

MEMO

To: Opticos Design, Inc.

From: Lisa Wise Consulting, Inc.

Date: November 25, 2025

Subject: City of Mountain View R3 Retail Support and Live Work Standards

This memo focuses on identifying potential household spending, outlining retail requirements, and assessing site-level impacts within the R3 intensification change areas.

Section 1.1 Overview

This document estimates the household-driven retail demand within the R3 intensification change areas. Using assumed build-out capacity figures, it estimates the potential increase in household expenditures on retail goods and services generated by new residential development, using that information to inform an estimated demand for overall commercial development and an estimated demand within each change area (assuming that a significant amount of demand will be absorbed by existing commercial areas). Based on the demand generated within each change area, recommendations for types of viable commercial are provided.

This document also includes an overview of the physical needs for various types of commercial, to help inform the establishment of development standards.

The 14 R3 change areas analyzed are listed below, along with a high-level summary of the types of retail that may be successful with buildout of the change area.

1. Del Medio (South): Any increase in retail demand generated within the Change Area is likely to be absorbed by the nearby neighborhood centers and big-box retail destinations.
2. Del Medio (North): There is modest potential for food service uses, likely limited to one or two small establishments. A café or a quick-service restaurant (e.g., a sandwich or salad shop) would be an appropriate fit, offering neighborhood-serving options that complement the area's residential and transit-oriented character. Any new retail that does emerge in this area would most likely be integrated into a vertical mixed-use configuration.
3. Middlefield/Independence: Small convenience retail or limited service food and beverage might be attracted as an amenity for a mixed-use development in the area.
4. Paulson Parks Apartments / Laurel Retirement Community: Given the large size of the site and its location along Central Expressway, there may be potential to support a horizontal mixed-use retail development, such as a strip or convenience shopping center.
5. California / Ortega: The presence of successful nearby retail uses may also support additional convenience retail as an amenity in a mixed-use development within the change area.
6. California / Latham / Rengstorff: Given its large size, strong transit access, and surrounding residential density, Change Area 6 is a strong candidate for vertical mixed-use development. Retail opportunities could include a mix of food and food service establishments, general merchandise retailers, and personal care businesses, serving both local residents and the surrounding

community.

7. Park Plaza Apartments: The site could potentially support one small food service establishment, such as a café or coffee shop, particularly one that could benefit from its proximity to Rengstorff Park. This use would be most viable as part of a vertical mixed-use development, with residential above and a limited ground-floor commercial footprint focused on park users and nearby residents.
8. Shoreline / Montecito: There is potential for a small food service establishment, such as a café or quick-service restaurant, particularly if developed as part of a vertical mixed-use project.
9. San Veron Park Apartments: There is potential for smaller scale food service establishments, such as a café or coffee shop, that could take advantage of the site's proximity to San Veron Park. This type of use would be most feasible as part of a vertical mixed-use development, with residential units above and a small ground-floor commercial space serving both park users and residents.
10. Chateau Apartments: The site's visibility along East Middlefield Road and proximity to Highway 85 could support the development of a small Neighborhood Center. There are also relatively few retail establishments in the immediate vicinity. Any new retail on the site would likely be most viable as part of a vertical mixed-use development, with ground-floor commercial space and residential units above, making efficient use of the site's limited size.
11. Evelyn / Calderon: Given the site's size, proximity to Highway 85, and direct access via on- and off-ramps, Change Area 11 has strong potential to support vertical mixed-use development. The location could accommodate a Neighborhood Center anchored by an urban format general merchandise store (an example of this is the City Target concept store), along with quick-service restaurants to serve nearby residents and commuters.
12. Central Park Apartments: Change Area 12 is well positioned to support a Community Center-scale shopping center. This could include a grocery store, a mix of general merchandise retailers, and both quick-service and full-service restaurants. The site's size and location make it a strong candidate for fulfilling retail demand and serving the broader surrounding community.
13. Continental / Dale: The location and size of Change Area 13 make it a strong candidate for a Community Center-scale shopping center. This development could take the form of both horizontal and vertical mixed-use, incorporating uses such as food services, grocery, clothing and accessories, and general merchandise.
14. Solano Apartments: It is expected that any additional demand would be absorbed by Change Area 13 or other nearby retail establishments.

Based on the analysis of average unit increase potential, change area size, location, and existing context, Change Areas 6, 10, 11, 12, and 13 demonstrate a high potential to attract non-residential uses under the proposed zoning changes. In contrast, Change Areas 1, 2, 4, 5, 8, and 9 show potential to attract a smaller number of non-residential uses. However, due to their proximity to existing non-residential uses, much of the demand is expected to be absorbed by those established uses. Nonetheless, there remains limited potential for some additional non-residential development within these areas. Change Areas 3, 7, and 14 are smaller in size and, due to both their limited area and location, have a lower capacity to attract non-residential uses.

Section 1.2

Retail Requirements

This section summarizes key spatial requirements and site preferences for retail space, with a focus on the needs of both small businesses and national brands. It outlines typical store sizes, interior height requirements, frontage and visibility needs, parking ratios, and preferred co-tenancy and locational considerations by retail category.

Table 1: Retail Requirements

		Small Business	National Brand
Store size	Coffee Shops / Quick Service Restaurants:	500 – 2,000 sq ft	1,500 – 2,500 sq ft
	Full-Service Restaurants:	2,000 – 4,000 sq ft	5,000 – 10,000 sq ft
	Grocery Stores / Markets:	5,000 – 15,000 sq ft	20,000 – 60,000 sq ft
	Boutique Retail / Specialty Shops:	800 – 2,000 sq ft	1,200 – 2,500 sq ft
	General Retail / Soft Goods:	1,000 – 3,000 sq ft	2,500 – 10,000 sq ft
Interior height	Coffee Shops / Quick Service Restaurants:	12 – 16 ft	16 ft minimum
	Full-Service Restaurants:	12 – 16 ft	16 ft minimum
	Grocery Stores / Markets:	14 – 18 ft	16 ft minimum
	Boutique Retail / Specialty Shops:	10 – 14 ft	16 ft minimum
	General Retail / Soft Goods:	12 – 14 ft	16 ft minimum
Frontage	Coffee Shops / Quick Service Restaurants:	15 – 25 ft	20 ft minimum
	Full-Service Restaurants:	20 – 35 ft	40 – 70 ft
	Grocery Stores / Markets:	40 – 60 ft	80 – 120 ft
	Boutique Retail / Specialty Shops:	15 – 25 ft	20 – 35 ft
	General Retail / Soft Goods:	18 – 25 ft	30 – 50 ft
Parking	Coffee Shops / Quick Service Restaurants:	0 – 1 space per 1,000 sq ft	8 – 15 spots per 1,000 sq ft
	Full-Service Restaurants:	0 – 2 spaces per 1,000 sq ft	12 – 15 spaces per 1,000 sq ft
	Grocery Stores / Markets:	0 – 2 spaces per 1,000 sq ft (urban); shared or street parking	3 – 5 spaces per 1,000 sq ft minimum
	Boutique Retail / Specialty Shops:	0 – 1 per 1,000 sq ft (urban/shared lots)	2 – 4 per 1,000 sq ft
	General Retail / Soft Goods:	0 – 2 per 1,000 sq ft	3 – 5 per 1,000 sq ft

Co-tenancy requirements.	Coffee Shops / Quick Service Restaurants:	Near schools, offices, fitness, or retail. Prefer walkable areas with steady foot traffic and complementary local businesses. Avoid isolation or auto-only sites.	Dominant grocer in market, office supply and convenience users, full price retailers, other quick casual and high end quick service restaurants.
	Full-Service Restaurants:	Near other restaurants, bars, theaters, and neighborhood-serving retail	Adjacent to major anchors (e.g., Target, Whole Foods), theaters, hotels, high-traffic retail
	Grocery Stores / Markets:	Near transit, housing, other neighborhood retailers	Near major anchors, pharmacies, gyms, banks, and restaurants
	Boutique Retail / Specialty Shops:	Near cafés, bookstores, galleries, salons, lifestyle uses	Lifestyle brands (Lululemon, Apple, Nike), trendy cafes, boutique retail, walkable foot traffic
	General Retail / Soft Goods:	Near cafés, salons, fitness, or service retail	Require co-tenants such as grocery stores, pharmacies, banks, service retail (nail salons, cafés), and national soft goods or lifestyle brands. Prefer locations with high-density housing, college campuses, and strong pedestrian access.

Net New Units

To estimate the net increase in potential household expenditures on retail goods and services, the analysis estimated the increase in retail expenditures by households based on the total average capacity of new residential units implied by the proposed change in zoning.¹ The average unit increase potential identified by Opticos, was used for each potential change area and reflects the difference between existing housing units and the projected buildout capacity, assuming redevelopment of eligible parcels at feasible densities. While not a forecast of actual development, it serves as an estimate of the potential zoning capacity of the area.¹ Table 2 presents Mountain View's total population and households from the Calif. Dept. of Finance.

Table 2: Mountain View Baseline

Category	Count
Total population	86,513
Total housing units	40,534

Source: CA Dept of Finance, 2025

The total average new unit potential is 13,487¹, which represents a 33 percent increase over the number of housing units in 2025. Table 3 shows the average expected new unit potential, broken down by the 14 identified change areas.

Table 3: Average Expected New Unit Potential¹

Change Areas	Average Unit Increase Potential
Change Area 1	481
Change Area 2	733
Change Area 3	269
Change Area 4	817
Change Area 5	423
Change Area 6	4,276
Change Area 7	371
Change Area 8	602
Change Area 9	214
Change Area 10	291
Change Area 11	1,291
Change Area 12	1,315
Change Area 13	2,169
Change Area 14	235
Total Expected Average New Units	13,487

Source: Opticos, Inc.

¹ City of Mountain View. (2025, February). *R3 Intensification: Potential Change Areas*.

Retail Leakage

To estimate how much of the potential household spending would occur within the city, the analysis accounted for the expected leakage in retail expenditures. Leakage refers to the portion of consumer spending that takes place outside the city, such as purchases in neighboring communities, rather than at local retailers. Taxable transaction data from the California Department of Tax and Fee Administration was used to estimate the amount of retail leakage from Mountain View. The analysis was conducted on a per capita basis, comparing Mountain View to Santa Clara County using the most recently available data. In this comparison, any retail category where Mountain View's per capita taxable sales are lower than the county average is considered to reflect potential leakage. This indicates that residents may be making purchases in the specified categories outside of the city.

Table 4: Taxable Transactions 2023

Category	Mountain View		Santa Clara County	
	Outlets	Taxable Transactions	Outlets	Taxable Transactions
Motor Vehicle and Parts Dealers	26	\$143,300,427	977	\$4,573,937,810
Home Furnishings and Appliance Stores	74	\$56,566,215	1,536	\$2,535,961,745
Building Material and Garden Equipment and Supplies Dealers	27	\$34,576,331	643	\$2,233,569,452
Food and Beverage Stores	60	\$81,844,652	1,442	\$1,421,493,979
Gasoline Stations	21	\$107,201,919	418	\$2,368,276,246
Clothing and Clothing Accessories Stores	111	\$33,630,936	3,675	\$2,976,535,091
General Merchandise Stores	28	\$219,684,344	795	\$3,197,860,837
Food Services and Drinking Places	331	\$610,805,601	6,346	\$6,256,847,759
Other Retail Group	506	\$74,073,438	11,395	\$7,804,767,178
Total Retail and Food Services	1,184	\$1,361,683,863	27,227	\$33,369,250,097
All Other Outlets	1,045	\$525,059,158	22,471	\$23,729,048,299
Total All Outlets	2,229	\$1,886,743,021	49,698	\$57,098,298,396

Source: California Department of Tax and Fee Administration, 2023

Table 5 presents taxable transactions per capita, calculated using data from the California Department of Tax and Fee Administration (Table 4) and 2023 ACS population data. It also shows the net per capita difference between Mountain View and Santa Clara County, which is used to estimate potential retail leakage. Based on this analysis, it is estimated that approximately 32 percent of retail spending by Mountain View residents occurs outside the city.

Table 5: Taxable Transactions per Capita 2023

Category	Mountain View	Santa Clara County	Net Per Capita
	Transactions Per Capita	Transactions Per Capita	
Motor Vehicle and Parts Dealers	\$1,752	\$2,436	(\$684)
Home Furnishings and Appliance Stores	\$692	\$1,351	(\$659)
Building Material and Garden Equipment and Supplies Dealers	\$423	\$1,190	(\$767)
Food and Beverage Stores	\$1,001	\$757	\$244
Gasoline Stations	\$1,311	\$1,261	\$49
Clothing and Clothing Accessories Stores	\$411	\$1,585	(\$1,174)
General Merchandise Stores	\$2,686	\$1,703	\$983
Food Services and Drinking Places	\$7,468	\$3,332	\$4,136
Other Retail Group	\$906	\$4,157	(\$3,251)
Total Retail and Food Services	\$16,649	\$17,772	(\$1,124)
All Other Outlets	\$6,420	\$12,638	(\$6,218)
Total All Outlets	\$23,068	\$30,410	(\$7,342)

Source: California Department of Tax and Fee Administration, ACS, 2023

Net New Household Expenditure

To estimate the net increase in potential household expenditures on retail goods and services, household expenditure data for the City of Mountain View was used. Table 6 presents the average annual amount spent per household across identified retail industry subsectors and groups.

Table 6: Average Annual Mountain View Household Expenditure

NAICS Code	Industry Subsector & Group	Average Amount Spent
441	Motor Vehicle & Parts Dealers	\$6,655
442	Furniture and Home Furnishings Stores	\$2,114
443, 4431	Electronics and Appliance Stores	\$636
444	Bldg Material & Garden Equipment & Supplies Dealers	\$2,571
445	Food and Beverage Stores	\$12,547
446, 4461	Health and Personal Care Stores	\$1,661
447, 4471	Gasoline Stations	\$7,765
448	Clothing and Clothing Accessories Stores	\$2,909
451	Sporting Goods, Hobby, Musical Instrument, and Book Stores	\$1,034
453	Miscellaneous Store Retailers	\$1,303
452	General Merchandise Stores	\$9,590
454	Non-store Retailers	\$6,042
722	Food Services & Drinking Places	\$11,156

Source: Esri, 2025

Based on average household expenditure in Mountain View, projected unit growth, and anticipated retail leakage, the total net increase in potential household retail spending is estimated at approximately \$605 million. This represents a 32 percent increase in taxable transactions compared to 2023 levels. Table 7 presents the expected net new household spending, broken down by retail category.

Table 7: Total Expected Net New Household Spending by Retail Category

NAICS Code	Industry Subsector & Group	Total Expected Spending
441	Motor Vehicle & Parts Dealers	\$61,035,721
442	Furniture and Home Furnishings Stores	\$19,386,090
443, 4431	Electronics and Appliance Stores	\$5,834,600
444	Bldg Material & Garden Equipment & Supplies Dealers	\$23,575,567
445	Food and Beverage Stores	\$115,070,728
446, 4461	Health and Personal Care Stores	\$15,232,838
447, 4471	Gasoline Stations	\$71,211,765
448	Clothing and Clothing Accessories Stores	\$26,681,564
451	Sporting Goods, Hobby, Musical Instrument, and Book Stores	\$9,487,473
453	Miscellaneous Store Retailers	\$11,945,894
452	General Merchandise Stores	\$87,947,848
454	Non-store Retailers	\$55,411,507
722	Food Services & Drinking Places	\$102,316,121
Total		\$605,137,716

Table 8 presents the total expected net new household spending, broken down by change area.

Table 8: Total Expected Net New Household Spending by Change Area

Change Area	Total Expected Spending
Change Area 1	\$21,581,615
Change Area 2	\$32,888,407
Change Area 3	\$12,069,552
Change Area 4	\$36,657,338
Change Area 5	\$18,979,258
Change Area 6	\$191,856,519
Change Area 7	\$16,646,111
Change Area 8	\$27,010,670
Change Area 9	\$9,601,800
Change Area 10	\$13,056,653
Change Area 11	\$57,924,875
Change Area 12	\$59,001,712
Change Area 13	\$97,319,174
Change Area 14	\$10,544,032
Total	\$605,137,716

Retail Demand

To estimate potential retail space demand, the projected net new household retail expenditure was combined with retail sales per square foot data for commercial buildings. Table 9 presents the expected sales per square foot across different retail space types.

Table 9: Retail Sale per Square Foot by Retail Category

Retail Category	Sales per Square Foot
General Merchandise	\$ 100
Food	\$ 312
Food Service	\$ 183
Clothing and Accessories	\$ 201
Home Furnishings	\$ 160
Home Appliances/Music	\$ 175
Building Materials/Hardware	\$ 111
Automotive	\$ 136
Hobby/Special Interest	\$ 163
Pharmacy	\$ 241
Other Retail	\$ 143

Source: International Council of Shopping Centers

Table 10 presents the projected retail space demand derived from estimated spending by new households

Table 10: Projected Retail Space Demand Based on New Household Spending

Retail Category	Total Square Feet
General Merchandise	879,478
Food	368,816
Food Service	559,104
Clothing and Accessories	132,744
Home Furnishings	121,163
Home Appliances/Music	33,341
Building Materials/Hardware	212,392
Automotive	448,792
Hobby/Special Interest	58,205
Pharmacy	63,207
Other Retail	83,538
Total	2,960,782

New Demand from all New Units

Based on the expected number of new residential units, the total average unit increase is projected at 13,487 units, representing a 33 percent increase over the 2025 housing stock. These new households are expected to generate approximately \$605 million in retail expenditures, accounting for retail leakage. This spending represents a 32 percent increase in taxable transactions compared to 2023 and is projected to support the equivalent demand of approximately 2.9 million square feet of new commercial space within

Mountain View. Much of this demand will be absorbed by existing commercial space, but the new development will result in demand for new commercial space in the change areas.

Change Area Site Potential

To evaluate the retail potential of each change area, projected retail demand was analyzed using household spending forecasts. It was assumed that each change area could potentially absorb between 3% (low scenario), 5% (medium scenario), and 8% (high scenario) of the estimated new retail demand generated by population and household growth. To guide the evaluation of what types of retail could be reasonably supported, the International Council of Shopping Centers (ICSC) shopping center classification and characteristics were referenced. This framework provided a basis for aligning estimated demand with realistic development typologies, such as neighborhood centers, community centers, or mixed-use formats. In addition to quantitative demand estimates, retail positioning at each site was considered. This included an assessment of each site's ability to support regional-serving retail, neighborhood-serving retail, and any niche or specialty uses that may be currently underserved in the immediate trade area. The analysis also evaluated the likelihood of accommodating retail as part of a residential mixed-use strategy, factoring in site characteristics, visibility, access, and surrounding land uses.

Table 11: U.S. Shopping-Center Classification and Characteristics

Type of Shopping Center	Concept	Acres	Typical Number of Tenants	Typical Anchors	Trade Area Size
Community Center ("Large Neighborhood Center")	General merchandise or convenience-oriented offerings. A wider range of apparel and other soft goods offerings than neighborhood centers.	10-40	15-40 stores	Discount store, supermarket, drug, large-specialty discount (toys, books, electronics, home improvement/furnishings or sporting goods, etc.)	3-6 miles
Neighborhood Center	Convenience oriented.	3-5	5-20 stores	Supermarket	3 miles
Strip/Convenience	Attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores. Open canopies may connect the store fronts, but a strip center does not have enclosed walkways linking the stores.. A convenience center is among the smallest of the centers, whose tenants provide a narrow mix of goods and personal services to a very limited trade area.	<3	NA	Convenience store, such as a mini-mart.	<1 mile

Change Area 1

Change Area 1 is located between El Camino Real, Central Expressway, and San Antonio Road. The area spans approximately 8.5 acres and includes five parcels. It is well positioned in terms of access and connectivity, lying adjacent to a major transit corridor and within ¼ mile (roughly a 5-minute walk) of a bus stop. The site also borders mixed-use zoning. Additionally, Del Medio Park is located just across Del Medio Avenue, within walking distance.

The surrounding context includes a wide range of shopping and dining options within a half-mile radius, including regional-serving retail such as the Walmart Supercenter at the San Antonio Center. Given this existing concentration of retail amenities, any increase in retail demand generated within the Change Area

is likely to be absorbed by the nearby neighborhood centers and big-box retail destinations.

Table 12: Change Area 1 Estimated Retail Demand Absorption Sqft.

	Low	Medium	High
General Merchandise	941	1,568	2,509
Food	395	658	1,052
Food Service	598	997	1,595
Clothing and Accessories	142	237	379
Home Furnishings	130	216	346
Home Appliances/Music	36	59	95
Building Materials/Hardware	227	379	606
Automotive	480	800	1,280
Hobby/Special Interest	62	104	166
Pharmacy	68	113	180
Other Retail	89	149	238

Change Area 2

Change Area 2 is located adjacent to Central Expressway, just north of San Antonio Road. The area spans approximately 13 acres and includes nine parcels. It benefits from strong access and connectivity, situated along a major transit corridor and within ¼-mile (approximately a 5-minute walk) of a light rail station. The site also borders mixed-use zoning, and Del Medio Park is located just across Del Medio Avenue, providing nearby open space and walkable amenities.

Change Area 2 is located within a half-mile of two Neighborhood Centers, which include a supermarket and pharmacy. While the surrounding area is relatively well-served by retail, Change Area 2 may have limited capacity to support new retail development. There is modest potential for food service uses, likely limited to one or two small establishments. A café or a quick-service restaurant (e.g., a sandwich or salad shop) would be an appropriate fit, offering neighborhood-serving options that complement the area's residential and transit-oriented character. Any new retail that does emerge in this area would most likely be integrated into a vertical mixed-use configuration.

Table 13: Change Area 2 Estimated Retail Demand Absorption Sqft.

	Low	Medium	High
General Merchandise	1,434	2,390	3,824
Food	601	1,002	1,604
Food Service	912	1,519	2,431
Clothing and Accessories	216	361	577
Home Furnishings	198	329	527
Home Appliances/Music	54	91	145
Building Materials/Hardware	346	577	923
Automotive	732	1,220	1,951
Hobby/Special Interest	95	158	253
Pharmacy	103	172	275
Other Retail	136	227	363

Change Area 3

Change Area 3 is located along Middlefield Road and spans approximately 3.5 acres across three parcels. Thaddeus Park is located directly across the street. However, the site is not within walking distance of a transit stop.

Given the existing retail options in the vicinity, particularly Monta Loma Plaza at the corner of Middlefield Road and Rengstorff Avenue, any new retail demand generated in Change Area 3 is expected to be absorbed by the surrounding center. Small convenience retail or limited service food and beverage might be attracted as an amenity for a mixed-use development in the area.

Table 14: Change Area 3 Estimated Retail Demand Absorption Sqft.

	Low	Medium	High
General Merchandise	526	877	1,403
Food	221	368	588
Food Service	335	558	892
Clothing and Accessories	79	132	212
Home Furnishings	72	121	193
Home Appliances/Music	20	33	53
Building Materials/Hardware	127	212	339
Automotive	269	448	716
Hobby/Special Interest	35	58	93
Pharmacy	38	63	101
Other Retail	50	83	133

Change Area 4

Change Area 4 is located adjacent to Central Expressway, just south of Rengstorff Avenue. The area spans approximately 11 acres and includes three parcels. Although the site is situated across from the light rail tracks, it is not within walking distance of a transit stop. However, Rengstorff Park is located directly across the tracks, offering a valuable community amenity nearby.

The surrounding area is primarily composed of medium-density residential neighborhoods. Given the large size of the site and its location along Central Expressway, there may be potential to support a horizontal mixed-use retail development, such as a strip or convenience shopping center.

General merchandise and food service establishments would be strong candidates for this location, serving both nearby residents and pass-through traffic along the corridor. Demand would need to be supported by net new retail spending from a larger trade area for most development to be feasible.

Table 15: Change Area 4 Estimated Retail Demand Absorption Sqft.

	Low	Medium	High
General Merchandise	1,598	2,664	4,262
Food	670	1,117	1,787
Food Service	1,016	1,693	2,710
Clothing and Accessories	241	402	643
Home Furnishings	220	367	587
Home Appliances/Music	61	101	162
Building Materials/Hardware	386	643	1,029
Automotive	816	1,359	2,175
Hobby/Special Interest	106	176	282
Pharmacy	115	191	306
Other Retail	152	253	405

Change Area 5

Change Area 5 is located along California Street, just north of Rengstorff Avenue. The area spans approximately nine acres and includes 14 parcels. The site lies just outside a ¼-mile (approximately a 5-minute walk) distance from a major transit corridor and is also slightly beyond the ¼-mile radius (approximately a 5-minute walk) of a light rail station. Klein Park is located directly across the street, providing nearby open space and recreation.

The surrounding area includes a mix of medium-high density residential, medium-density residential, and mixed-use development. Directly across from Change Area 5 is a community shopping center anchored by a CVS and a Target, which serves much of the local retail demand.

Given the proximity to these well-established retail amenities, any new retail demand generated within Change Area 5 is expected to be absorbed by the existing shopping centers. The presence of successful nearby retail uses may also support additional convenience retail as an amenity in a mixed-use development within the change area.

Table 16: Change Area 5 Estimated Retail Demand Absorption Sqft.

	Low	Medium	High
General Merchandise	828	1,379	2,207
Food	347	578	925
Food Service	526	877	1,403
Clothing and Accessories	125	208	333
Home Furnishings	114	190	304
Home Appliances/Music	31	52	84
Building Materials/Hardware	200	333	533
Automotive	422	704	1,126
Hobby/Special Interest	55	91	146
Pharmacy	59	99	159
Other Retail	79	131	210

Change Area 6

Change Area 6 is located along California Street and spans both sides of Rengstorff Avenue. The area covers approximately 73 acres and includes 72 parcels. The site lies within ¼-mile (approximately a 5-minute walk) of a major transit corridor. It is also adjacent to both Rengstorff Park and Castro Park, and within walking distance of Klein Park.

The surrounding area features a diverse mix of medium-high density residential, medium-density residential, medium-low density residential, and mixed-use development. Retail amenities nearby include a community shopping center anchored by CVS and Target, a Walmart Supercenter within one mile, and a strip/convenience shopping center located adjacent to the Change Area.

Given its large size, strong transit access, and surrounding residential density, Change Area 6 is a strong candidate for vertical mixed-use development. Retail opportunities could include a mix of food and food service establishments, general merchandise retailers, and personal care businesses, serving both local residents and the surrounding community.

Table 17: Change Area 6 Estimated Retail Demand Absorption Sqft.

	Low	Medium	High
General Merchandise	8,365	13,942	22,307
Food	3,508	5,847	9,355
Food Service	5,318	8,863	14,181
Clothing and Accessories	1,263	2,104	3,367
Home Furnishings	1,152	1,921	3,073
Home Appliances/Music	317	529	846
Building Materials/Hardware	2,020	3,367	5,387
Automotive	4,269	7,114	11,383
Hobby/Special Interest	554	923	1,476
Pharmacy	601	1,002	1,603
Other Retail	795	1,324	2,119

Change Area 7

Change Area 7 is located along Crisanto Avenue, directly adjacent to Rengstorff Park. The area covers approximately five acres and consists of a single parcel. While the site is located across from light rail tracks, it is not within a 1/4-mile radius (approximately a 5-minute walk) of a transit stop.

The surrounding context is primarily medium-high density residential and medium-low density residential uses. Given the site's relatively small size and lack of direct transit access, it is expected that any new retail demand generated within Change Area 7 would be absorbed by adjacent or nearby Change Areas. However, the site could potentially support one small food service establishment, such as a café or coffee shop, particularly one that could benefit from its proximity to Rengstorff Park. This use would be most viable as part of a vertical mixed-use development, with residential above and a limited ground-floor commercial footprint focused on park users and nearby residents.

Table 18: Change Area 7 Estimated Retail Demand Absorption Sqft.

	Low	Medium	High
General Merchandise	726	1,210	1,935
Food	304	507	812
Food Service	461	769	1,230
Clothing and Accessories	110	183	292
Home Furnishings	100	167	267
Home Appliances/Music	28	46	73
Building Materials/Hardware	175	292	467
Automotive	370	617	988
Hobby/Special Interest	48	80	128
Pharmacy	52	87	139
Other Retail	69	115	184

Change Area 8

Change Area 8 is located along Montecito Avenue, north of North Shoreline Boulevard. The area spans approximately 7.5 acres and includes four parcels. It is within walking distance of Stevenson Park. However, the site is not within walking distance of a major transit corridor or a light rail station.

Change Area 8 is located within half a mile of a Neighborhood Center, which includes a supermarket and several food service establishments. As a result, most new retail demand generated within the area is expected to be absorbed by existing nearby retail centers.

That said, there is potential for a small food service establishment, such as a café or quick-service restaurant, particularly if developed as part of a vertical mixed-use project.

Table 19: Change Area 8 Estimated Retail Demand Absorption Sqft.

	Low	Medium	High
General Merchandise	1,178	1,963	3,140
Food	494	823	1,317
Food Service	749	1,248	1,996
Clothing and Accessories	178	296	474
Home Furnishings	162	270	433
Home Appliances/Music	45	74	119
Building Materials/Hardware	284	474	758
Automotive	601	1,002	1,603
Hobby/Special Interest	78	130	208
Pharmacy	85	141	226
Other Retail	112	186	298

Change Area 9

Change Area 9 is located along West Middlefield Road and spans approximately 2.5 acres, consisting of a single parcel. The site is located directly adjacent to San Veron Park. However, it is not within walking distance of a major transit corridor or a light rail station.

The surrounding area includes a mix of low-density residential, medium-low density residential, and high-density residential uses. Given the site's relatively small size and limited transit access, any new retail demand generated in this area is expected to be absorbed by shopping centers.

That said, there is potential for smaller scale food service establishments, such as a café or coffee shop, that could take advantage of the site's proximity to San Veron Park. This type of use would be most feasible as part of a vertical mixed-use development, with residential units above and a small ground-floor commercial space serving both park users and residents.

Table 20: Change Area 9 Estimated Retail Demand Absorption Sqft.

	Low	Medium	High
General Merchandise	419	698	1,116
Food	176	293	468
Food Service	266	444	710
Clothing and Accessories	63	105	169
Home Furnishings	58	96	154
Home Appliances/Music	16	26	42
Building Materials/Hardware	101	169	270
Automotive	214	356	570
Hobby/Special Interest	28	46	74
Pharmacy	30	50	80
Other Retail	40	66	106

Change Area 10

Change Area 10 is located along East Middlefield Road and spans approximately three acres, consisting of a single parcel. The site is directly adjacent to Whisman Park. However, it is not within ¼-mile radius (approximately a 5-minute walk) of a major transit corridor or a light rail station.

The surrounding area consists primarily of medium-density residential and medium-high density residential uses. Although there is not a significant projected increase in retail demand, the site's visibility along East Middlefield Road and proximity to Highway 85 could support the development of a small Neighborhood Center. There are also relatively few retail establishments in the immediate vicinity. Any new retail on the site would likely be most viable as part of a vertical mixed-use development, with ground-floor commercial space and residential units above, making efficient use of the site's limited size.

Table 21: Change Area 10 Estimated Retail Demand Absorption Sqft.

	Low	Medium	High
General Merchandise	569	949	1,518
Food	239	398	637
Food Service	362	603	965
Clothing and Accessories	86	143	229
Home Furnishings	78	131	209
Home Appliances/Music	22	36	58
Building Materials/Hardware	137	229	367
Automotive	290	484	775
Hobby/Special Interest	38	63	100
Pharmacy	41	68	109
Other Retail	54	90	144

Change Area 11

Change Area 11 is located along Calderon Avenue, west of West Evelyn Avenue. The area covers approximately 15 acres and includes four parcels. It is adjacent to Landels Park but lies just outside a ¼-mile radius (approximately a 5-minute walk) from a light rail station.

The surrounding context consists primarily of medium-density residential and mixed-use development. There are few retail-serving businesses in the immediate area, with much of the local commercial activity focused on auto repair and service uses.

Given the site's size, proximity to Highway 85, and direct access via on- and off-ramps, Change Area 11 has strong potential to support vertical mixed-use development. The location could accommodate a Neighborhood Center anchored by an urban format general merchandise store (an example of this is the City Target concept store), along with quick-service restaurants to serve nearby residents and commuters.

Table 22: Change Area 11 Estimated Retail Demand Absorption Sqft.

	Low	Medium	High
General Merchandise	2,526	4,209	6,735
Food	1,059	1,765	2,824
Food Service	1,606	2,676	4,281
Clothing and Accessories	381	635	1,017
Home Furnishings	348	580	928
Home Appliances/Music	96	160	255
Building Materials/Hardware	610	1,017	1,626
Automotive	1,289	2,148	3,437
Hobby/Special Interest	167	279	446
Pharmacy	182	303	484
Other Retail	240	400	640

Change Area 12

Change Area 12 is located along Whisman Road, east of Central Expressway. The area covers approximately 17 acres and includes three parcels. It is adjacent to Slater Park and lies within a ¼-mile radius (approximately a 5-minute walk) of a light rail station.

The surrounding context is primarily medium-density residential, with no adjacent mixed-use development. The immediate area has limited retail options and no grocery stores.

Given the large parcel sizes, proximity to both Central Expressway and nearby freeways, and the lack of retail businesses in the vicinity, Change Area 12 is well positioned to support a Community Center-scale shopping center. This could include a grocery store, a mix of general merchandise retailers, and both quick-service and full-service restaurants. The site's size and location make it a strong candidate for fulfilling retail demand and serving the broader surrounding community.

Table 23: Change Area 12 Estimated Retail Demand Absorption Sqft.

	Low	Medium	High
General Merchandise	2,573	4,288	6,860
Food	1,079	1,798	2,877
Food Service	1,635	2,726	4,361
Clothing and Accessories	388	647	1,035
Home Furnishings	354	591	945
Home Appliances/Music	98	163	260
Building Materials/Hardware	621	1,035	1,657
Automotive	1,313	2,188	3,501
Hobby/Special Interest	170	284	454
Pharmacy	185	308	493
Other Retail	244	407	652

Change Area 13

Change Area 13 is located along Highway 85, west of El Camino Real. The area encompasses approximately 30 acres and includes ten parcels. It is adjacent to the Stevens Creek Trail and lies within a ¼-mile radius (approximately a 5-minute walk) of a major transit corridor.

The surrounding area includes a mix of medium-density residential, institutional uses, low-density residential, and mixed-use. Nearby, there are several Neighborhood Center-scale shopping centers. However, given the expected increase in retail demand, the location and size of Change Area 13 make it a strong candidate for a Community Center-scale shopping center.

This development could take the form of both horizontal and vertical mixed-use, incorporating uses such as food services, grocery, clothing and accessories, and general merchandise.

Table 24: Change Area 13 Estimated Retail Demand Absorption Sqft.

	Low	Medium	High
General Merchandise	4,243	7,072	11,315
Food	1,779	2,966	4,745
Food Service	2,697	4,496	7,193
Clothing and Accessories	640	1,067	1,708
Home Furnishings	585	974	1,559
Home Appliances/Music	161	268	429
Building Materials/Hardware	1,025	1,708	2,733
Automotive	2,165	3,609	5,774
Hobby/Special Interest	281	468	749
Pharmacy	305	508	813
Other Retail	403	672	1,075

Change Area 14

Change Area 14 is located south of Change Area 13 and west of El Camino Real. It spans approximately four acres and consists of a single parcel. The area is within a ¼-mile radius (approximately a 5-minute walk) from the Stevens Creek Trail and is also within ¼-mile (approximately a 5-minute walk) of a major transit corridor.

The surrounding area includes a mix of medium-density residential, medium-low density residential, low-density residential, and mixed-use. Several Neighborhood Center scale shopping centers are located nearby.

Given the proximity of existing retail options and the anticipated increase in retail demand, it is expected that any additional demand would be absorbed by Change Area 13 or other nearby retail establishments.

Table 25: Change Area 14 Estimated Retail Demand Absorption Sqft.

	Low	Medium	High
General Merchandise	460	766	1,226
Food	193	321	514
Food Service	292	487	779
Clothing and Accessories	69	116	185
Home Furnishings	63	106	169
Home Appliances/Music	17	29	46
Building Materials/Hardware	111	185	296
Automotive	235	391	626
Hobby/Special Interest	30	51	81
Pharmacy	33	55	88
Other Retail	44	73	116

Conclusion

Based on the analysis of average unit increase potential, change area size, location, and existing context, Change Areas 6, 10, 11, 12, and 13 demonstrate a high potential to attract non-residential uses under the proposed zoning changes. In contrast, Change Areas 1, 2, 4, 5, 8, and 9 show potential to attract a smaller number of non-residential uses. However, due to their proximity to existing non-residential uses, much of the demand is expected to be absorbed by those established uses. Nonetheless, there remains limited potential for some additional non-residential development within these areas. Change Areas 3, 7, and 14 are smaller in size and, due to both their limited area and location, have a lower capacity to attract non-residential uses.

MEMO

To: Opticos Design, Inc.

From: Lisa Wise Consulting, Inc.

Date: November 25, 2025

Subject: City of Mountain View R3 Live-Work Standards

Purpose

This memo focuses on live-work standards and their applicability for new development or redevelopment in the R3 zone. To inform this analysis, several example projects as well as live-work definitions and regulations from other California cities are examined.

Live-Work Background

Live-work spaces differ fundamentally from home occupations in both scale and use. While home occupations are typically small-scale business operations secondary to the primary residential use, they are often confined to a single room within the home, a garage, or an accessory structure, with strict regulations in place to preserve neighborhood character. Exterior alterations, signage, and visibility from the public realm are generally prohibited, and operations must remain unobtrusive. In contrast, live-work units are designed to support a more balanced integration of residential and commercial uses. Live-work spaces are more of a niche real estate product.

Live-work spaces often feature commercial-grade design elements, including storefront entries, larger open interiors, and signage. These characteristics make them suitable for customer-facing enterprises, creative studios, and in some cases, light manufacturing, depending on zoning and building codes. They serve as flexible, mixed-use environments that support a broader range of activity than is permitted in traditional residential zones.

Historically, live-work development has been closely tied to adaptive reuse strategies, particularly in industrial neighborhoods. Many examples involved the conversion of commercial or industrial buildings into hybrid live-work units. These projects effectively injected residential activity into disused commercial or industrial spaces.

Initially, these spaces were designed to support artists, makers, and entrepreneurs by offering affordable, flexible environments. However, in many markets, as property values have increased, live-work units have become less accessible to creatives and more attractive to higher-income professionals and established small businesses.

A relatively uncommon but increasingly relevant development model is the construction of purpose-built live-work units as part of new development. Unlike adaptive reuse, this approach involves ground-up construction that requires higher upfront investment, and integration into the surrounding urban fabric. Due to elevated development costs and market risks, these projects are typically viable only for well-established

small businesses or professional services. Purpose-built live-work projects present distinct planning and regulatory challenges, particularly when integrated into residential neighborhoods. These include:

- Zoning compatibility: Aligning mixed-use functionality within predominantly residential zoning districts.
- Design standards: Ensuring the commercial components are appropriately scaled and do not compromise neighborhood character.
- Market feasibility: Assessing whether sufficient demand exists for live-work formats, especially in suburban or less urbanized contexts.
- Long-term viability: Avoiding vacancy or conversion issues if market demand shifts over time.

In Mountain View's context adding purpose-built live-work spaces as part of residential neighborhood development marks a shift from traditional adaptive reuse strategies. While live-work units can support economic diversity, pedestrian activity, and housing flexibility, their success depends on market receptiveness and regulatory adaptability. They remain a niche product due to high costs, specialized demand, and limited precedent in suburban residential contexts.

Home Occupation vs. Live-Work

Live-work units are typically classified as commercial or mixed-use and are most commonly permitted in commercial or light industrial zones. On the flip side, home occupations remain restricted in scope and intensity and are permitted as an accessory use within residential zones.

Despite these differences, both live-work and home occupation uses generally require the resident to also serve as the business owner-operator. Local regulations typically require business licensing and compliance with health codes.

In the City of Mountain View, a home occupation refers to a small-scale business operated out of a residence that is clearly secondary to the primary use of the property as a home. These businesses are permitted in all residential zoning districts, provided they comply with specific regulations intended to preserve the residential character of neighborhoods. A business license is required to operate any home-based business within the city. The rules limit noise, traffic, signage, and structural changes to ensure the use remains compatible with its residential setting.

There are several types of home occupations, including general home-based businesses and specialized food-related operations. General examples include sales and consulting businesses, architects or designers, writers or copywriters, and real estate or land use consultants. Specialized categories include Cottage Food Operations (CFOs), which allow the preparation and sale of low-risk, homemade foods (with no on-site dining), and Microenterprise Home Kitchen Operations (MEHKOs), which permit limited on-site food service with county health permits and specific operational restrictions, such as controlled hours and outdoor dining only in fenced rear yards. All home occupations must be operated in a way that does not disturb neighbors or alter the residential nature of the property.

Table 1: Mountain View Home Occupation City Code Section 36.28.85

SEC. 36.28.80. Purpose and application.
Purpose. The following provisions allow for home occupations that are secondary to and compatible with surrounding residential uses. Application. Business licenses are required for home occupations, which are permitted as accessory uses in all residential zoning districts. A statement of compliance with the following operating standards shall be signed prior to issuance of the business license.
SEC. 36.28.85. General operating standards.
All home occupations shall comply with all of the following operating standards, unless expressly exempt as stated in this Section: a) The home occupation is clearly secondary to the full-time use of the structure as a residence; b) The use does not require a modification not customarily found in a dwelling, nor shall the use be visible from the street or from neighboring properties; c) There is no window display, advertising sign or other identification of the home occupation on the premises; d) No home occupation use may eliminate any required parking. Excluding microenterprise home kitchen operations, only one (1) vehicle with a capacity no greater than three-quarter (3/4) ton may be used by the occupant directly or indirectly in connection with a home occupation; e) Activities conducted and equipment or material used shall not change the fire safety or occupancy classifications of the premises. The use shall not employ the storage of flammable, explosive or hazardous materials unless specifically approved by the fire department, in compliance with Chapter 24 of the City Code; f) Excluding microenterprise home kitchen operations, the home occupation shall not generate more than five (5) additional pedestrian or vehicular trips in excess of that customarily associated with the residential use in the zoning district in which it is located, and no more than two (2) deliveries per day. g) Operators of a home occupation must have and maintain a valid business license with the city.
SEC. 36.28.88. Specific operating standards.
Cottage food operations. A cottage food operation (CFO) shall comply with all of the following additional standards and regulations: 1) The use shall not create noise beyond the property line in accordance with Section 21.26 of the city code and may only create odors, fumes, smoke or secondary effects consistent with the registered or permitted operation; 2) Operations shall be limited to the area approved for a CFO under a valid permit from the County of Santa Clara Department of Environmental Health; 3) A microenterprise home kitchen operator cannot also obtain a license for a CFO; and 4) On-site dining is not permitted.
Microenterprise home kitchen operations. A microenterprise home kitchen operation (MEHKO) shall comply with all of the following additional standards and regulations: 1) Comply with the requirements of Health and Safety Code Section 113825; 2) A cottage food operator cannot also obtain a license for a MEHKO; 3) The use shall not create noise beyond the property line in accordance with Section 21.26 of the city code and may only create odors, fumes, smoke or secondary effects consistent with the registered or permitted operation. An operator may have an open-air barbecue or outdoor wood-burning oven, pursuant to requirements of Health and Safety Code Section 114143; 4) Operations shall be limited to the area approved for a MEHKO under a valid permit from the County of Santa Clara Department of Environmental Health; and 5) On-site dining is permitted in compliance with occupancy limits of Chapter 8 of the city code. If outdoor dining is proposed, operations must be confined within a fenced rear yard and be limited to the hours of 8:00 a.m. to 9:00 p.m.
All other home occupations. For all other home occupations, excluding cottage food operations and microenterprise home kitchen operations, the following additional regulations apply:

- | |
|--|
| <ol style="list-style-type: none">1) No use shall create noise, dust, light, vibration, odor, gas, fumes, toxic/hazardous materials, smoke, glare, electrical interference or other hazards or nuisances.2) The use shall be confined completely to one (1) room within the dwelling or to the garage or other accessory structure. |
|--|

Example projects

Live-work projects differ significantly from home occupations in both design and purpose. Home occupations are secondary uses within a residence, and the business must not alter the residential appearance or character of the home. These operations are confined to one room, garage, or accessory structure and must not include features like storefronts, visible signage, or modifications that are not typical for a home. The business must not be visible from the street or neighboring properties, and no on-site advertising is allowed.

In contrast, live-work units are purpose-built or intentionally designed spaces that integrate living and working areas. These units often include features such as ground-floor storefronts, dedicated signage, and flexible layouts that may span multiple rooms. Live-work spaces are designed to support more public-facing or commercial activity than what is allowed in a typical home occupation.

It's important to note that in Mountain View, the live-work concept is slightly different from typical models. In many cities, live-work units are part of adaptive reuse projects, where residential uses are introduced into former commercial or industrial spaces. In the Mountain View R3 zone, live-work configurations may be purpose-built from the ground up in the future. The challenge will lie in balancing commercial flexibility with residential compatibility. Below are examples of different live-work projects to illustrate the variety of formats these spaces can take. These projects were chosen because they were found to be successful examples of ground-up live-work developments within California and Bay Area cities.

Santiago Street Lofts

Santiago Street Lofts are located in Downtown Santa Ana (Orange County, CA) as a purpose built live-work development. Each unit is designed with a ground-floor flex space featuring a separate street-facing entrance, allowing for small-scale commercial activities such as studios, galleries, offices, or retail, while maintaining private residential areas above.

Allowed work uses:

- | | |
|---|--|
| 1. Commercially operated professional studios. | 6. Ceramic and pottery studios. |
| 2. Fine art studios and/or galleries. | 7. Glass blowing and sculpturing studios. |
| 3. Fiber arts studios and/or galleries. | 8. Retail. |
| 4. Printing, lithography, and calligraphy facilities. | 9. Professional, administrative and business uses. |
| 5. Photography studios. | 10. Restaurants [with a conditional use permit] |

Uses that are not allowed:

- | | |
|-----------------------|-----------------------------------|
| 1. Schools, | 4. Adult Entertainment Businesses |
| 2. Banquet facilities | 5. Cyber Cafe |
| 3. Theaters | |

The Santiago Street Lofts serve as an example of a purpose-built live-work development, demonstrating key characteristics that distinguish live-work units from traditional home occupations. Unlike home occupations, which must remain clearly secondary to residential use and hidden from public view, live-work units are designed to integrate commercial activity as a central component of the space.

At Santiago Street Lofts, a standout feature is the inclusion of ground-floor retail spaces with roll-up garage doors. These doors open directly into the public realm, creating a seamless transition between the interior and the public realm. This design not only encourages street-level engagement and foot traffic but also supports a more flexible and dynamic commercial environment, something not permitted in standard home occupations within Mountain View.

Figure 1: Santiago Street Lofts



Source: WHA

A common feature of live-work units is the vertical separation between the workspace and the residence. Typically, the ground floor is designed for commercial activity, while the upper levels serve as the living quarters. Figure 2 shows this configuration in a unit from the Santiago Street Lofts, where a clothing boutique is operated on the street-facing first floor. The setup includes retail displays, seating, and direct access to the public sidewalk through a glass entry door and roll-up garage. The upper level of the unit functions as a private residence, illustrating how these purpose-built spaces are designed to support both livelihood and lifestyle within a single, integrated structure.

Figure 2: Santiago Street Lofts Retail Space



Source: WHA

As Mountain View continues to explore opportunities for supporting small-scale entrepreneurs, creatives, and home-based businesses, developments like Santiago Street Lofts can serve as a model. The project's integration of commercial and residential space, along with its thoughtful street interface, offers a model for future live-work development that balances economic activity with neighborhood character.

The Madelon

The Madelon is a mixed-use development located in San Francisco's Mission District. Constructed as a new ground-up project, the six-story building features over 200 residential units, offering a mix of studios, one-bedroom, and two-bedroom homes, along with ground-floor live-work lofts.

These live-work units are designed to support small businesses, creative professionals, and independent producers seeking a flexible space to both live and work. Zoned as Urban Mixed-Use (UMU), the units are designated for Production, Distribution, and Repair (PDR) uses, allowing for light industrial activities such as small-scale fabrication, digital media production, apparel design, and equipment repair.

According to the San Francisco Planning Department, the term Production, Distribution, and Repair (PDR) refers to a wide range of activities that have traditionally taken place and continue to operate in the city's industrially zoned areas. PDR-permitted uses include light manufacturing, business and home services, arts-related activities, warehousing, and wholesale operations.

Like the units at the Santiago Street Lofts, they feature high ceilings and a vertical separation between living and working areas. Their flexible layout supports commercial operations alongside residential use.

Figure 3: The Madelon Live-Work Ground Floor Space



Source: The Madelon

The live-work units at The Madelon are designed to support small businesses, creative professionals, and independent producers. Positioned at street level with prominent, sidewalk-facing entrances and large storefront windows, these spaces offer high visibility and direct public access. This strong street presence fosters natural engagement with the neighborhood and makes the units particularly well-suited for retail, studio, or showroom use. Designated as Production, Distribution, and Repair (PDR) units, they can accommodate a range of light industrial and creative activities. Their flexible layout supports both commercial operations and residential living, making them ideal for businesses that benefit from foot traffic.

Figure 4: The Madelon Live-Work Entrance



Source: The Madelon

The Madelon serves as a case study in ground-up live-work construction. Unlike many live-work units that are retrofitted into existing industrial buildings, The Madelon was purpose-built to integrate residential and commercial uses from the outset. It is an example of what a ground up live-work project can entail.

Market Gateway

Market Gateway was one of the first live-work developments in San Jose, completed as part of the city's early downtown revitalization efforts. Built from the ground up, the project consists of 54 units across five distinct buildings, each ranging from two to four stories. Designed to support small businesses, creative professionals, and residents, the units feature high ceilings, open floor plans, and direct street-level access. The development also includes an affordable housing component, with 22 of the 54 units designated as affordable.

Figure 5: Market Gateway Apartments



Source: Market Gateway Apartments

Live-Work Comparative Analysis

Cities typically regulate live-work units by defining how the work area is configured, what types of work are allowed, how many employees are permitted, signage standards, and ownership or occupancy requirements. The table below summarizes code definitions and allowed uses by city. These cities were chosen either for their successful examples of ground-up live-work units, their geographic location, or because they have been cited as models of effective regulation.

Table 2: Comparative Analysis		
Sunnyvale	Definition	A live/work unit is defined as a single unit (e.g., studio, loft, or one bedroom) consisting of both a commercial/office and a residential component that is occupied by the same resident. The live/work unit shall be the primary dwelling of the occupant.
	Allowed uses	Accountants; Architects; Artists and Artisans; Attorneys, Computer software and multimedia related professionals; Consultants; Engineers; Fashion, Graphic, Interior and other designers; Hair stylists; Home-based office workers, Insurance, real estate and travel agents; One-on-one instructors; Photographers, and similar occupations;

San Jose	Definition	"Live/work" means a residential occupancy, by a single housekeeping unit, of one or more rooms or floors in a building which includes: Cooking space and sanitary facilities in conformance with city building standards; and Adequate working space accessible from the living area, reserved for, and regularly used by, one or more persons residing therein.
	Allowed uses	Offices and financial services (excluding check cashing); Retail sales- goods and merchandise; day care; Personal enrichment- instructional art; Maintenance and repair of household appliances; Personal services; Printing and publishing;
Campbell	Definition	Live/work units are intended to be occupied by business operators who live in the same structure that contains the business activity. A live/work unit is intended to function predominantly as workspace with incidental residential accommodations that meet basic habitability requirements.
	Allowed uses	Consulting services whose function is one of rendering a service and does not involve the dispensation of goods or products; Drafting, designing, and similar services, using only normal drafting equipment; The home office of a salesperson when all sales are made by mail or internet order, or similar means, with no commodities or displays on the premises; and Secondary business offices where the business has its principal office, staff, and equipment located elsewhere.
Palo Alto	Definition	A live/work unit is defined as a rental or ownership unit comprised of both living space and work area, with the living space occupying a minimum of 60% of the total gross floor area of the unit, and such that the resident of the living space is the owner/operator of the work area.
	Allowed uses	Office, retail, personal services, or handcrafted goods
Santa Ana	Definition	A live-work community is a building, or portion thereof, used for units which are each a combination of a studio/workshop and a living quarters, and may be either a building, or portion thereof, originally designed for nonresidential purposes and converted to such use or a new building initially designed for such use.
	Allowed uses	Commercially operated professional studios, fine art studios and/or galleries, fiber arts studios and/or galleries, printing, lithography, and calligraphy facilities, photography studios, ceramic and pottery studios, glass blowing and sculpturing studios, retail, professional, administrative and business uses, restaurants (with a Conditional Use Permit).

San Francisco	Definition	A hybrid Residential and PDR Use that is defined as a structure or portion of a structure combining a residential living space for a group of persons including not more than four adults in the same unit with an integrated work space principally used by one or more of the residents of that unit; provided, however, that no otherwise qualifying portion of a structure that contains a Group A occupancy under the Building Code shall be considered a Live/Work Unit. No City official, department, board, or commission may issue or approve a building permit or other land use entitlement for the creation of a new Live/Work Unit as defined above, except when developed through adaptive reuse or as an accessory use, such as artist or artisan workspaces.
	Allowed uses	PDR (Production, Distribution, and Repair) uses, including artist and artisan workspaces, as well as resident-operated professional or administrative studios. Limited retail may be allowed if directly related to goods produced on-site by residents.
Los Angeles	Definition	A residential occupancy of one or more rooms or floors used as a dwelling unit with adequate work space reserved for and regularly used by one or more persons residing there and nonresidential employees. A live/work unit combines both residential and nonresidential uses within a single unit.
	Allowed uses	Professional offices, personal services, artist studios, creative studios, light manufacturing, artisanal production, and design or fabrication work.

Mountain View Context

In Mountain View, home occupations are permitted only if they remain clearly secondary to the main residential use of the property. These types of businesses must not change the residential character of the home, meaning they cannot involve visible modifications, exterior signage, or be noticeable from the street. Operators are also required to obtain a business license from the city. There are specific categories within the home occupation framework, such as cottage food operations and microenterprise home kitchen operations. Cottage food operations must operate within approved areas of the home, cannot offer on-site dining, and must avoid creating odors or noise that affect neighboring properties. Microenterprise home kitchen operations have slightly more flexibility, allowing limited on-site dining if it meets health and safety regulations and remains confined to certain areas and hours. These rules are intended to preserve the residential character of neighborhoods.

In contrast, a live-work use would require a new definition that allows for greater visibility and integration of living and working functions within the same space. A live-work unit could be visible from the street, allow customer access where appropriate, and permit limited signage. While more flexible than traditional home occupations, live-work uses would still need to ensure compatibility with the surrounding area through thoughtful design, clear operating standards, and appropriate zoning.

The City of Sunnyvale offers a strong example of how a live-work unit can be defined. In their zoning code, “A live/work unit is defined as a single unit (e.g., studio, loft, or one bedroom) consisting of both a

commercial/office and a residential component that is occupied by the same resident. The live/work unit shall be the primary dwelling of the occupant.”

Sunnyvale’s approach is particularly effective due to its clarity and its intentional exclusion of industrial uses. By limiting the non-residential component to commercial or office activities, the city reduces the likelihood of conflicts with adjacent residential areas. This helps avoid common issues such as noise, odors, and increased traffic often associated with industrial operations. The definition is designed to encourage small-scale, low-impact uses such as artist studios, professional services, creative workspaces, or boutique retail. These uses promote entrepreneurship while remaining compatible with the surrounding neighborhood. Overall, the definition supports the goals of mixed-use development and helps protect the quality of life for nearby residents, making it a practical and balanced model that could be adapted for use in Mountain View’s R3 zone.

Live-Work Definition Example, from the City of Sunnyvale

- a) Definition. A live/work unit is defined as a single unit (e.g., studio, loft, or one bedroom) consisting of both a commercial/office and a residential component that is occupied by the same resident. The live/work unit shall be the primary dwelling of the occupant.
- b) Applicability. Live/work units are allowed in mixed use (MU) combining districts.
- c) Provisions.
 - 1) The commercial component of live/work units are intended for use by the following occupations: accountants; architects; artists and artisans; attorneys, computer software and multimedia related professionals; consultants; engineers; fashion, graphic, interior and other designers; hair stylists; home-based office workers, insurance, real estate and travel agents; one-on-one instructors; photographers, and similar occupations;
 - 2) In addition to the permitted uses above, the community development director may authorize other uses using reasonable discretion, as long as such other uses are not otherwise precluded by law;
 - 3) The residential and the commercial space must be occupied by the same tenant, and no portion of the live/work unit may be rented or sold separately;
 - 4) Residential areas are permitted above the commercial component, to the side or in back of the business component, provided that there is internal access between the residential and commercial space;
 - 5) The commercial component as designated on the floor plan approved through the special development permit shall remain commercial and cannot be converted to residential use;
 - 6) The residential component as designated on the floor plan approved through the special development permit shall remain residential and cannot be converted to commercial use;
 - 7) The commercial component shall be restricted to the unit and shall not be conducted in the yard, garage or any accessory structure;
 - 8) The commercial component shall not detract from, or otherwise be a nuisance to, the residential character or appearance of the dwelling units;
 - 9) Signage intended to promote on-site commercial uses shall be restricted to two square foot signs permanently affixed to door or wall of the business component;
 - 10) Signage shall be developed in accordance with a master sign plan for the overall development site;

- 11) All advertising for on-site commercial uses shall clearly state "by appointment only" if the live/work address is used;
 - 12) The total number of occupations at one address is not limited, except the cumulative impact of all such commercial uses shall not exceed the limits set forth in this section for a live/work unit;
 - 13) The external access for the commercial component shall be oriented to the street and should have at least one external entrance/exit separate from the living space. The entrance to the business component shall be located on the ground level. Access to the commercial component of each live/work unit shall be clearly separate from the common walkways or entrances to the other residential units within the development, or other residential units in adjacent developments;
 - 14) The commercial use shall not generate vehicular traffic, in excess of normal residential traffic, which will interfere with residential traffic circulation or shall not cause more than three vehicles including vehicles used by customers, vendors, or delivery services to visit the premises per day;
 - 15) The live/work unit shall be required to provide parking in accordance with Sunnyvale Municipal Code Chapter [19.46](#);
 - 16) No more than one employee (excluding residents of the dwelling unit) shall work or report to work on the premises, and the employment of any persons who do not reside in the live/work unit shall comply with all applicable building code requirements;
 - 17) The commercial use shall not generate external noise, odor, glare, vibration, or electrical interference detectable to the normal sensory perception by adjacent neighbors;
 - 18) No explosive, toxic, combustible or flammable materials in excess of what would be allowed incidental to normal residential use shall be stored or used on the premises.
- d) Prohibited Commercial Uses in Live/Work Units.
- 1) Any use not permitted in R-3, R-4 or R-5 zoning districts, as specified in Table 19.18.030;
 - 2) The retail sale of food and/or beverages with customers arriving on-site. This does not include online (Internet) sales, mail order, or off-site catering preparation;
 - 3) Entertainment, drinking, and public eating establishments;
 - 4) Veterinary services, including grooming and boarding, and the breeding or care of animals for hire or for sale;
 - 5) Businesses that involves the use of prescription drugs;

- 6) Adult-oriented businesses, astrology palmistry, massage, head shops, and similar uses;
- 7) Sales, repair or maintenance of vehicles, including automobiles, boats, motorcycles, aircraft, trucks, or recreational vehicles;
- 8) Trade or Private Schools. This excludes private instruction of up to two students at any one time (e.g., music lessons, tutoring).