

14-0593

MOTION

Right now the City of Los Angeles has a unique opportunity to reexamine our economy and mindset and develop strategies to maximize Los Angeles' strengths and resources in order to become a first class city for the 21st century. The "sharing economy" is redefining the ways that goods and services are being exchanged. Residents are now fulfilling new roles and performing new tasks that have normally been carried out by businesses. Individuals now support themselves largely by charging fees for services and tasks performed.

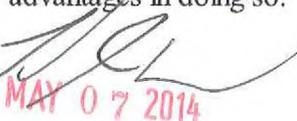
In 2013, Forbes magazine estimated that the revenue flowing through the share economy and directly into peoples wallets reached \$3.5 billion. This does not include the revenues generated by the companies facilitating these flows." Capitalizing on the advances in social technology that better connect individuals with one another, millions of people are now taking advantage of redistribution networks, rentals and cooperatives to find new ways of providing jobs, housing, transportation and food in online, peer to peer marketplaces.

Companies like Airbnb, recently valued at \$10 billion, bring in hundreds of millions of dollars in the shared tourist trade but do not charge hotel taxes, depriving cities millions of dollars in tax revenue. Airbnb recently announced that it will work with some cities around the Country like San Francisco, Portland, and New York to collect and remit taxes from guests, without the hosts having to worry about all the details. The head of Global Public Policy for Airbnb says in New York alone they predict collecting at least \$20 million a year from guests and providing it directly to the city and state.

Last summer at The United States Conference of Mayors, Los Angeles signed a resolution urging support for making cities more shareable by:

- (1) encouraging a better understanding of the Sharing Economy and its benefits to both the public and private sectors by creating more robust and standardized methods for measuring its impacts in cities;
- (2) creating local task forces to review and address regulations that may hinder participants in the Sharing Economy and proposing revisions that ensure public protection as well; and
- (3) playing an active role in making appropriate publicly owned assets available for maximum utilization by the general public through proven sharing mechanisms.

The City of Los Angeles needs a comprehensive study of the sharing economy. The study should examine the economic impacts of industries where consumers connect with other consumers to exchange value directly. It should extensively review our existing regulations and determine whether there is a benefit to modernizing our regulations so that they are suitable for the sharing economy. The study should also explore the feasibility of expanding its sharing infrastructure, promoting existing sharing enterprises, incubating sharing economy startups, utilizing idle public resources and what are the advantages in doing so.



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I THEREFORE MOVE that the CLA and CAO convene a working group with representatives from the Planning Department, Economic & Workforce Development Department, the Department of Building and Safety, Board of Public Works, Office of Finance, Fire, LAPD, and stakeholder groups, in consultation with the City Attorney and be instructed to prepare and present a comprehensive report on the "sharing economy" to help the city get a better understanding of its impacts by examining the following:

1. Potential economic benefits the sharing economy would have on the City of Los Angeles;
2. Zoning, taxation, insurance and licensing in the City of Los Angeles as it relates to the share economy;
3. Methods for reforming current policies that might be outdated or otherwise ill-suited for appropriate and effective regulation of sharing economy industries;
4. Benefits of mapping city owned assets to determine which assets have idling capacity and/or might be shared; and
5. The city's current efforts to reduce traffic, protect the environment, promote social cohesion within neighborhoods, and increase access to healthy foods and the feasibility of using or creating collaborative economy platforms around those efforts.

PRESENTED BY:


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Councilmember, 10th District



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SECONDED BY:



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