income from traditional sales. While this has not yet become a pressing issue, it will be important for policymakers to keep in mind moving forward. Abuse of these services, such as converting apartments into solely short-term rental units, is also a significant risk and can lead to revenue loss. A Philadelphia official, speaking about the dangers of parties abusing the system, cited a recent New York Attorney General report about homesharing in New York City, which found that 37 percent of revenue generated through Airbnb rentals in the city went to six percent of hosts. One of the main economic benefits of the sharing economy is the potential for individuals to generate supplemental income. When individuals abuse the system, however, it is more difficult for those individuals who play by the rules to benefit to the same extent. Additionally, when the sharing economy is professionalized, there are consequences for the city as a whole, as fewer revenues go back into the city and, in the case of Airbnb, local housing markets bear added burdens. While difficult, it will be important for regulators to develop the means to prevent such abuses.

What impact does the sharing economy have on job creation?

Many proponents of the sharing economy have pointed to job creation as a major argument for embracing the sharing economy. But how accurate are these claims and how can cities track them? The potential for job creation and increased supplementary incomes exists - but with little reliable data, it remains difficult to determine the veracity of these claims. An official from Washington, D.C. who was involved in the creation of the city's TNC legislation warned against policy makers advancing regulations solely because TNCs are providing jobs. The official stated that job growth is more related to politics than policy, and that there are often better arguments to support sharing economy services, such as the fact that constituents want these services and find them more reliable or cheaper than alternatives.

What impact does the sharing economy have on tourism?

There is also the question of how the sharing economy impacts economic development in more indirect ways. Consider its impact on tourism, for example. An official from Indianapolis explained that the city's acceptance of the sharing economy has strengthened the city's position in bidding for large events and conventions. These events and conventions help to generate additional revenue for the city through increased local spending on lodging, goods and services. An official from Portland, however, mentioned that there has been little research as to whether the sharing economy actually increases tourism or whether it is simply diverting people and money away from traditional service providers such as hotels and taxis.

What role should cities play in creating a level playing field for sharing economy businesses and traditional businesses?

A consistent theme throughout our conversations with city officials was the need to develop a level playing field between companies participating in the sharing economy and their competitors who provide more traditional services, such as taxis and hotels. In many cities, including Madison and Austin, officials spoke about major concerns from the taxi companies regarding the legislative burdens placed on them, which often do not apply to the newer sharing economy services. For example, in some instances, taxi companies felt that the need to purchase medallions, maintain different insurance policies, or pay various tolls and taxes created an unfair advantage. In Portland, officials heard comparable concerns from owners of bed and breakfasts. City officials agreed it was important to work not only with companies involved in the sharing economy, but also with those that provide comparable services in more traditional roles, in order to ensure that the playing field is leveled, and, when applicable, legislation is updated so that everyone can benefit.

Using data to track economic development

In discussing the effects of the sharing economy on economic development, the importance of data was mentioned time and time again. Tracking both revenue capture and job creation is difficult to do without data related to the use of these services. Companies, however, have been hesitant to share such data, out of concern that it could potentially benefit their competitors within the sharing economy or in the traditional services with which they compete. Cities have approached the question in different ways. Washington, D.C.'s fairly comprehensive bill to legislate TNCs did not include any provisions on data sharing. Not including this contentious issue made it easier to pass the bill, but could lead to complications in other areas such as revenue capture. Data can also be a powerful tool in examining the impact of the sharing economy on job creation and increasing supplemental income. As more data becomes available, city officials must be prepared to use it to adjust or create legislation to ensure that the sharing economy is positively impacting economic development, tourism and job creation.

Section V

EQUITY AND ACCESS

How can cities ensure that the emerging sharing economy promotes access and equity?

Within the regulatory and legislative environment, there are existing laws and rules governing rides for hire and housing that raise issues with the business models of the new TNCs and homesharing services. Questions arise on whether these services benefit and accommodate all neighborhoods as well as people of different abilities and income levels. Many cities suffer from affordable housing issues that can be potentially exacerbated through the advent of homesharing platforms. Digital literacy concerns must also be raised when examining new economic platforms that are computer-based or smart phone-enabled and could preclude participation by those at the bottom of the economic ladder. This report also explores how cities can use new revenue streams from the sharing economy to invest in services that support access and equity.

The residents best positioned to profit from the growth of the sharing economy are usually those who own assets such as cars or homes. Renters can also take advantage of the platforms to supplement their incomes, but this trend arguably favors those with existing wealth or desirable resources. As one city official explained, the emergence of the sharing economy has created an opportunity for governments to adopt a proactive approach to ensuring that these services benefit as many of their residents as possible.

In addressing issues of equity and access, the city officials we interviewed talked about their strategies and approaches for understanding which populations will benefit most from participating in the sharing economy, as well as the impact these services might have on underserved neighborhoods and residents, the value of collecting new data to identify gaps in core services, and the opportunity to establish funding pools for frequently under-funded services like transit and affordable housing.

How can cities ensure that TNC services are reaching as many of our neighborhoods as possible?

Officials we spoke with were mindful of the impact the rise of TNCs might have on access in underserved communities. Officials from both Madison and Austin pointed out that taxis are required by licensing agreements with the city to service all neighborhoods and to operate 24 hours a day, seven days a week. One transportation department official we spoke with explained that cabs are classified as a public utility; he therefore believes it is important that their service not be degraded as a result of the introduction of TNCs. The official from Madison noted that concerns regarding TNC drivers "cherry picking" from neighborhoods seemed valid, and explained that, during a public hearing, some drivers indicated they avoided certain neighborhoods due to "safety concerns."

Other officials were less wary of TNCs' potential impact, or expressed concern about existing discriminatory patterns with cab service. An official from Philadelphia was optimistic that TNC services might spur entrepreneurship from residents living in underserved communities. The official explained that, as these residents join the sharing economy, they might be more likely to operate in their own neighborhoods, thereby bringing services to these neglected areas. An official from Indianapolis was similarly optimistic that TNCs could compensate for inadequacies in the public bus system and provide services in areas not served by taxis, thereby increasing access for residents. Likewise, a third official from Seattle acknowledged that some neighborhoods are not adequately serviced by the traditional taxi system; however, the official noted that it remains to be seen whether or not TNCs will rectify this problem.

Continuing this theme of equitable transportation services, an official from Washington, D.C. noted that taxis in the District have historically been criticized for refusing to service African American customers. Cab drivers claim they feel unsafe driving into areas where African American customers live, and that, after they drop passengers off into outlying neighborhoods, they lose fare on the return to the city center. The official pointed out that some African

Tracking pick-up and drop-off locations

Data from sharing economy businesses, particularly TNCs, can be a useful tool in tracking services to neighborhoods and designing more effective and equitable transportation networks. As an official in Seattle pointed out, city governments need to develop data sharing agreements with TNCs to monitor service patterns, track pick-up and drop-off locations, and ensure that all neighborhoods maintain access to drivers. This same official noted that these agreements have to go beyond the page. Officials from both Indianapolis and Austin also remarked that data could illuminate wider transportation needs and patterns in the city, thus calling attention to underserved areas. They believed TNC data sharing agreements could foster more strategic decision-making around where to invest in transportation infrastructure.

American constituents shared that TNC services have ameliorated this challenge because TNCs rely on phone apps rather than street hails to request rides. None of the officials interviewed raised the issue of how customer ratings may or may not be vulnerable to bias.

How can cities work with TNCs to provide services to people with physical disabilities?

During our interviews, several officials also brought up the issue of ensuring people with disabilities have access to rides. Advocates of the Americans with Disabilities Act (ADA) have been vocal in their appeals to ensure that TNCs provide options for people with physical disabilities. Many city officials are working with TNCs on regulations that meet ADA requirements and provide equivalent transportation services to people with disabilities.

The most challenging accessibility issue for TNCs is serving passengers in electric wheelchairs requiring a vehicle with a ramp or lift. Several cities told us they considered mandating that all TNCs maintain a certain percentage of their fleet as wheelchair accessible. However, all jurisdictions have thus far avoided this model. In Dallas, this requirement was considered infeasible, as it would mean larger TNCs like Uber and Lyft would had to have a disproportionately high number of wheelchair accessible vehicles that would exceed demand for their services. Ultimately, the city decided to include a general clause in the transportation ordinance that explicitly stated TNCs could not deny service to those requiring special assistance. If a particular TNC does not have wheelchair accessible vehicles readily available, they have the option to refer passengers to another company that can provide wheelchair accessible cars, similar to provisions adopted by the California Public Utilities Commission in California.

Washington, D.C. encountered similar challenges mandating that TNCs have wheelchair accessible vehicles; it was impractical for the District to require drivers to upgrade their personal cars to be wheelchair accessible. However, Washington has long suffered a shortage of wheelchair accessible vehicles. According to the District official, only 25 taxicabs were equipped to transport passengers in wheelchairs. The shortage of available vehicles prompted a comprehensive legislative proposal, the Vehicle for Hire Accessibility Amendment Act. This bill outlines certain requirements for TNCs to pay into an accessibility fund (the Wheelchair Accessible For-Hire Vehicle Service Fund) which will be used for the purchase, operation, training and use of wheelchair accessible for-hire vehicles within the District. Furthermore, the legislation requires each taxi company and TNC to submit records of the requests for wheelchair accessible services, as well as data on the amount of time between the reservation and service delivery. Similar models have been adopted in Chicago and Seattle, where ordinances require companies to collect per-ride fees from passengers to be contributed to funds supporting wheelchair-accessible transportation.

Austin has taken a similar approach collecting data to reach the goal of having equivalent services for people with disabilities. Cars must report the wait time of reservations made for wheelchair accessible vehicles. As is the case in Dallas, Uber and Lyft can contract drivers that solely work with the disabled community. Austin has long struggled with providing taxi services to disabled individuals, so TNCs have greatly expanded services for people with disabilities.

Should cities be concerned that homesharing will affect the affordable housing stock?

The topic of homesharing and affordable housing is a complicated issue. On one hand, homesharing can provide supplemental income to homeowners or lessees who might otherwise be unable to afford their current payments. Officials from Austin, Denver and San Luis Obispo explained that their residents advocated to legalize homesharing in their jurisdictions for this reason. Likewise, an official from Portland noted, “We heard from the majority of people that homesharing allows them to earn income in a new way; many people we heard from have said, 'I can actually afford to stay in my house because of this.'"

On the other hand, short-term rentals can potentially yield landlords more profit than standard rentals; thus, some officials acknowledged the possible risk of reducing long-term rental stock in general, and affordably-priced housing stock in particular. Taken as a group, the officials suggested that their constituents voiced concerns over affordability to a lesser degree than constituents advocating for the opportunity to increase their supplemental income. The same official from San Luis Obispo shared that many residents wanted to see legislation put in place to temper the likelihood that homes would be converted to short-term rentals. This concern over maintaining the composition of housing stock prompted the city to craft an ordinance legalizing home stays for owner-occupied homes only. The city then verifies owner-occupied status through tax claim records. Likewise, the official from Portland acknowledged that concerns over a potential reduction in stock prompted the city to introduce a bill in which revenue from homesharing was diverted to an affordable housing fund. Although the measure was defeated, the strategy of allocating a proportion of homesharing revenue to a designated affordable housing fund offers a promising practice for cities seeking to promote equity.

Interviewees did not broach the topic of the socioeconomic status of the neighborhoods in which homesharing customers generally choose to board. Acquiring more information on these patterns would allow stakeholders to achieve better clarity on which communities are receiving supplemental income and perhaps experiencing enhanced affordability.

More research is needed to determine the extent to which homesharing is affecting the affordable rental market - if homesharing is affecting the market at all. When asked about the benefits or costs of homesharing to affordability, an official from Denver acknowledged, "I just don't know yet." Similarly, the official from Portland stated that more research is needed to determine how homesharing might affect affordable housing. Given the large number of variables that can affect market rental rates and a consumer's experience of affordability, as well as the relatively small percentage of homes presently being rented through homesharing sites, answers may prove elusive for some time.

To what extent will digital literacy issues affect participation in the sharing economy?

Since the sharing economy primarily relies on web-based technology, at least one city official in Indianapolis expressed concern that citizens with digital literacy challenges (the knowledge, skills and behaviors necessary to use a broad range of digital devices such as smartphones, tablets and laptops) may not be able to take advantage of the services. The official pointed out that senior citizens, for example, may not be proficient in smartphone technology. Reflecting a similar concern while acknowledging that the taxi industry ascribes itself the label of "every man's transportation," an official from Seattle pointed out the need for transportation services serving the elderly who may not use smartphone technology. An official in Philadelphia, however, was not concerned about seniors' participation in the sharing economy, referencing a Pew Research Center study which found that 18 percent of seniors own smartphones, and approximately half of relatively more educated, affluent seniors access the web.

Depending on the digital literacy of their constituents, other city officials may want to be mindful of these barriers as they are developing new regulations for TNCs and other sharing economy businesses.

What opportunities exist to use new revenue streams created by the sharing economy to support access and equity issues?

As previously noted, many officials we spoke with agreed that shifts in the economic landscape driven by the sharing economy have the potential to affect revenue streams for cities, which could affect assets like affordable housing and mass transit. Traditionally, cabs pay fees to the city in order to operate, and both hotels and bed and breakfasts pay taxes as well. However, officials in only three of the cities we spoke with (D.C., Seattle and Madison) mentioned a formal arrangement to capture revenue from sharing economy services. D.C. indicated that TNCs agreed to share 1 percent of revenue with the city, Madison issued a tax for homestay hosts, and Seattle mandated a ten cent tax on each TNC ride originating in the city.

An article published in the Washington Post in late January 2015 on revenue sharing agreements between cities and sharing economy businesses noted that cities stand to gain “millions in revenue ” from these agreements. As new agreements are established, a few of the city officials we spoke with noted that they are exploring opportunities to reinvest these funds into supporting equity and access issues.

Section VI

SAFETY

How can cities promote and regulate safety provisions in sharing economy services?

How can cities promote and regulate safety provisions in sharing economy services? Safety is of paramount concern whenever services provided have the potential to affect the life, welfare and wellbeing of community residents. As such, this section examines how cities approach insurance policies, the involvement of the owner in homestays occurring on their property, the extent to which sharing economy services can increase safety in cities, and how cities can ensure that parties are held accountable for safety measures.

The first question that often comes to the minds of city officials considering the sharing economy is how they can ensure that these new services are safe for residents. Two-way ratings systems incorporated by most sharing economy platforms offer a level of feedback on the consumer experience. Some sharing economy advocates claim that rating systems add an additional layer of accountability with benefits for public safety (e.g., an individual can choose not to get into the car of an Uber driver with only three stars instead of four); however, cities have focused on additional safety protocols, recognizing that "reputation" is not the only component of a robust trust and safety system. These measures commonly include background checks, insurance, and inspections.

How should cities approach insurance policies?

Questions around insurance coverage have emerged as one of the thorniest challenges in regulating TNCs. One city official from Dallas commented that resolving questions of insurance was one of the most difficult aspects of crafting their new legislation. She also mentioned that several insurance companies are in the process of developing new policies for TNC drivers, which may make ordinance development easier for city governments.

As one approach, Dallas developed a comprehensive system of insurance requirements for TNC drivers mandating that they have insurance coverage 24/7, as is the case with taxis in the city. However, unlike the "one-size-fits-all" commercial insurance used by taxis, Dallas created a three-phase system of insurance to ensure different "ride phases" have unique coverage.

Phase 1 occurs when a TNC driver is driving but does not have the app for his or her company turned on. In this phase, drivers must have their own private personal insurance. Phase 2 occurs when a driver turns on the app, indicating he or she is available to provide a ride but has not accepted a ride. During this phase, Dallas requires that Uber, Lyft or any other TNC provides contingent (or "drop-down") insurance to cover claims that might not be covered by a driver's personal insurance. Finally, Phase 3 occurs when a driver accepts a ride and is on the way to pick up their passenger; in this phase, the driver or company must have primary insurance in the event of an accident. See Table 1 for a summary.

Similarly, in Washington, D.C. companies like Uber and Lyft must maintain primary automobile insurance of at least $1 million when the auto operator is engaged in a prearranged ride. When the operator is logged into the company's digital dispatch but not engaged in a ride, either the company or operator must have primary insurance that recognizes the operator as a private vehicle for hire operator and provides minimum coverage of at least $50,000 per person per accident.

Other cities, like Austin and Indianapolis, do not have 24/7 insurance requirements. In Austin, drivers must provide commercial automobile liability insurance (with a coverage minimum of $1 million) beginning with the time the TNC driver accepts a trip request on the app and ending when the rider departs the vehicle. Indianapolis differs from Austin in that it requires insurance to have a liability life from when someone gets into the car to when someone leaves, instead of when the TNC driver accepts a trip request on the app. Indianapolis also requires $1.5 million minimum coverage.

Finally, city officials from Madison, Austin and Indianapolis all mentioned that regulations on TNCs are causing their cities to revisit regulations

Table 1

Dallas TNC Ordinance Insurance Requirements		
Phase	**Description**	**Insurance**
1	TNC driver is driving but the app for his/her company is not turned on (he/she is not seeking a passenger)	Personal insurance
2	TNC driver is driving and the app for his/her company is turned on (he/she is seeking a passenger)	Company-provided contingent insurance
3	TNC driver has accepted a ride and is either driving to pick up passenger or has passenger in car	Primary commercial insurance

on the taxi industry. A city official from Indianapolis mentioned that the insurance regulations on TNCs were higher than on taxi cabs, which have a minimum coverage of $100,000. As a result, the official believed that TNCs could be safer and better in the case of an accident, due to the higher coverage on these types of vehicles. In general, the officials agreed that, in their cities, insurance requirements for TNCs were more stringent than regulations on taxis.

How should cities address the involvement of the owner in homestays occurring on his/her property?

A sticking point for drafting ordinances regulating homestays has been the extent to which owners should be involved in the homestay. A distinction between "owner occupancy" and "owner presence" has arisen in some cities; the former requires that the host show proof of occupancy of the room he or she is renting out, and the latter requires that the host be physically present for the duration of a homestay. In many cities, neighborhood groups have advocated for an owner presence requirement, citing concerns that residential neighborhoods could become overrun with "transient populations," or strangers who would rent out residential homes and would not be known by or accountable to neighbors.

The city of San Luis Obispo passed a comprehensive ordinance which requires that the dwelling be owner-occupied; owner presence is encouraged but not mandated in the ordinance due to difficulties in enforcing such a requirement. However, to alleviate neighborhood concerns, the city requires homestay hosts or a "designated responsible party" (DRP) to be within a 15 minute drive of the property and available via telephone 24 hours a day, seven days a week while rentals are occurring. Officials included a requirement for a DRP in the ordinance to ensure that someone would be held responsible for complaints regarding the homestay if the property owner wasn't present to minimize the risk of disturbances. In addition, San Luis Obispo included the DRP requirement to make sure that complaints from neighbors regarding noise levels and parking of visitors' cars would be addressed.

Some cities have not included DRP requirements. For example, the ordinance passed by the city of Madison mandates that homestays must be owner-occupied, but makes no mention of owner presence or DRPs. For larger cities, the increase in paperwork associated with designated responsible parties may be cost prohibitive and difficult to enforce. Other cities have not attempted to regulate or address the issue of homestays altogether. For example, Washington, D.C. and Indianapolis have not passed ordinances regulating vacation rentals, thus exempting hosts in those cities from room tax or even occupying the room they are renting out. One official from Washington, D.C. hypothesized that "homesharing issues may get solved by private interactions between renters and their landlords," questioning whether cities should be involved in the regulation of homestays.

How can cities ensure that parties are held accountable for safety measures?

As city officials have turned to regulating the sharing economy to ensure safety, different challenges have emerged for TNCs than have emerged for homestays. Generally, city officials concerned about ridesharing safety have focused on background checks for drivers, while the driving point for homesharing safety has revolved around building codes and inspections.

What approaches can cities take to enforce background checks for TNC drivers?

Some cities have chosen to verify the results of TNC drivers' background checks after the companies conduct them. Dallas, for example, works with a software company to verify that these background checks meet the city's standards. The city has faced technology and resource challenges as a result of prioritizing insurance and background checks. Only a handful of transportation regulation staff were tasked with processing the data, which led the city to eventually automate the process through software. However, a city official from Dallas mentioned that even with the software, the city is having difficulty processing background checks ahead of the deadline to register a TNC driver. Learning from their experience, cities should consider the administrative challenges they might encounter when putting stringent requirements in place.

Moreover, Dallas originally thought it could simply contract with a certification company that would verify that the providers used by TNCs meet the city's background check requirements. As the city has discovered, few companies exist to certify background checks, rather than providing the checks themselves. Dallas instead decided to require that TNCs use background check companies that are approved by the city; those companies will certify the TNCs' results, and the city periodically audits the background checks.

Some cities, on the other hand, decide not to verify the background checks conducted by companies like Uber and Lyft. When asked, an official from Indianapolis explained that they conducted a pilot program for TNCs in the city where they would not regulate TNCs as taxis. During this pilot program, city officials asked Uber and Lyft, the two companies operating in the city at the time, how they conduct background checks. The companies explained they use third parties that check sex offender registries as well as alcohol and drug offense databases. The city decided not to independently verify the results of TNC drivers' background checks, believing the companies approach was thorough enough and did not merit the use of additional city resources.

How can cities ensure that building codes are followed?

In many cities that have chosen to regulate homestays, adherence to building codes has emerged as a major safety concern. Cities generally want to protect the integrity of buildings, especially by regulating fire escapes, energy usage, and occupancy limitations, and officials in multiple cities expressed their desire to promote public safety through compliance with building codes. However, cities have approached this aspect of safety in diverse ways.

Some cities have incorporated inspections into their ordinances. For example, Madison passed a fairly restrictive ordinance that limits how often people can rent space, how many rentals must occur before the city can collect taxes, and how often hosts must rent out their space before inspections are required. After a certain number of rentals, the city requires inspections to ensure adherence to building codes.

Other cities with ordinances have opted not to incorporate inspections into their set of regulatory tools. In San Luis Obispo, inspections were not included in the ordinance. While the city council noted that inspections are generally desirable to ensure compliance with building codes, a city official noted that smaller cities do not have the same resources to conduct inspections on a large scale, which informed the council's decision.

In other cities, officials have taken a more laissez-faire approach to regulating homestays. Cities such as Indianapolis and Philadelphia have not created ordinances regarding homestays, choosing instead to rely on reports from neighbors to resolve issues on a case-by-case basis. In Philadelphia, one official noted that very few complaints had been lodged against Airbnb, leading city government not to address homesharing companies through ordinances.

To what extent can sharing economy services increase safety in cities?

Some advocates for sharing economy services, particularly TNCs, argue that ridesharing can increase safety in cities by decreasing drunk driving, providing new data on accidents and driving patterns, and reducing thefts. Proponents of TNCs contend that ridesharing services can increase safety by providing easily-accessible transportation alternatives. For example, in the city of Austin, stringent crackdowns on TNC drivers were criticized by police officers who were told to stop TNC drivers providing safe rides home to intoxicated individuals, instead of arresting drunk drivers. This criticism resonated with public officials concerned with the efficient use of public resources. Since cabs are a cash business, people have also argued that new TNC technology that provides credit card payments will reduce thefts committed against taxi drivers. Systems tracking every ride could also help ensure all riders make it to their destination safely. Finally, additional data on accidents and driving patterns could assist city planners in developing safer transportation networks. To substantiate these claims, more data is needed to examine the frequency of drunk driving, thefts and injuries to drivers, and broader transportation patterns.

Section VII

PROCESS AND IMPLEMENTATION

Who is responsible for establishing ordinances? How can a city engage the community and key stakeholders? How can a city regulate ordinances once they are passed?

In this section, the report examines community and stakeholder engagement throughout the process of drafting the ordinance, as well as the benefits and drawbacks to incorporating TNC ordinances into broader transportation legislation, the enforcement of new regulations and responsibility for enforcement, and the impact that state level regulations have on the city lawmaking process surrounding the sharing economy.

In addition to determining how to approach the social, economic and safety issues presented in this report, cities must also establish a process by which they make these decisions. How should cities solicit feedback from constituents? Which stakeholders should be present at the table? How can cities collect input from these parties? Are their benefits to drafting regional ordinances? After passing ordinances, how do cities carry out an implementation plan and delegate responsibilities?

Drafting the ordinance: How can city officials engage constituents and key stakeholders?

In many interviews, city officials reflected that traditional public engagement was a key ingredient in drafting regulatory ordinances. As the primary customers of sharing economy services, local constituents often have valuable feedback and many cities strategically sought to incorporate constituent responses to these services in the legislation process. Common policy issues that communities have been vocal on include safety, parking, neighborhood integrity and occupancy.

Another theme that emerged across interviews was stakeholder engagement. Most officials noted that city governments should consider the stakeholders they want at the table to discuss the regulation of sharing economy services. An obvious stakeholder in TNC discussions is the taxi industry. In some cities, the taxi industry is united and powerful, while in other cities, the taxi industry is composed of individual drivers who operate independently of overhead taxi companies. Other groups that frequently arose in interviews as important and relevant to include in discussion are airports, disability advocates, the local police force, and local university students and professors. And of course, it is also critical to seek input from community residents that use these services , which cities like Seattle have proactively done through instruments like surveys and other community participation methods.

There are several characteristics of cities that influence the degree to which they can feasibly engage constituents and key stakeholders throughout the process of drafting ordinances. The extent to which constituents are vocal about sharing economy services can impact the approach city government takes to include their feedback. In Philadelphia, for example, there was little outcry on ridesharing options, therefore the Mayor did not seek feedback on regulating these services. Conversely, Dallas received upwards of 1,800 emails from local residents, 1,700 of which praised Uber and Lyft services. Already amenable to new ridesharing platforms, Dallas councilmembers used this overwhelming positive feedback to further push the agenda.

Additionally, there are fundamental differences between large and small cities' ability to involve constituents and stakeholders. While community engagement emerged as a best practice among large and small cities, logistically, it can be more difficult for larger cities to solicit and organize feedback from residents. It is more manageable for small cities to hold public forums, collect survey responses, and conduct educational workshops to involve locals in the ordinance drafting process.

Several cities created formal settings to engage locals in the discussion around regulating sharing economy services. For example, to supplement email feedback, Dallas held three public forum meetings at City Hall while they were drafting new legislation. According to one Dallas official, these meetings were very controlled; while the setting was an open forum, attendees were restricted to speaking for only three to four minutes. Constituents of Dallas used this opportunity to voice their approval of Uber and Lyft.

In Petaluma, a considerably smaller city, officials organized a hands-on community workshop to start a neighborhood dialogue around regulating homesharing. Homesharing hosts, guests and anyone who had filed a complaint about short-term rentals were invited to participate. The Department of Economic Development used social media and placed an advertisement in the local paper announcing the workshop. Sixty residents, including the local realtors association attended the workshop. A team of city officials, including planning staff and code compliance staff, moderated the workshop and kept it focused on how the city could address neighborhood concerns about short-term rentals. Ultimately, the city used this input to draft a policy that was manageable to implement. The workshop also provided a vehicle to encourage residents to obtain a vacation permit if they wanted to participate in homesharing.

Prior to the workshop, Petaluma city officials reached out to other cities in the area to identify common policy issues. They brought these issues, which included parking, neighborhood management, occupancy, and length of stay, to the workshop and engaged in small table discussions with residents. The workshop affirmed that most people fell in the middle of the spectrum in regards to how restrictive they believed homesharing regulations should be. Overall, most residents wanted the city to be more restrictive with parking and less restrictive with noticing and occupying ordinances. The city sent a follow-up survey to solicit additional feedback after the workshop. Petaluma officials used the data they collected during the workshop and through the survey, assessed the feasibility of suggestions, and drafted an ordinance to present to the Planning Commission.

Other cities chose not to create formal settings for constituent feedback. For example, Indianapolis informally collects constituent responses to sharing economy services by reading comments in local articles and blogs about Uber and Lyft, in addition to its formal complaint line, the Mayor's Action Center. City officials keep an open ear to constituent voices, but have yet to receive anything but overwhelmingly positive feedback on the ridesharing services.

Stakeholder Engagement

One of the greatest challenges to drafting any sharing economy legislation is the extent to which city governments involve key stakeholders throughout the process. Stakeholders including taxi companies, individual taxi drivers, limousine companies, TNC companies and ADA advocates all have a vested interest in the outcome of regulatory policies. Many city officials commented on the value of understanding where these stakeholders are coming from, particularly regarding the business models of various sharing economy services. While several officials were familiar with the services and have used them, one official decided to become a Lyft driver and provide rides to constituents. From this experience, he was able to gain a deeper knowledge of the way TNCs operate.

While finding compromise among these groups is an arduous process, a city official from Portland urged cities to engage with stakeholders as early as possible because there is no "one-size-fits-all" approach to regulation. An official from Austin echoed this sentiment, advising city officials to resist the natural reflex reaction to crush out new services that come in and don't play by the rules. However, this can be challenging, as a city official from Denver noted, because in many cities, TNCs have started operating without formally discussing or negotiating regulatory terms with city government first.

This was the case in Austin. Uber arrived in Austin and approached transportation regulators around the time of the SXSW festival. Because Austin did not have a formal strategy to integrate Uber into their transportation system, Uber worked around regulatory codes and began operating illegally. The city cited TNC drivers and impounded vehicles in response. The taxicab industry grew very anxious over increasing competition with the new TNCs.

These tensions motivated a city official to convene a working group consisting of TNC and taxicab representatives. According to one city official, the working group was assembled with the hope of achieving informed consent, because achieving consensus would have been practically impossible. While the group did make progress, ultimately it was unable to reach an agreement around regulatory standards in a timely manner. Another city official decided to resolve the ongoing disputes by prioritizing the regulatory requirements the city absolutely had to meet to get a temporary policy in place. After devising provisions around safety and consumer protection, the city agreed any company that could show they were meeting the requirements could apply for a permit. This was not a permanent regulatory structure, but the city recognized the need to have something temporary in place because TNCs were going to operate with or without legal authority to do so. When ordinances must be drafted quickly, oftentimes executive decisions made by city officials are more efficient and expedient than convening stakeholders in an open dialogue.

Others cities, including Dallas, found utility in assembling key stakeholders for regular meetings. In Dallas, a City Councilwoman led biweekly meetings for two months with representatives from the taxi and TNC industries. She noted that the frequency of meetings provided enough time for all parties to resolve conflicts between existing models and new services. Facilitated carefully by the Councilwoman, these meetings provided an outlet for each representative to outline what their company needed. The representative also noted that having a clear agenda for every meeting and only tackling one or two issues a session, for example insurance, was crucial. Through these series of meetings, Dallas was able to draft (and pass) a comprehensive ordinance with regulation parameters for both taxis and TNCs.

In addition to bringing TNCs and taxi companies to the table, cities also engaged other stakeholders to build consensus and receive input on sharing economy regulations. In Indianapolis, the Department of Enterprise Development reached out to the local police department, which was unsure how to regulate TNCs. Police are actively collaborating with the city on how best to manage these new services. In Washington, D.C. it was vital to engage the executive and legislative branches. During the second attempt to finalize TNC regulatory legislation, the Councilwoman chairing the transportation committee worked to build consensus among other district councilmembers. Cities including Austin, Seattle, and Dallas included regional airports in conversations about regulations.

Are there benefits to incorporating TNC ordinances into broader transportation legislation? Are their benefits to coordinating with regional legislation on TNC regulation?

Cities have several options when it comes to the scope of sharing economy ordinances. Because Uber and Lyft often begin operating in cities without regulations, many city officials are forced to react quickly, often with uncertainty, to draft legislation. Consequently, as sharing economy services evolve, cities must revise legislation. A Washington, D.C. official noted that this iterative process can be time-consuming and frustrating. Cities that tackle regulation in a piecemeal manner may find themselves continually rewriting legislation. Lastly, some cities have opted not to fully regulate or fully market-enforce new sharing economy services. There are lessons from this process that can help city leaders become more nimble in responding with new regulatory approaches.

While many cities are drafting brand new regulations in response to new services like Uber and Lyft, some cities have found utility in incorporating ridesharing regulations into broader transportation ordinances. Due in part to the success of the working group, Dallas was able to draft an umbrella ordinance that outlined regulations for taxis, limousines and TNCs. Consolidating all regulations into a single piece of legislation was useful for Dallas.

Conversely, a representative from Washington, D.C. noted one of the lessons he learned was to separate TNC legislation from a larger transportation bill. In the District, the first attempt at TNC regulation was part of a larger taxi reform bill. The TNC measure included in the bill focused on the proposed price floors mentioned earlier in the report. The issue of the price floor became so controversial that it threatened the whole taxi reform bill - most of which had nothing to do with TNCs. In hindsight, the D.C. official noted, it would have been beneficial to isolate the ridesharing ordinance to avoid the threat of defeating the larger transportation bill. In the second attempt at TNC regulation, Washington officials did indeed create separate legislation, this time around regulating UberX, Lyft and Sidecar. The bill passed in the fall of 2014.

As ridesharing becomes more popular and widespread, metropolitan areas may attempt to create regional approaches to regulation. There are potential benefits to a regional strategy, including a consistent and uniform approach to regulation and administration, and standardized requirements for drivers. However, coordination between neighboring cities can be challenging. In Texas, the North Central Texas Council of Governments proposed a regional TNC regulatory policy. However, coordination attempts between Dallas, Fort Worth and the Dallas/Fort Worth International Airport have been fruitless. One issue is timing; while Dallas has just finalized a regulation ordinance, Fort Worth is only beginning to draft theirs. Furthermore, the cities have fundamentally different views on insurance coverage for drivers, one of the biggest issues to tackle when drafting regulatory policies. The divergence on these issues has made a regional policy infeasible at this time.

From these interviews, it is evident that there are a variety of approaches to structure regulations. A representative from Philadelphia argued that regulations should be created on a sliding scale based on differences between providers, especially for Airbnb. She noted that regulations should be scaled according to how people operate and sell their services. For instance, regulation should look different for someone renting their apartment while they vacation a few times a year versus a developer who purchases property solely to list on Airbnb. This idea of a sliding regulation scale also applies to TNCs; should regulations be different for drivers who work a few hours a month versus drivers who work full time? As more data is collected on the degree to which providers are engaging in the sharing economy, cities may find utility in creating a sliding scale to regulate these different situations appropriately. An example of how this can be done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is seen in the city of Chicago, which addressed this in their ordinance by creating two separate categories, one for companies whose drivers on a fleet wide basis averaged fewer than 20 hours per week, and one for companies whose drivers exceeded that average.

Who's enforcing new regulations?

As more and more cities pass ordinances related to sharing economy services, many are beginning to encounter challenges implementing the regulations. Several city officials noted that the complex nature of sharing economy services makes regulation and enforcement a daunting task. For most cities, transportation and homesharing services comprise a relatively small portion of the budget, but take a significant amount of time to tackle. Many agencies are reluctant to get involved with implementing ordinances because they recognize the huge drain it would be on staff time and resources. This is particularly difficult for smaller cities with limited staff like San Luis Obispo.

Even large cities, like Dallas, encountered staffing difficulties when implementing regulations. Once the ridesharing ordinance passed, Dallas recognized they didn't have enough employees enforcing the regulations. The city decided to remove much of the paperwork associated with background checks to free up more staff to work on enforcement.

A city official from Washington, D.C. said he would like to see more cross-collaboration among agencies to make regulatory oversight more manageable. The reluctance of many city agencies to own enforcing regulation has prevented many cities from creating comprehensive and effective policies around regulation.

Ownership of sharing economy regulations within city government can be problematic, so some cities have chosen to outsource implementation activities to entities outside of city government. A major change in recent legislation in Seattle is that the city no longer conducts inspection of vehicles (taxis, for-hire-vehicles, and TNCs). Instead, the city now approves auto-repair mechanics to do inspections on the city's behalf.

How do state-level regulations impact ordinances and processes for cities?

Regulation is often not the sole responsibility of city officials. In many cases, state legislation plays an influential role in a city's ability to draft and implement local ordinances. Differences between state and local sharing economy ordinances became a recurring theme in interviews. City officials stressed that regulations passed at the state level were likely to be less stringent or less comprehensive than city ordinances. There appear to be two reasons for this:

1. State government is rarely equipped to implement, monitor and enforce extremely detailed regulations around sharing economy services. Ridesharing and homesharing fundamentally exist at the local level.

2. The state approaches regulations from a broader perspective, with the goal of establishing legality and basic parameters for operation. Those laws tend to give TNCs in particular more flexibility and less direct accountability with regard to background checks and commercial insurance for drivers.

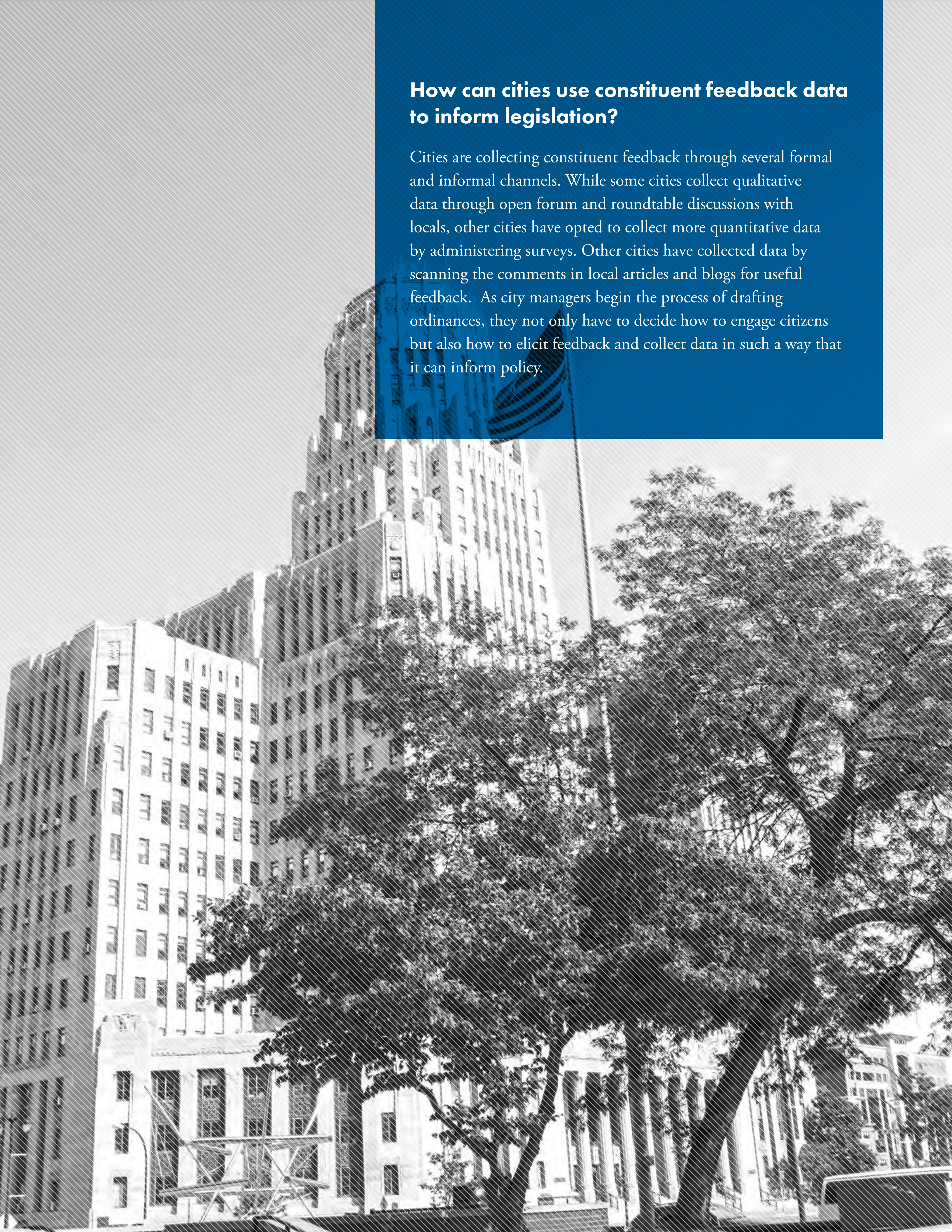
One official we interviewed identified insurance requirements as a complicated decision at the state level, and noted his state might pick up the issue later this year. From a public safety standpoint, his city estimates that if the state decides to regulate TNCs, the state-mandated insurance minimum for TNC drivers would prove too lenient in terms of defining the division between personal and commercial insurance coverage. Since any state law will override local policies, this is a legitimate area of concern for cities. Philadelphia also faces a blurred line between city and state politics. The Philadelphia Parking Authority has worked aggressively to halt TNC operations by ticketing drivers and impounding cars. The Mayor of Philadelphia has no jurisdiction over the PPA because it is a state-chartered agency, and has not openly challenged PPA activity around ride-sharing. However, the Philadelphia City Council passed a resolution supporting ridesharing and urging statewide action to clear the path for TNCs in Philadelphia. Elsewhere in Pennsylvania, TNCs may now operate legally thanks to a two-year experimental license recently issued by the state Public Utilities Commission.

This experimental license represents the culmination of extensive lobbying efforts by both Uber and Lyft to establish a foothold in the state. Both companies have made policy advocacy a priority around the country; despite entering negotiations with many cities, from a business perspective they would prefer state-level regulations. The Seattle official alluded to this strategy as well. Currently, Washington state law allows municipalities to regulate licensing for taxis and other vehicles, while the state oversees limousines. TNCs find this municipality-based regulation frustrating because they are forced to operate under multiple sets of regulations, despite the physical proximity between their markets. As a result, TNC lobbyists are making a push to change Washington law and give the state jurisdiction over all vehicle licensing, which would provide uniformity across markets.

California was one of the first states to pass a comprehensive law regulating TNCs - a major political victory for Uber and Lyft - which eased the burden on city governments and helped resolve ongoing disputes between those companies, the taxi industry and cities. The official from San Luis Obispo touched upon this notion of market uniformity, but noted that cities are still responsible for issuing licenses. The inevitable interplay between state laws and city obligations is also a topic of discussion in Austin. Officials there believe that state-level regulation tends to be more industry-friendly. For example, if the state requires background checks, the TNC will likely be able to conduct those checks itself instead of being forced to have a third party complete them. With many cities strapped for extra staff, resources and money, it is unlikely that municipal personnel will be able to verify that those backgrounds checks were completed.

How can cities use constituent feedback data to inform legislation?

Cities are collecting constituent feedback through several formal and informal channels. While some cities collect qualitative data through open forum and roundtable discussions with locals, other cities have opted to collect more quantitative data by administering surveys. Other cities have collected data by scanning the comments in local articles and blogs for useful feedback. As city managers begin the process of drafting ordinances, they not only have to decide how to engage citizens but also how to elicit feedback and collect data in such a way that it can inform policy.



Section VIII

CONCLUSION

What issues should we be thinking about as we look to the future of the sharing economy?

Across our interviews we heard that there is no one-size-fits-all approach to regulating the sharing economy. Depending on community priorities, neighborhood compositions, available housing stock, tourism demands, existing transportation networks, major events and other issues, cities may chose to take different approaches. Nonetheless, several overarching themes did emerge from our research.

As city officials prepare to modify regulations or develop new ordinances or legislation to fit the sharing economy they must balance issues of innovation, economic development, tourism, equity, access, and safety. At the same time, they must be mindful of the processes they put in place to understand these new businesses, engage the right stakeholders, share ideas for new regulations, capture and analyze new data, and develop implementation strategies. This report revealed a set of key questions officials can ask themselves to guide these decisions. It also offered insights on processes that will lead to effective regulations.

Beyond that, our research highlighted how disruptive technologies and new business models will continue to present governments with important questions related to regulations. As we move into the future, how can cities become more adaptive, nimble and responsive? How can cities regulate in a more nuanced manner? How can cities establish lasting policies that will help manage the business models of the future?

These dramatic changes also serve as an inspiration for public sector leaders and present exciting new opportunities for government transformations. Inspired by the sharing economy, how can governments capitalize on its assets and resources differently? How can cities share their buildings and spaces with the full community? Are there new opportunities to maximize the use of city fleets and other vehicles? How could cities share equipment, personnel and other resources across jurisdictions?

In many ways, this research has offered more questions than answers. However, our city leaders across the country have proven that they are poised to answer tough questions and develop effective new strategies and approaches to navigating this rapidly changing landscape.

At the National League of Cities, we are continually working to help city leaders stay informed on pressing issues and the changes taking place in cities across the nation. This report is meant as a primer for cities seeking a better understanding of what is currently occurring within the sharing economy space.

The sharing economy will only continue to grow and change as cities serve as laboratories for these ever-changing technologies and business models. There is great promise with the rapid ascent of sharing economy services in our nation's cities, and the best thing that city policymakers can do is keep an open mind about how the new economy might be fruitful with the right regulatory framework in place - because sharing is here to stay.

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The Sharing Economy

An Analysis of Current Sentiment Surrounding Homesharing and Ridesharing

By: Nicole DuPuis and Brooks Rainwater

The emergence of the sharing economy results from a confluence of economic, socio-political, cultural and technological developments. The world is increasingly urbanizing at a scale unprecedented in human history, and if projections hold, more than 70% of individuals worldwide will live in cities by 2050. According to the U.S. Census, over 80% of US residents now live in urban areas, and growth in cities is outpacing overall population growth, as the century of the city continues apace.[1] People crave more connections through both collaborative opportunities and commerce, and at the same time expect on-demand services at their beck and call. The sharing economy is thriving as a result, and it is upending traditional industries, disrupting local regulatory environments and serving as a bulwark for innovation and growth—all at the same time.

Cities are the key factor in this shifting environment. Today's increasingly urban residents are focused on livable communities, convenience, and collaboration, and overwhelmingly showing preferences for dense, walkable neighborhoods. Robert Schiller of the Case-Schiller Home Price Index has addressed ways that the shift in preference for city living has impacted the real-estate market.[2] It has also significantly impacted driving habits and the automobile industry, as city living lends itself to car-free and car-light arrangements. The sharing economy is a direct outcome of these significant shifts in priorities, and also reflective of individuals' desires to collaborate and engage with one another using technology.

The sharing economy, also commonly referred to as collaborative consumption, the collaborative economy or the peer-to-peer economy, is rapidly emerging in cities and towns across the United States. This term refers to businesses that provide consumers the ability and platform to share resources and services from housing to vehicles and more, typically taking place with an online and/or application-based business model.

As the sharing economy grows, and continually disrupts the way in which individuals think of space and ownership, city leaders find themselves in the unique position to manage these burgeoning new industries in ways that work for their communities and constituents. This study aims to appraise the sentiment toward two industries in the sharing economy: ridesharing and homesharing.

Ridesharing is typically recognized as a one-time transaction where someone who needs a ride is matched with a nearby driver and is shuttled to a destination. This service is distinguished from traditional for-hire transportation service by the fact that ridesharing vehicles are the personal vehicles of the operators (i.e. UberX, Lyft and Sidecar), who are generally non-professionals providing rides on a part-time basis. Homesharing is recognized as an organized agreement between two parties, in which one party rents out all or part of his or her home to another party on a temporary, one-time basis (i.e. Airbnb and HomeAway). While these two industries are not necessarily representative of the full range of services offered using collaborative models, the policy discussions related to ridesharing and homesharing reflect the current sentiment for this emerging economy.

Sentiment Surrounding Ridesharing/ Homesharing

Sharing economy businesses have been growing in cities, and presenting a new set of challenges and opportunities for policy makers and city leaders. While the sharing economy represents new and exciting possibilities offered by technology platforms, cities are finding that these innovative services also present a new set of safety, taxing and business challenges. The consensus is that there is no consensus. There is no one size fits all regulatory framework that can be implemented to accommodate these new business models, and only a community can determine the best solution. Because existing regulatory frameworks typically do not include these new types of technology-based services, cities are challenged to adjust existing regulations and/or develop new regulations for ridesharing and homesharing services. Doing so in a way that honors the local authority and expertise of city policy makers while also acknowledging the concerns of all constituency groups can be challenging.

Classifications

Because of the diverse range of solutions and responses that city leaders and their state counterparts have for the sharing economy, we developed a typology with which to measure sentiment toward these new services.[3]

Cities classified as having positive sentiment are those in which regulatory frameworks, policies, and ordinances allow ridesharing and homesharing services to operate legally or without legal repercussions. For instance, in Austin, TX city ordinances have been put in place to permit both ridesharing and homesharing businesses to operate legally. For the purposes of this typology, inaction was often considered as powerful as action. Many cities are hesitant to implement or enforce regulations on homesharing and ridesharing, actively choosing to allow these services to continue without restriction. An example can be seen in Indianapolis, which has implemented an unofficial pilot program and actively avoided the development and passage of formal ridesharing regulations.

Cities classified as having mixed sentiment are those in which policymakers have regulated or restricted sharing economy activities of one kind but not the other. For instance, in Portland, OR, existing regulation prohibits ridesharing companies from operating legally, but a pilot program has legalized and encouraged the operation of homesharing enterprises. In Philadelphia, homesharing is prohibited according to current ordinances, but city leaders are unmotivated to enforce said ordinances. This creates tension among advocates of fair business practices, but allows homesharing companies to operate unrestricted. Cities were also classified as having mixed sentiment if they implemented policies that imposed extra restrictions on ridesharing and homesharing companies (registration requirements, drug testing, fingerprinting, etc.).

Within the category of mixed sentiment, there are some cities that have taken direct action to reduce or restrict the ridesharing and/or homesharing industries. For instance, in New

York City there have been various discussions about policies that would potentially restrict the services offered by both.

State Level Policies and Interventions

In addition to the wide range of responses from cities, our analysis found that state actors are playing an ever more prominent role in this discussion. State level interventions ranged from legislation to regulatory rulings to state legal action. In some cases, state interventions promoted positive sentiment for the sharing economy. Colorado Governor John Hickenlooper signed into law a bill to authorize ridesharing services. In California, the state's Public Utility Commission (PUC) approved a regulatory framework under which ridesharing companies could operate legally throughout the state. In other cases, state intervention has prohibited sharing economy companies from operating legally. Arizona Governor Jan Brewer vetoed a bill that would have enabled ridesharing due to her concerns regarding insurance and drug testing requirements for drivers. A ruling from the State of Maryland's Public Service Commission (PSC) deems that Uber's black car and SUV services (but not the cheaper UberX and Lyft services) qualify as common carriers, and thus that they are subject to the same regulations imposed on traditional transportation providers. The Maryland PSC is currently developing new regulations that would apply to all ridesharing companies. Some cities are choosing to let state policymakers call the shots on this issue. In an act of deference, policymakers in Louisville are waiting on the Kentucky Transportation Cabinet to develop new regulations before they move to update city ordinances.

Findings

While all cities address the sharing economy in different ways, our analysis found that the majority of cities in our sample are working toward policies that accommodate or adjust to the operation of ridesharing or homesharing companies. Most negative sentiment for the sharing economy is based in concerns over safety (provider and consumer), fair business practices (equal application of regulations or "leveling the playing field"), or lost tax revenue (uncollected hotel taxes). What cities are finding is that there is a way to strike a balance between promoting innovation, ensuring consumer safety and addressing existing industries.

The National League of Cities' Sharing Economy Sentiment Study finds that of the thirty most populous cities studied:

1. **Nine cities** (Austin, Charlotte, El Paso, Indianapolis, San Diego, San Francisco, Seattle, San Jose and Washington DC) show positive sentiment toward ridesharing and homesharing. Of those cities with positive sentiment:

   - **3** (Austin, Seattle, Washington DC) have passed formal policies to allow or legalize ridesharing;
   - **3** (San Diego, San Francisco and San Jose) have seen state level policies or interventions that allow or legalize ridesharing
   - **2** (Austin and San Francisco) have passed or considered formal policies to allow or legalize homesharing
   - **3** (Charlotte, El Paso, and Indianapolis) have deferred action on ridesharing and homesharing.

2. **Twenty-two cities** (Baltimore, Boston, Chicago, Columbus, Dallas, Denver, Detroit, Fort Worth, Houston, Jacksonville, Louisville, Las Vegas, Los Angeles, Memphis, Nashville, New York, Oklahoma City, Philadelphia, Phoenix, Portland and San Antonio) show mixed sentiment toward

ridesharing and homesharing. Of those cities with mixed sentiment:

- **5** (Chicago, Columbus, Houston, Oklahoma City and San Antonio) have passed or discussed formal policies that would allow ridesharing, but impose additional restrictions (drug testing, licensing fees, etc).
- **9** (Baltimore, Boston, Dallas, Detroit, Fort Worth, Jacksonville, Memphis, Louisville and Nashville) have policies pending about ridesharing.
- **1** (Philadelphia) has chosen not to enforce existing homesharing rules.
- **1** (Portland) has an existing ordinance that prohibits ridesharing.
- **1** (Phoenix) saw negative state intervention on ridesharing.
- **4** (Boston, Chicago, Los Angeles and Portland) have passed or are considering formal policies about homesharing.
- **2** (Las Vegas and New York) have seen various legal actions against current ridesharing and homesharing business models.

3 **Fifteen cities** (Baltimore, Charlotte, Chicago, Denver, Detroit, Jacksonville, Las Vegas, Los Angeles, Louisville, New York, Philadelphia, Phoenix, San Diego, San Francisco and San Jose) have experienced regulatory action or other intervention from state policymakers.

CITY SNAPSHOT PHILADELPHIA

Philadelphia, Pennsylvania

Population: 1,553,165 (2013). Square Miles: 134 [4]

Philadelphia's response to the sharing economy is challenging to classify, mostly because of the fact that there have been so many players involved. The Pennsylvania Public Utility Commission (PUC), which regulates taxi activity outside of Philadelphia issued a cease and desist order to stop ridesharing companies in the state of Pennsylvania. However, the city of Philadelphia was not subject to that order, as its taxi services are regulated by the Philadelphia Parking Authority (PPA). Much like the system in New York and other large metropolitan cities, Philadelphia manages taxi operations via a medallion system. There are approximately 1,600 taxi medallions in Pennsylvania, all managed and authorized by PPA. To date, the PPA permits Uber Black, the high-end service offered through the Uber platform, but no other ridesharing services are legally allowed to operate in the city. Pennsylvania State legislators have proposed legislation that would exempt ridesharing companies from some of the more stringent rules that govern traditional transportation providers.

As far as homesharing is concerned, most homesharing listings are illegal under existing Philadelphia zoning codes. While Philadelphia city policymakers have not yet implemented a regulatory framework that legalizes homesharing, city officials have indicated that they will not enforce existing laws to crack down on the service providers.

CITY SNAPSHOT DENVER

Denver, Colorado

Population: 649,495 (2013). Square Miles: 153 [5]

Denver, Colorado has found itself at the cutting edge of the sharing economy, in part thanks to intervention from state lawmakers. Colorado was the first state in the union to pass legislation authorizing ridesharing statewide. While the taxi industry opposed the legislation, Governor John Hickenlooper celebrated it as an affirmative move toward innovation for the state. The bill requires ridesharing companies to have insurance policies that cover the rider and driver, and to conduct background checks on all potential drivers. Colorado's Public Utilities Commissions is responsible for oversight of the new policy.

Currently homesharing is prohibited in most neighborhoods by the city's zoning codes. In October of 2014, the Denver City Council convened a special task force to explore the city's sharing economy. One of the goals of this task force is to understand homesharing's economic and social effects, and consider the present regulations regarding short-term rentals for their appropriateness.

CITY SNAPSHOT PORTLAND, OR

Portland, Oregon

Population: 609,456 (2013). Square Miles: 133 [6]

Portland's city code currently prohibits ridesharing, and it does not seem like the city's Private for-Hire Transportation Board of Review will move to change that anytime soon. Uber's request for the board to change the laws that prohibit its service provision were rejected. The city council has indicated that it will consider updates to the city code that might allow ridesharing companies to legally enter the market. Homesharing, on the other hand, is legal in the Rose City. The city council voted to legalize homesharing services and partnered with Airbnb to launch its Shared City Initiative. The Shared City Initiative has agreed to help Airbnb renters collect taxes on behalf of the city, and hopes to roll this model out in other cities if it is successful.

Conclusion

The sharing economy in all it forms, from car sharing and homesharing to bikesharing, collaborative workspaces and beyond, continues to develop and increase in popularity, and will likely greatly impact the future of cities. While ridesharing and homesharing present new challenges for city leaders, they also present new opportunities. Even though our findings reflect that cities have a myriad of responses to the new economy, one thing is clear: the sharing economy is here, and it is a game changer. Cities must embrace it in ways that work for them, balancing factors of safety, innovation, convenience and collaboration to move forward.

Cities are welcoming these changes, but at the same time, leaders understand the need to make sure that regulations and taxing structures are properly aligned. City ordinances that governed traditional fields of commerce took decades to solidify, and while the opportunities of the new fields are great, the swiftness of their rise has been challenging. Cities are up to this challenge, though, and the National League of Cities is helping them navigate and prepare for this changed environment. We must harness the power of great ideas, encourage innovation and develop robust regulatory structures that meet the needs of many. The sharing economy that is flourishing during our current urban renaissance will only continue to grow in the coming years.

About the National League of Cities

The National League of Cities (NLC) is dedicated to helping city leaders build better communities. NLC is a resource and advocate for 19,000 cities, towns and villages, representing more than 218 million Americans. NLC's City Solutions and Applied Research Center strives to strengthen communities, transform and improve cities, and assist city leaders, by knowing and learning about cities; identifying and sharing promising city practices; fostering effective solutions and innovation; and challenging cities and city leaders to lead.

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Appendix - Compendium of Policies

This compendium includes the current status of legislative and regulatory action along with a policy action inventory. The policy action inventory makes notes of whether any policy action has been taken or is pending. This includes legal, regulatory, legislative and any other wise enabling or obstructive action at the city or state level in the arena of homesharing or ridesharing policy. It is not meant to reflect positive or mixed sentiment, but rather to provide an inventory of policy actions. This inventory was used in addition to our content analysis outputs to make a sound appraisal of sentiment in each of the thirty cities listed.

	CITY	STATUS OF POLICY DEVELOPMENT	POLICY INTERVENTION OR ACTION?
1.	**New York City, NY**	Policy discussions underway to limit ridesharing and homesharing models. State legislation needed to address ridesharing insurance.	Ridesharing: YES-Statewide Homesharing: PENDING
2.	**Los Angeles, CA**	Ridesharing permitted by state regulation, DA threatened injunction on Sidecar, homesharing limited under existing city regulations.	Ridesharing: YES-Statewide Homesharing: YES-existing
3.	**Chicago, IL**	Ridesharing permitted but limited under new policy, homesharing regulation under consideration. Pending veto override of state legislation could preempt parts of city ridesharing ordinance.	Ridesharing: YES Homesharing: PENDING
4.	**Houston, TX**	Ridesharing permitted but limited under new ordinance, no action on homesharing.	Ridesharing: YES Homesharing: NO
5.	**Philadelphia, PA**	Philadelphia Parking Authority shut down Sidecar, homesharing prohibited by current regulations, but not enforced. State legislation under consideration.	Ridesharing: YES Homesharing: YES-existing
6.	**Phoenix, AZ**	State legislation that would have enabled ridesharing vetoed by Governor; no action on homesharing.	Ridesharing: YES-Statewide Homesharing: NO
7.	**San Antonio, TX**	City considering regulations that would limit ridesharing, no action on homesharing.	Ridesharing: PENDING Homesharing: NO
8.	**San Diego, CA**	Ridesharing permitted by state regulation, no action on homesharing.	Ridesharing: YES-Statewide Homesharing: NO
9.	**Dallas, TX**	New regulations for ridesharing pending, no action on homesharing.	Ridesharing: PENDING Homesharing: NO
10.	**San Jose, CA**	Ridesharing permitted by state regulation, no action on homesharing.	Ridesharing: YES-Statewide Homesharing: NO
11.	**Austin, TX**	Ridesharing and homesharing permitted.	Ridesharing: YES Homesharing: YES
12.	**Indianapolis, IN**	City implementing unofficial pilot and deferring on ridesharing regulation, no action on homesharing.	Ridesharing: NO Homesharing: NO
13.	**Jacksonville, FL**	Proposed city regulations would limit ridesharing companies, state legislation could limit growth of homesharing.	Ridesharing: PENDING Homesharing: PENDING-Statewide
14.	**San Francisco, CA**	Ridesharing permitted by state regulation, city regulations permit homesharing.	Ridesharing: YES-Statewide Homesharing: YES

CITY	STATUS OF POLICY DEVELOPMENT	POLICY INTERVENTION OR ACTION?
15. **Columbus, OH**	Ridesharing permitted but limited under new policy, no action on homesharing.	Ridesharing: YES Homesharing: NO
16. **Charlotte, NC**	City policymakers deferring to state general assembly.	Ridesharing: NO Homesharing: NO
17. **Fort Worth, TX**	City policymakers working with City of Dallas and COG to develop regional ordinance on ridesharing, no action on homesharing.	Ridesharing: PENDING Homesharing: NO
18. **Detroit, MI**	Ridesharing permitted, but restrictive regulation under consideration, no action on homesharing.	Ridesharing: PENDING Homesharing: NO
19. **El Paso, TX**	No action on ridesharing or homesharing.	Ridesharing: NO Homesharing: NO
20. **Memphis, TN**	Ridesharing ordinance under consideration, no action on homesharing.	Ridesharing: PENDING Homesharing: NO
21. **Seattle, WA**	Ridesharing permitted but limited, no action on homesharing.	Ridesharing: YES Homesharing: NO
22. **Denver, CO**	Ridesharing permitted by state legislation, homesharing prohibited by existing policy.	Ridesharing: YES-Statewide Homesharing: PENDING
23. **Washington, DC**	Ridesharing permitted, no action on homesharing.	Ridesharing: YES Homesharing: NO
24. **Boston, MA**	Ridesharing and homesharing regulation under consideration.	Ridesharing: PENDING Homesharing: PENDING
25. **Nashville, TN**	Ridesharing and homesharing regulation under consideration.	Ridesharing: PENDING Homesharing: PENDING
26. **Baltimore, MD**	Ridesharing regulation under consideration by state, no action on homesharing.	Ridesharing: PENDING-Statewide Homesharing: NO
27. **Oklahoma City, OK**	Ridesharing permitted but limited under new ordinance, no action on homesharing.	Ridesharing: YES Homesharing: NO
28. **Louisville, KY**	City authorities waiting on state transportation body to regulate ridesharing, no action on homesharing.	Ridesharing: NO Homesharing: NO
29. **Portland, OR**	Ridesharing prohibited under existing policy, homesharing pilot underway.	Ridesharing: YES-existing Homesharing: YES
30. **Las Vegas, NV**	Nevada Taxicab Authority, Nevada Transportation Authority have taken steps to limit ridesharing. Clark County District Court Judge rejected a temporary injunction request from the state attorney general against Uber, no action on homesharing.	Ridesharing: YES-Statewide Homesharing: NO

Endnotes

1 Growth in Urban Population Outpaces Rest of Nation, Census Bureau Reports: http://www.census.gov/newsroom/releases/archives/ 2010_census/cb12-50.html
2 http://bettercities.net/news-opinion/blogs/nathan-norris/17803/why-gen-y-causing-great-migration-21st-century
3 This study measures the sentiment and direction of the sharing economy in the thirty most populous cities in America. This list was generated from the U.S. Census Bureau's American FactFinder, which ranks cities by estimates of the resident population. These findings are based on a content analysis of media sources covering: 1) the subject of sharing economy services, 2) the introduction of sharing economy services in cities, 3) the overall sentiment pertaining to sharing economy services, and 4) policies and regulation on sharing economy services. In total our sample includes 105 sources. For the purposes of this study we limited the analysis to mention of ridesharing and homesharing services. In measuring the sentiment toward the sharing economy, we also determined whether each city has or is undertaking legislative or regulatory action toward sharing economy services. Using this information combined with an assessment of legislative and/or regulatory action, we made an appraisal of the current sentiment toward the sharing economy in each city. These findings are reflective of the sentiment in each city at the time of our data collection and analysis. Because of the rapidly changing and fluctuating nature of this policy arena, it is possible that the current sentiment or relevant policy may divert from our original classification.
4 http://quickfacts.census.gov/qfd/states/42/42101.html
5 http://quickfacts.census.gov/qfd/states/08/0820000.html
6 http://quickfacts.census.gov/qfd/states/41/4159000.html

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