

URBAN SHARING IN SAN FRANCISCO

Country: USA

Population (city & county): 884,363

Population (metro): 4,727,357

State: California

City & county area: 600.59 km²

Government: Mayor-Council



URBAN SHARING
From Excess Economy to Access Economy



SHARING & THE CITY
Cities – Sharing – Sustainability

Urban Sharing at a Glance

The San Francisco Bay Area is seen as the cradle of the sharing economy and collaborative consumption, where large sharing platforms, such as Airbnb, Uber, or TaskRabbit originated. Transportation network companies (TNCs), e.g. Lyft and Uber, and home sharing platforms, e.g. Airbnb and VRBO, are used by San Francisco residents and visitors on daily basis. Similarly, shared working spaces are not uncommon. The sharing of household goods seems to be dominated by informal arrangements among neighbours and friends and/or is facilitated by social networks, such as Facebook. According to a local expert on urban sharing, high rents pushed many non-profits out of the city.

The oft-debated term “the sharing economy” is no longer widely used by San Francisco sharing organisations (besides Airbnb), city representatives, or the public. TNCs and accommodation sharing organisations are well-established economic players that have created distinct sharing markets. The city is supportive of ideas related to the gig economy, which is viewed as a major facilitator of employment in the future. The currently low unemployment rate in San Francisco (2.7%) is partially attributed to the gig economy.

City Strategies & Position on Sharing

In 2012, Mayor Edwin M. Lee announced the formation of the Sharing Economy Working Group (SEWG), with the purpose “to take a comprehensive look at the economic benefits, innovative companies and emerging policy issues around the growing sharing economy”. In reality, the Group mainly explored regulation of short-term rentals and its key outcome was the establishment of the Office of Short-term Rentals, which currently regulates accommodation sharing.

Otherwise, the City of San Francisco has given urban sharing organisations, particularly TNCs, significant freedom to develop and grow their businesses.

Sustainability Challenges Faced by the City



Among the major sustainability challenges in San Francisco is the *growing cost of living*. People are finding new ways to sustain themselves, and many have started taking part in the sharing economy.

Another challenge is the *housing shortage*, which is arguably exacerbated by short-term accommodation sharing. For this reason, regulations of short-term rentals have been introduced in the city.

The number of cars in San Francisco has been growing due to many structural changes in the area. As a result, *congestion and air pollution* are sometimes associated with TNCs.

Safety and equity were mentioned as “official” challenges by the city representatives, but not by other actors.

Consumer Perspectives on Sharing

The participants of our 3 focus groups on car sharing, space sharing, and physical goods sharing showed a high level of reflection and understanding of the complexity of the sharing economy. They were able to distinguish between initiatives that are providing a positive contribution to the society and those that are not. They also clearly identified what mattered to them (cost reduction, convenience), and what mattered to the society (working standards, congestion, environmental problems). Overall, the participants seemed more aware of the problems and benefits of urban sharing than commonly assumed, potentially due to the comparatively long history of both for-profit and non-profit urban sharing organisations in the Bay Area.

The City and Shared Mobility

Mobility sharing is dominated by the TNCs Lyft and Uber, while peer-to-peer car sharing remains marginal. Lyft and Uber have become a regular transportation option for San Francisco residents and visitors. The majority of our focus group participants spoke more positively of Lyft than Uber, and seemed to choose Lyft more often for their rides. Lyft also seems to have a somewhat better image among the residents. Compared to Uber, Lyft is pursuing a more cooperative strategy with the city government.

Many drivers are coming from outside of the Bay Area to drive for TNCs. Some of them are renting cars to drive for these companies. For those living in the Bay Area, driving requires long hours to earn a living wage. While workers’ rights and drivers’ screening seem to be poorly regulated, these issues are attracting an increased attention from policy-makers.

New systems for short-term e-bike and e-scooter rentals may have a significant impact on the future development and structure of TNCs. Autonomous vehicles are imminent in the near future, and have a potential to disrupt both TNCs and the public transit.

The City and Accommodation Sharing

The accommodation sharing market, also called by the city representatives “short term rentals,” is dominated by Airbnb, VRBO and Home Away, which unite their forces in combating city regulations. Regulations for short-term rentals were introduced in spring 2018, and the city is taking a purposive action to ensure its enforcement. The rules imply that the hosts 1) must be registered with the Office of Short-term Rentals; 2) must not rent out a separate unit for less than 30 days; 3) must not rent out their own homes for longer than 90 days per year.

San Francisco is the home of Airbnb headquarters with over 2,500 employees. The company takes a more aggressive approach to fighting regulations in San Francisco compared to European cities. For example, together with VRBO and Home Away, it sued the city government following the latest changes of regulations.

