
MOUNTAIN VIEW ECONOMIC VITALITY STRATEGY

EXISTING CONDITIONS & LANDSCAPE ASSESSMENT

Discussion Draft



February 2023



City of
Mountain View

INTRODUCTION

Background & Purpose

This Existing Conditions & Landscape Assessment provides a snapshot of the drivers of Mountain View's economy and other community development concerns. It serves as a reference for the City's Economic Vitality Strategy, intended to ground strategies in data and align perspectives for collaboration.

Methods

The Existing Conditions & Landscape Assessment relies on existing data sources, as well as outreach to local experts to understand data implications. The report provides analysis of comparison cities where useful, to place in context key Mountain View metrics for the Economic Vitality Strategy.

This interim discussion draft provides work-in-progress findings, as well as a roadmap for forthcoming analysis.

About this Report

This report is suitable for printing, but has been formatted with the intent to be read on a desktop computer. In some cases, the same exhibits appear on subsequent slides. This is intentional to keep the visual reference while the text proceeds.



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FINDINGS

OVERALL

- Local residents and businesses in Mountain View are aligned on quality of life and community development concerns among the City's top ranking needs for a vital economy. Businesses see these concerns as critical to attract and retain talent; residents see the same issues as community development needs.
- Housing costs rank high as a challenge for all. From 2010 to 2021, the city added 8 times more jobs than housing units, contributing significantly to regional and housing challenges.
- Neighborhood concerns, especially in Downtown Mountain View, include access and mobility (parking, traffic circulation, transit, and non-motorized access), as well as accommodating more office and retail space in Downtown, and higher end retail destinations citywide, and housing citywide.
- Many of the city's business parks are ready for reinvestment and capital improvements. Major employers have transformed large areas and specific blocks, yet many underdeveloped and aging business parks are suitable for improvement and on-site changes (parking, greater density.



Mountain View Downtown Association



OfficeSpace.com

GROWTH TRENDS

- Mountain View is integral to a dynamic region. Mountain View shares growth trends and serves a similar role in the region's economy as its neighbors.
- Mountain View has close ties to global companies locally and throughout the Bay Area, supported by local institutions and strong community interests in Mountain View.
- New trends affect the region, some of which offset each other in Mountain View. Regionwide, out-migration to other California cities and parts of the US are a concern, although Mountain View recently has increased its share of regional growth. New remote working trends make easier the movement of residents and workers throughout the regional and global economy.

BUSINESSES & INDUSTRIES

- Mountain View is anchored by large tech employers that attract high-skill and high-wage workers.
- Technology companies and professional services lead local employment, followed by marketing and design, and e-commerce.
- Retail and finance, insurance, and real estate are underrepresented for a city the size of Mountain View, in terms of jobs.
- Retail is a concern for some stakeholders with a perception that the City is “leaking” retail sales to other places. Analysis does not support that finding, as taxable retail sales per capita for consumer retail in Mountain View generally match regional trends. The daytime population in Mountain View, however, presents unrealized upside opportunity, when factoring in workers coming in from elsewhere.
- A lack of racial diversity, locally and regionally, across business owners and startup founders represents an opportunity to improve the area's economic inclusion and equity.

COVID-19 IMPACTS ON LAND USE

- The pandemic has reshaped the workforce and demand for office space among some of the region's largest employers.
- Bay Area employers now expect 20-30% of their workforce to remain fully remote in the long-term. Only a small share are expanding office space in the Bay Area; the majority of employers are decreasing or consolidating existing space.

CURRENT TECHNOLOGY LAYOFFS

- These data do not yet reflect ongoing layoffs by tech companies. In 2023 to date, Google announced it will layoff 12,000 employees across its company, and Microsoft, Amazon, Salesforce, and Meta are cutting a combined 46,000 jobs (worldwide).
- Layoffs will have an impact on the region's workforce (including migration and housing need) as well as demand for office space.

HOUSING

- Mountain View and the surrounding region have set forth ambitious housing goals to plan for new housing units affordable to low-income levels. In accordance with these goals, Mountain View plans to accommodate 11,100 new housing units, 40% of which are planned for very low-income households.
- Recent housing production in Mountain View did not align with the City's most recent housing goals and state-mandated affordable housing allocations. Sustained underproduction of affordable housing units will result in an increasingly large shortfall of units affordable to low- and moderate-income households.



Googleplex, Wikipedia



Swig Company

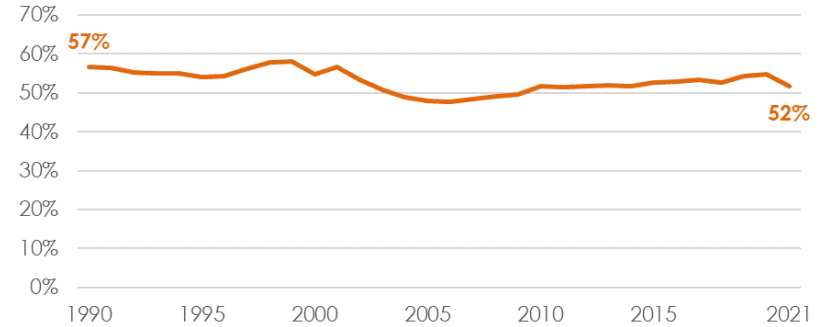
Workforce Findings

- Mountain View's labor force participation rate was 61% in 2021, which was 9% higher than Santa Clara county's (52%, 2021).
- Santa Clara county's unemployment rate was 12% resulting from the COVID-19 pandemic. However in 2022, the county's rate decreased down to 1.8%.
- Pre-pandemic, the share of Mountain View workers that also reside in the city was 9% (2019). Nineteen percent of workers who commute into Mountain View live in San Jose. Cities in the South Bay garner the highest share of residents who work in Mountain View, at 14%(2019).
- Nineteen percent of Mountain View residents work in Mountain View (2019). Cities on the Peninsula garner the highest share of commuters from Mountain View, at 20% in aggregate (2019).

WORKFORCE

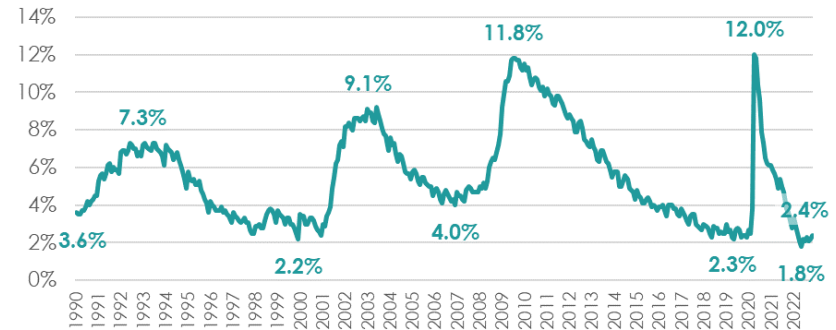
- As of 2021, Santa Clara County's population reached 1.93 million residents and a labor force of 999,500 – a labor force participation rate of 52% (Exhibit 1). Since 1990, the labor force participation rate in Santa Clara County varied between 48% (2006) and 58% (1998-1999).
- 49,700 individuals make up the Mountain View resident labor force (2021). The City's labor force participation rate is 9% higher than Santa Clara County and 17% higher than California as a whole. Relatively higher rates of labor force participation help to ensure local businesses can find and hire employees.
- Employment typically goes through cycles closely tied to economic recessions. As shown in Exhibit 2, the Santa Clara County unemployment rate reflects the most recent recessions in 1990-1991, 2000-2001, 2007-2010, and the recession resulting from the COVID-19 pandemic.

EXHIBIT 1. LABOR MARKET PARTICIPATION RATE, SANTA CLARA COUNTY, 1990-2021



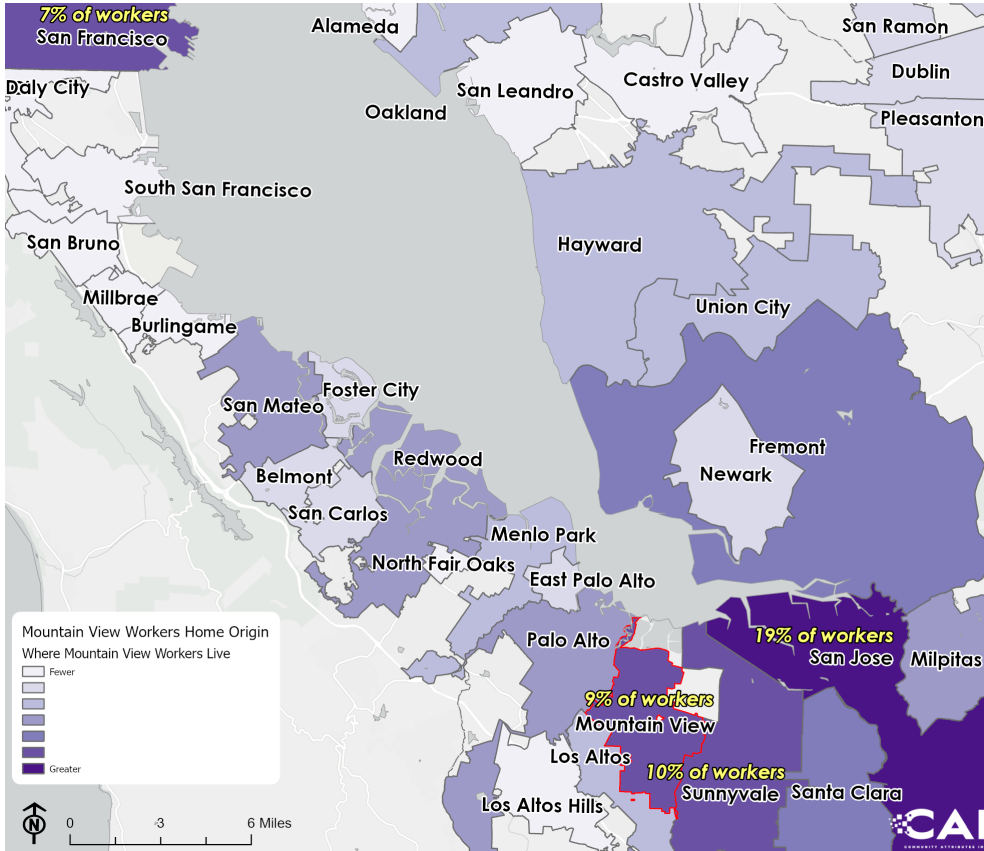
Source: California State Association of Counties, 2022; ACS, 2022; CAI, 2023.

EXHIBIT 2. UNEMPLOYMENT RATE, SANTA CLARA COUNTY, 1990-2022



Source: California Employment Development Department, 2022; CAI, 2023.

EXHIBIT 3. LABORSHED, MOUNTAIN VIEW BASED JOBS, 2019



Source: U.S. Census Bureau LEHD, 2019; CAI, 2022.

Nearly 90,000 people worked at jobs located in Mountain View pre-pandemic. They came from all over the region, as far as San Francisco and East Bay.

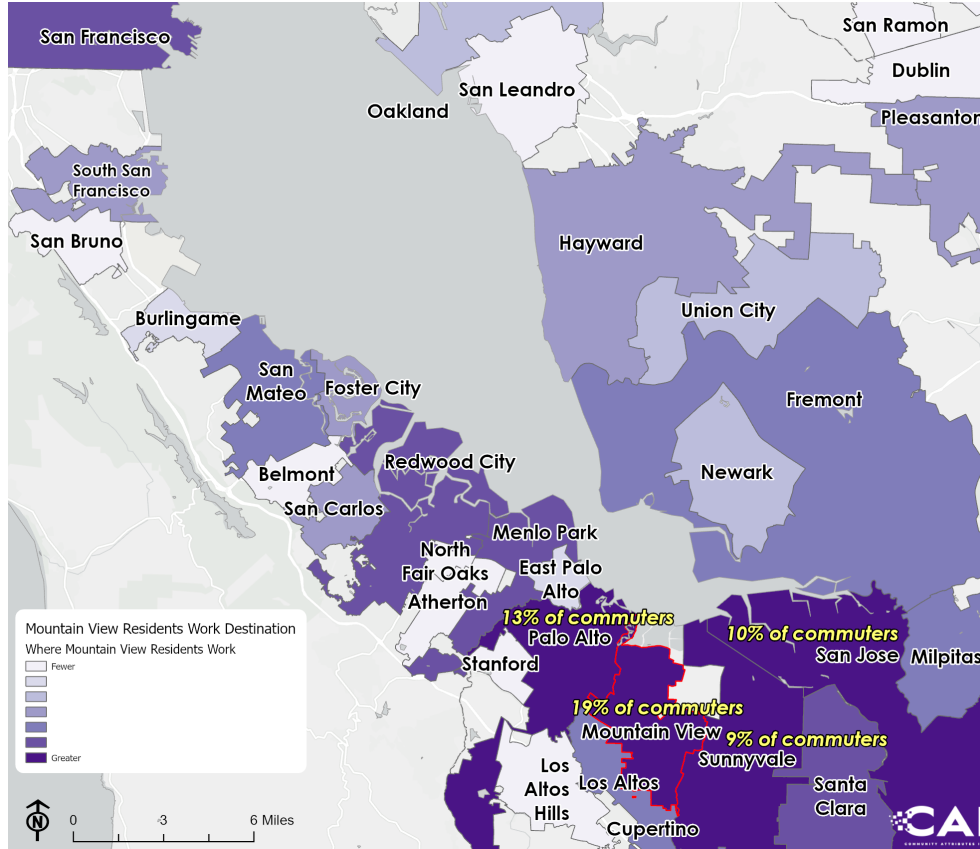
- Workers in Mountain View generally come from places south and east. About 19% live in San Jose alone.
- Only 9% of jobs in Mountain View are held by local residents. The share of local workers that also resides in Mountain View has increased only slightly (less than one percent) since 2010 (also 9%).

EXHIBIT 4. RESIDENCES OF WORKERS WHOSE JOBS ARE BASED IN MOUNTAIN VIEW, 2019

City	Inflow
San Jose	19%
Sunnyvale	10%
Mountain View	9%
San Francisco	7%
South Bay	14%
East Bay	13%
Peninsula	12%
All Other Locations	16%

Source: U.S. Census Bureau LEHD, 2019; CAI, 2022.

EXHIBIT 5. COMMUTESHED, MOUNTAIN VIEW RESIDENT WORKFORCE, 2019



Source: U.S. Census Bureau LEHD, 2019; CAI, 2022.

Mountain View residents generally stay closer to home for work.

- 51% of Mountain View residents work in either Mountain View, Palo Alto, San Jose or Sunnyvale (combined). 19% of Mountain View residents work in Mountain View. (2019)
- The other half of workers primarily go northward on the Peninsula, then to South Bay and East Bay workplaces.
- The City has a resident unemployment rate of 3.4% (2021).

EXHIBIT 6. WORKPLACE DESTINATIONS OF MOUNTAIN VIEW RESIDENTS, 2019

City	Outflow
Mountain View	19%
Palo Alto	13%
San Jose	10%
Sunnyvale	9%
Peninsula	20%
South Bay	13%
East Bay	6%
All Other Locations	9%

Source: U.S. Census Bureau LEHD, 2019; CAI, 2022.

Mountain View stakeholders have questions and concerns about land use:

- The connectivity between major employment centers and local businesses, which impacts access to spending from the city's daytime population, ranks high among stakeholders' concerns.
- Downtown is the hub for shopping, dining, and other goods and services for residents. There is a need for higher density offices to promote retail accessibility.
- Land use should reflect community interest and foster economic development.

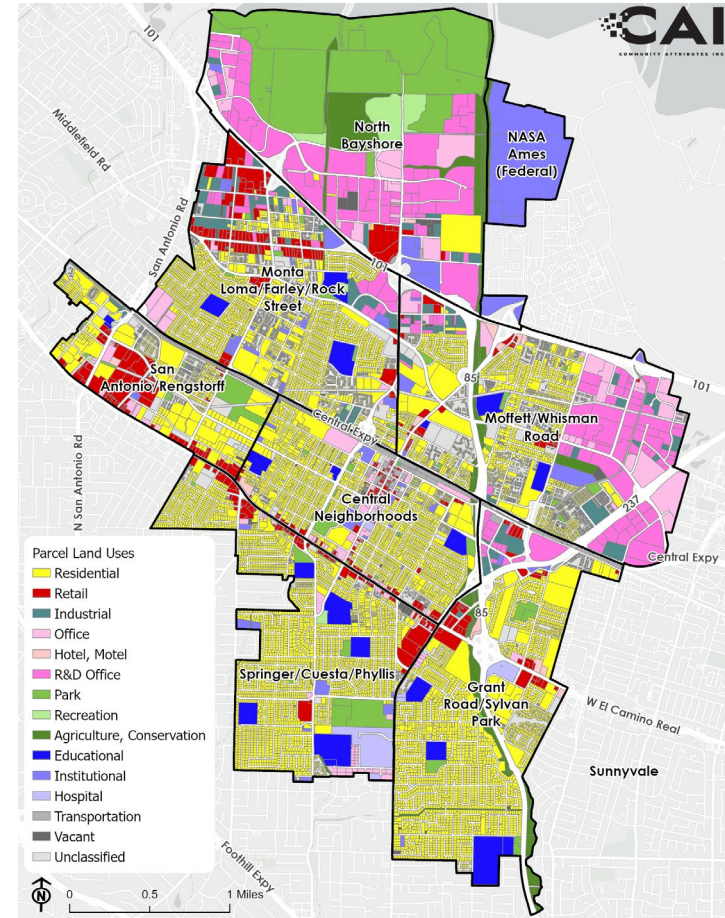
Land Use Findings

- Residential uses account for the largest share (42%) of land in Mountain View (2019), with a significant amount zoned as R-1. This is also true of its neighboring cities, but they allow for a greater number of units per acre on lands zoned for single family uses. Sunnyvale and San Jose allow for 7 and 8 units per acre, respectively. In comparison, Mountain View allows for one dwelling unit per parcel. Due to the lack of parcel land use data accessibility/coverage and corresponding city code ordinances, a quantitative comparison cannot be made.
- Research and development space and other office spaces combined account for 16% of the city's land use (2019). These are primarily located in North Bayshore and east Whisman neighborhoods.
- Six percent of the city's land is occupied by retail uses (2019). Retail clusters primarily run along El Camino Real, Castro Street, and the southwest corner of North Bayshore.
- The distribution of residential and employment-generating land uses across the city creates connectivity challenges, with major employment centers cut off from residential areas by rail and highway infrastructure. The city is attempting to address connectivity issues between North Bayshore and downtown with the Castro Grade Separation and Transit Center Access Improvements and Shoreline Boulevard Corridor Study efforts.
- Parking requirements, in-lieu fees, and other costs related to permitting and entitlements are a barrier for small-business owners. These costs can significantly increase the money needed for a startup and become prohibitive for small businesses.

Mountain View's overall land use patterns challenge connections between major employment centers with downtown and other commercial nodes; promotes an “us and them” identity for workers and residents.

- Downtown ranks high among stakeholders' concerns for shopping and services for Mountain View residents. Higher density offices in and around downtown would support more retail and restaurants in the downtown core.
- The major employment centers rank high for stakeholders' concerns related to access to jobs, industry mix in the local economy, daytime population impacts, and connection to shopping and residential areas in the city. These areas are concentrated in the north end of the city, as well as to the east around Moffett Field and toward San Jose.
- The central and southern portions of the city are largely occupied by single family residential uses. Higher density, multifamily housing is primarily concentrated in the central portion of the city, distributed east-west generally.
- The “right mix” of land use should reflect community interest and political will. Occupancy rates and prices reflect market demand for the supply of each land use. The repercussions of the market affect residents and businesses alike and have a bearing on economic development citywide.

EXHIBIT 7. MOUNTAIN VIEW PARCEL LAND USES



Source: City of Mountain View Open GIS Portal, 2019; CAI, 2022.

Connectivity to downtown Mountain View remains an obstacle for the city.

Connectivity to downtown, especially from North Bayshore, is an ongoing concern for Mountain View. If workers were to return to the office, the difficulty of reaching downtown from the primary hub of tech offices in North Bayshore may still hinder downtown revitalization.

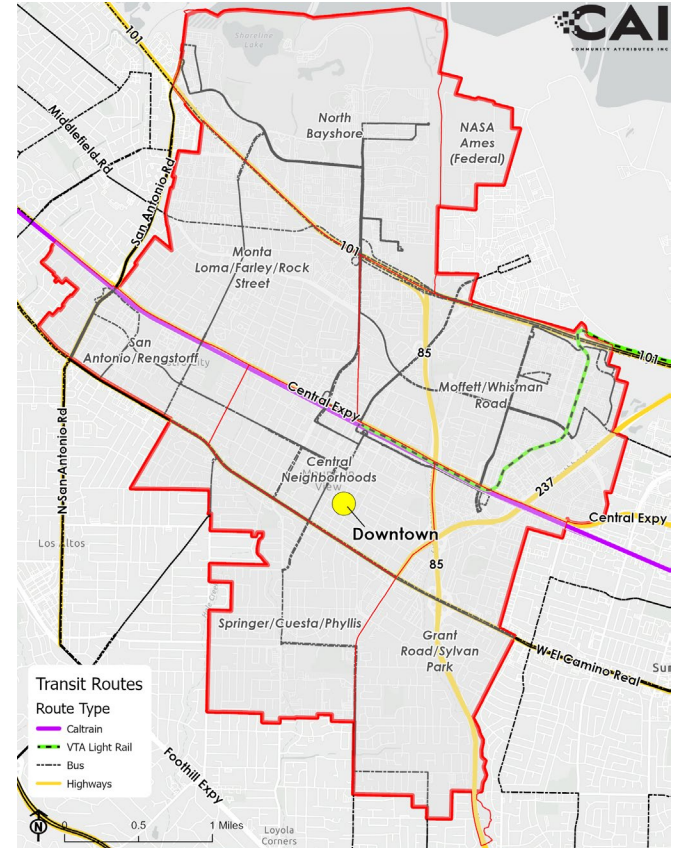
Current efforts to address Mountain View's connectivity challenges include:

- Castro Grade Separation and Transit Center Access Improvements, which is currently in a more detailed design and environmental clearance phase. This project aims to serve the growing demand on the transit center and Caltrain's plans for an increase in train volumes crossing Castro Street.¹
- Shoreline Boulevard Corridor Study, for which the City is currently implementing capital projects to complete the detailed design of the project, including the pedestrian/bicycle bridge over US-101 and reversible bus lanes.²
- MVgo, the member-driven shuttle service, has recovered to about one-quarter the pre-pandemic daily ridership. In August 2022, Waze shut down its carpool partnership with MVgo.

¹City of Mountain View

²Ibid

EXHIBIT 8. TRANSIT IN MOUNTAIN VIEW, 2023



Source: CA Open Data Portal, 2022; City of Mountain View, 2022; CAI, 2023.

Mountain View stakeholders have questions and concerns about access to housing citywide:

- Major employers worry about talent attraction and access to housing.
- Civic leaders fear the city is only accessible to very high incomes and are concerned by the loss of community diversity.
- Housing prices challenge access to workers at retail, restaurants, consumer services, as well as public schools and a myriad of other organizations that the City would like to thrive in Mountain View.

Housing Findings

- Area Median Income (AMI) for the San Jose – Sunnyvale – Santa Clara HUD metro area is \$168,500. About 61% of Mountain View households are high income (incomes greater than \$199,000 or 120% AMI) and 69% of all households are not cost burdened. Renters are more likely to be cost burdened than homeowners.
- Housing production since 2015 in Mountain View did not align with the City's most recent housing goals and state-mandated affordable housing allocations. The number of permits issued for housing units affordable to high-income households (those earning more than 120% AMI) were three times higher than the number allocated by the state. Permits were issued for only 24% of allocated units deemed by the state as affordable to very low- and low-income households below 80% AMI.
- The City is now increasing the number of new housing units it plans to accommodate (11,135) and the number of those units that should be affordable to very low- and low-income households (4,370 units, approximately 40% of all new planned units).
- Sustained underproduction of affordable housing units will result in an increasingly large shortfall of units affordable to low- and moderate-income households.

Housing Planning and Context

The State of California requires its cities, towns, and counties to plan for future housing need by income level through a Regional Housing Needs Allocation (RHNA). The state determines the total number of new homes the Bay Area needs to build at each level of affordability to meet the housing needs of residents.

The Association of Bay Area Governments (ABAG) works with the state to distribute a share of the RHNA to local governments, which must then plan where those units can be built and the policies and strategies that will facilitate their development.

The state approved ABAG's 2023-2031 regional allocations in January 2022. In the 2015-2023 housing allocation, Mountain View is asked to provide 2,926 housing units across all income levels. The City planned for a total of 3,091 units in its prior housing element, primarily affordable to very low- and above moderate- income levels.

EXHIBIT 9. AFFORDABILITY LEVELS USED IN REGIONAL HOUSING ALLOCATION, 2020

Affordability Level	AMI Level	Household Income Range	Median Family Income (family of 4)
Very Low	0-50% AMI	Less than \$83,000	\$84,250
Low	50-80% AMI	\$83,000 - \$133,000	\$131,750
Moderate	80-120% AMI	\$133,000 - \$199,000	\$168,500
Above Moderate/High	120+% AMI	More than \$199,000	\$202,200

Area Median Income and Income Level

Area Median Income (AMI) is the middle point of a specific area's income distribution (*HUD*). The San Jose – Sunnyvale – Santa Clara metro area's AMI is \$168,500. Households can be classified by the following income levels (*HUD*).

- Extremely low-income: Households earning less than 30% AMI.
- Very low-income: Households earning between 30% and 50% AMI.
- Low-income: Households earning between 50% and 80% AMI.
- Moderate-income: Households earning between 80% and 100% AMI.
- High-income: Households earning above 100% AMI.

Cost Burden

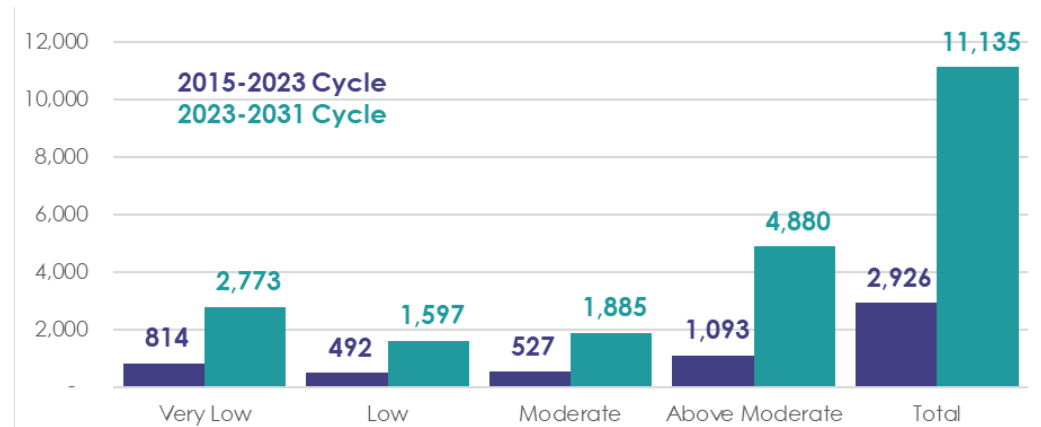
- Not cost burdened: A household spends less than 30% of their income on costs related to housing.
- Cost burdened: A household spends between 30% and 50% on housing.
- Severely cost burdened: A household spends more than 50% on housing.

Source: ABAG, 2022; HUD, 2022; ACS, 2021; CAI, 2023. Note: The Median Family Income (MFI) calculated by HUD applies to the San Jose-Sunnyvale-Santa Clara HUD Metro Area, containing portions of Santa Clara and San Benito Counties.

Mountain View has ambitious new housing goals set forth in the RHNA. Mountain View must now plan for an additional 11,135 new housing units before 2031, 40% of which must be deeply affordable to very low- and low-income households.

- In the prior 2015-2023 housing allocation, the Association of Bay Area Governments (ABAG) assigned Mountain View a housing allocation of 2,926 units across all income levels that the City must now plan to accommodate (Exhibit 10). The City planned for a total of 3,091 units in its housing element, primarily affordable to very low- and above moderate-income levels.
- For the 2023 to 2031 planning cycle, Mountain View must plan for 11,135 new housing units. The majority of these will be affordable to above moderate-income households. 40% of new units should be affordable to low- and very-low-income households.

EXHIBIT 10. REGIONAL HOUSING ALLOCATION, MOUNTAIN VIEW, 2015-2023 & 2023-2031



Source: City of Mountain View Housing Element, 2022; CAI, 2023.

Housing supply since 2015 has not aligned with allocated housing need. Permits issued for affordable units did not keep pace with the City’s 2015-2023 housing goals.

- From 2015 through 2019, permits were issued for a higher share of above moderate-income housing units than the City planned to accommodate (Exhibit 11). These permits represented a 274% share of the allocated housing units at that affordability level.
- In that same time period, construction permits for affordable housing units represented a much smaller share of allocated units (Exhibit 12). Permits were issued for only 17% of housing units at the very low-income level and 35% of the low-income level. No permits were issued for housing units that fall in the moderate affordability level, or those between 80% and 120% AMI.
- Although the permit data is only available for part of the 2015-2023 planning cycle, they indicate a shortfall of all units affordable at levels below the highest income level of 120% AMI. The continuation of this development trend for the remainder of this planning cycle and into the 2023-2031 cycle would result in a significant shortage of moderately and deeply affordable housing units in Mountain View and an increasingly oversized share of units affordable only to the highest income groups.

EXHIBIT 11. HOUSING ALLOCATION AND TOTAL PERMITS ISSUED BY AFFORDABILITY LEVEL, MOUNTAIN VIEW, 2015-2023

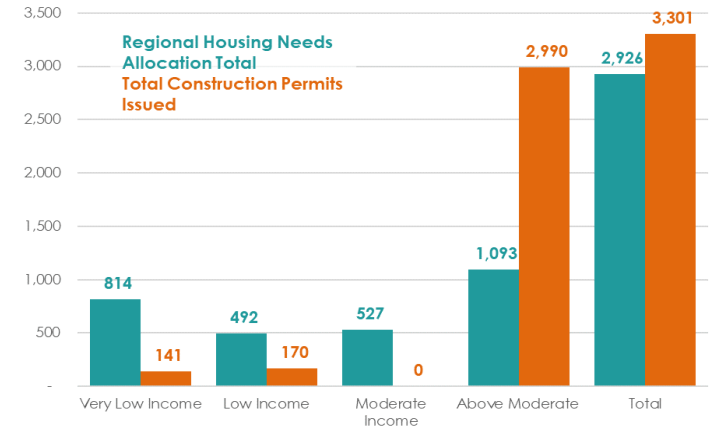


EXHIBIT 12. SHARE OF ALLOCATED HOUSING UNITS PERMITTED, MOUNTAIN VIEW, 2015-2019

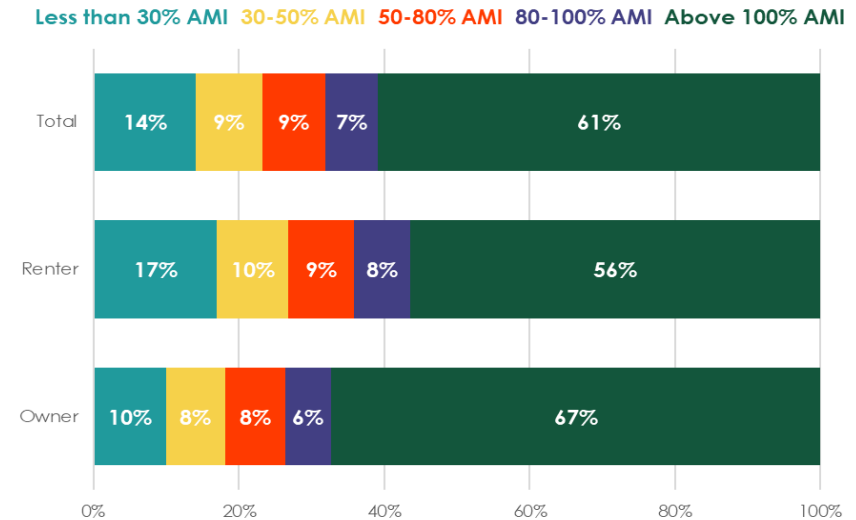
Affordability Level	Share of Allocated Housing Units Permitted
Very Low	17%
Low	35%
Moderate	0%
Above Moderate or High	274%
Total	113%

Source: City of Mountain View Housing Element, 2022; California UHD, 2019; CAI, 2023.

The majority of Mountain View households are high-income; but renters are more likely to be at a lower income level than homeowners.

- 61% of all Mountain View households are high income, earning above 100% AMI (Exhibit 13). However, renters are more likely to fall into a lower income bracket than homeowners. Nearly one-third of all households (32%) are low-income, earning less than 80% of AMI. This represents nearly 11,000 Mountain View households.
- Mountain View residents employed in occupation groups have a greater likelihood of experiencing housing cost burden. From 2015 to 2019, there was a steep increase in housing cost burden for Mountain View residents earning 80% or less of AMI.
- In 2022, 80% of AMI ranged from \$92,250 for a single-person household to \$131,750 for a four-person household. Notable occupation groups with wages falling well below 80% AMI levels include food preparation and serving related occupations (\$32,900) and building and grounds cleaning and maintenance occupations (\$27,900), which represent 6% of Mountain View resident workers.

EXHIBIT 13. INCOME LEVEL BY TENURE, MOUNTAIN VIEW, 2015-2019



Source: HUD CHAS, 2015-2019; CAI, 2023.

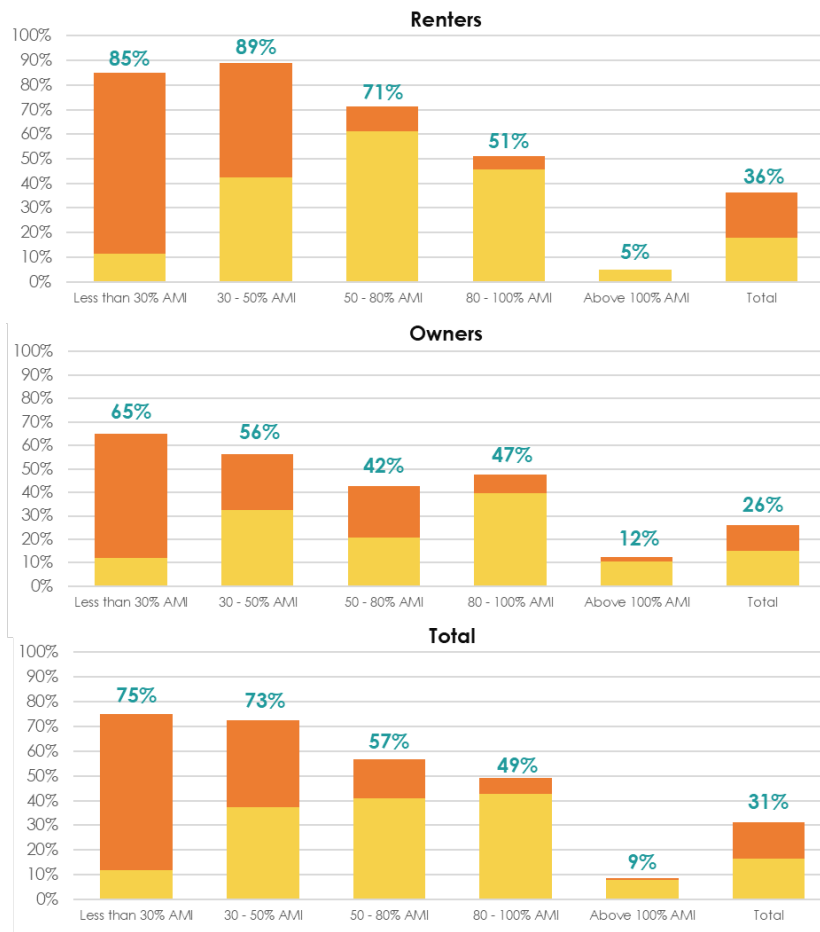
Most Mountain View households – renters and homeowners – are not cost burdened. Cost burden is closely related to income level.

- Low-income Mountain View residents are more likely to spend a large share of their income on housing.
- 64% of renter and 74% of homeowner households are not cost burdened. High-income households are the least likely to be cost burdened, while the lowest-income households are the most likely to experience cost burden.

Source (right): HUD CHAS, 2015-2019; CAI, 2023.
 Note: Area Median Income (AMI) is the middle point of a specific area's income distribution. The San Jose – Sunnyvale – Santa Clara HUD metro area's AMI is \$168,500 (HUD).

Total Share of Cost Burdened Households
Severely Cost Burdened
Cost Burdened

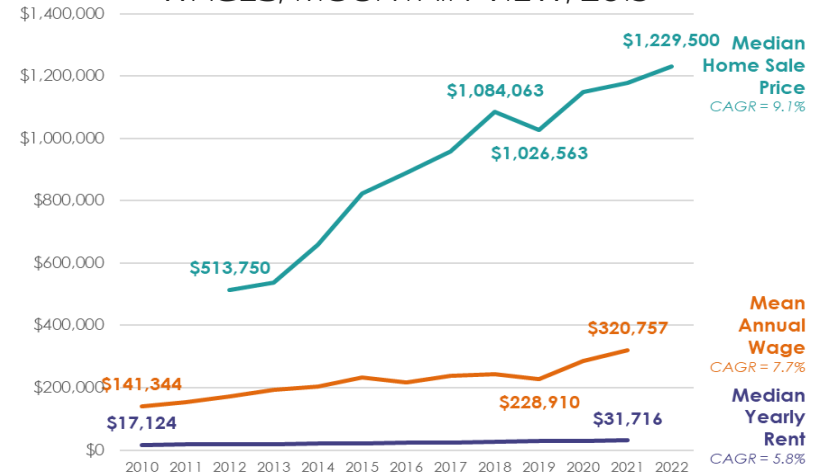
EXHIBIT 14. COST BURDEN BY INCOME LEVEL & TENURE, MOUNTAIN VIEW, 2015-2019



The cost to buy a home is outpacing wage and rental price growth.

- Mountain View's median home sale price reached \$1.2 million in 2022, growing at an annual rate of 9.1% since 2012.
- Home prices rose at a higher rate than both worker wages (7.7% annual growth) or the cost to rent (5.8% annual growth).
- The housing affordability index (HAI) measures the ability of a resident to purchase an existing home in an area (exhibit 16). The index base is 100 which represents an area where the median income is sufficient to qualify for a loan on a home valued at the median home price and without triggering cost-burden.
- An index value greater than 100 indicates areas where homes are more affordable, while values less than 100 indicates areas where homes are less affordable. Overall, Mountain View's HAI is lower than its neighboring cities, counties, and the US average (2022).

EXHIBIT 15. CHANGE IN HOUSING COSTS AND WAGES, MOUNTAIN VIEW, 2019



Sources: CA EDD, 2010-2021 (wage data); ACS, 2010-2021 (rent data); Redfin, 2012-2022 (home value data); CAI, 2022.

EXHIBIT 16. HOUSING AFFORDABILITY INDEX, MOUNTAIN VIEW AND COUNTIES, 2022

Region	Housing Affordability Index
Alameda County	64
Santa Clara County	53
San Mateo County	52
Mountain View	45
US	124

Source: ESRI Business Analyst, 2022; CAI, 2022.

Mountain View stakeholders have questions and concerns about retail citywide and in specific commercial areas:

- Citywide there's a perception of not capturing retail spending by residents and visitors, but rather "leaking" those sales dollars to places in nearby cities.
- Many residents and civic leaders would like see to more vibrant retail areas with relatively upscale retailers and enjoyable gathering places to walk and find community.
- Downtown ranks high for concerns, with varying perspectives about what should and should not be downtown and how to get there.

¹Retail space includes retail and commercial uses. In total, retail space captures banks, bars/nightclubs, convenience stores, day care centers, drug stores, fast food, freestanding retail, funeral homes, health clubs, movie theaters, restaurants, storefront retail, retail/office/residential space, and supermarkets.

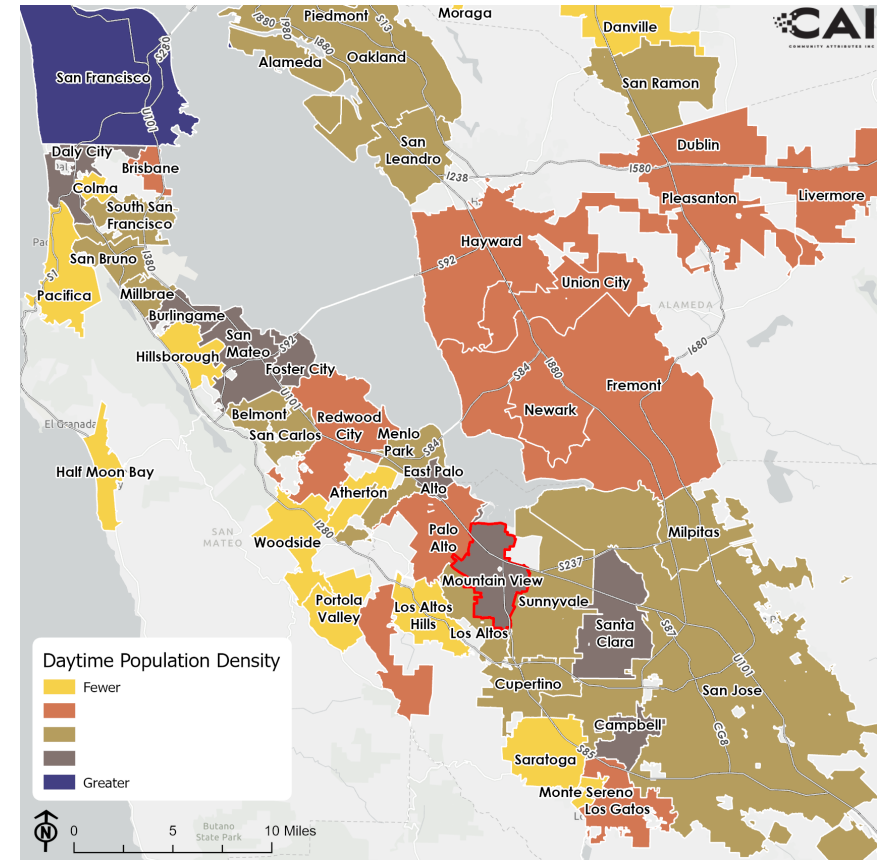
Retail Analysis Findings

- Mountain View's per capita retail spending is higher than the regional trade area per capita spending for the resident population. Per capita sales in Mountain View fall short of the regional trade area by \$1,600 per person if full daytime population is considered.
- Potential retail spending by the daytime population suggests Mountain View may be able to support much more retail space, presumably depending on Mountain View workers returning to the office and retailers attracted spending from those trips.¹
- In contrast, Mountain View's per capita retail spending within the food services and drinking places industry far exceeds the regional trade area, while spending within the clothing and clothing accessories industry is well below the regional average.
- Retail space across the regional trade area is concentrated in Mountain View, San Jose, Santa Clara, Milpitas, Sunnyvale, Palo Alto, Redwood City, Cupertino, and Menlo Park. Together these nine cities contain more than 80% of retail space across the regional trade area.
- Downtown Mountain View vacancy rates are nearly double Mountain View's citywide average, which ranks high for concerns of local leaders and stakeholders.

Despite the fact that some Mountain View workers jobs are still remote from other cities, even post-pandemic, Mountain View has one of the highest daytime population densities.

- Mountain View's total daytime population is around 119,000, which is a 28% increase over the resident population alone (2022).
- Residents who stay in the city for work as well as non-residents who commute into the city comprise Mountain View's daytime population.
- The city's daytime population density is higher than that of Palo Alto, Los Altos, and Sunnyvale.

EXHIBIT 17. DAYTIME POPULATION DENSITY, BAY AREA, 2022

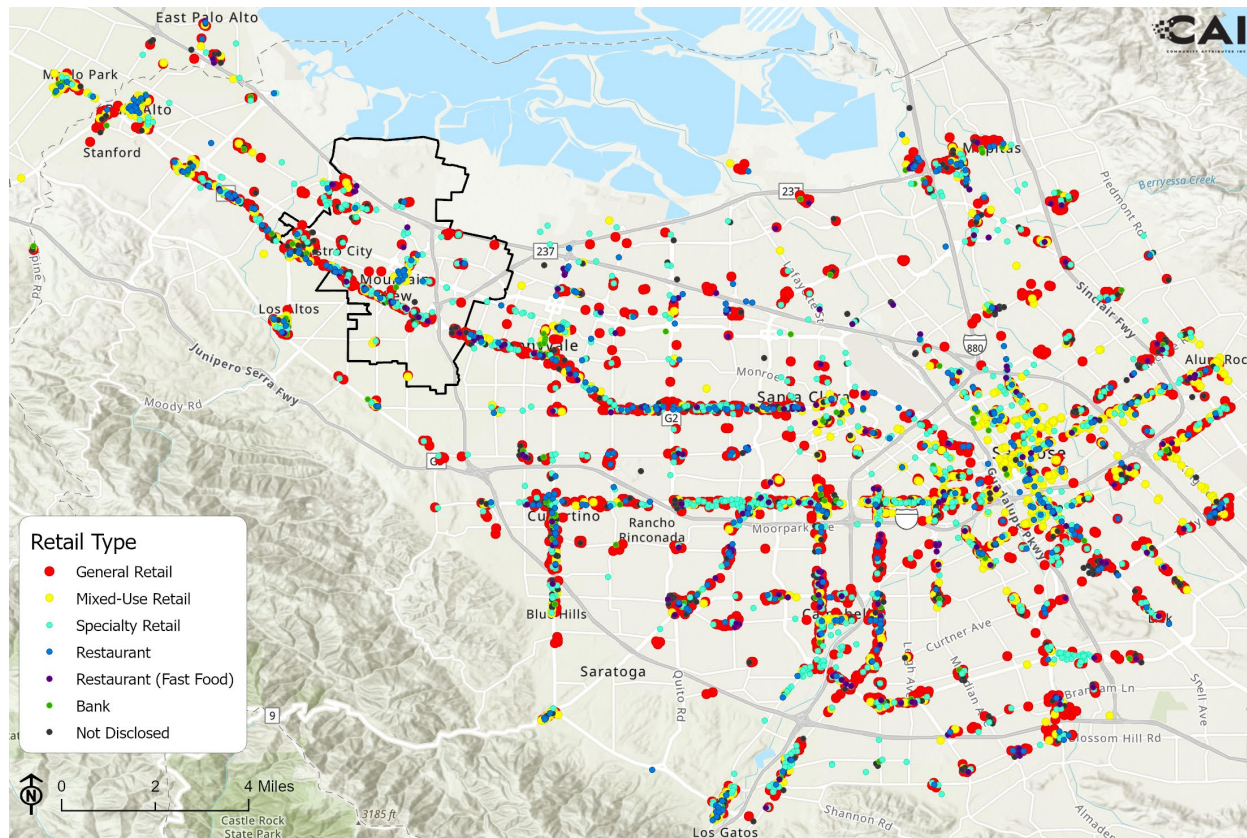


Source: ESRI Business Analyst, 2022; CAI, 2022.

Regional retail offerings include multiple retail clusters within roughly a 25-minute drive of Mountain View.

- Retail spaces throughout the region are primarily general retail offerings. General retail includes freestanding retailers, convenience stores, supermarkets, drug stores, and department stores.
- Prominent retail clusters within a roughly 25-minute drive of Mountain View are seen in Palo Alto, Sunnyvale, Santa Clara, Milpitas, in addition to several found in San Jose.

EXHIBIT 18. RETAIL CLUSTERS WITHIN A ROUGHLY 25-MINUTE DRIVE OF MOUNTAIN VIEW



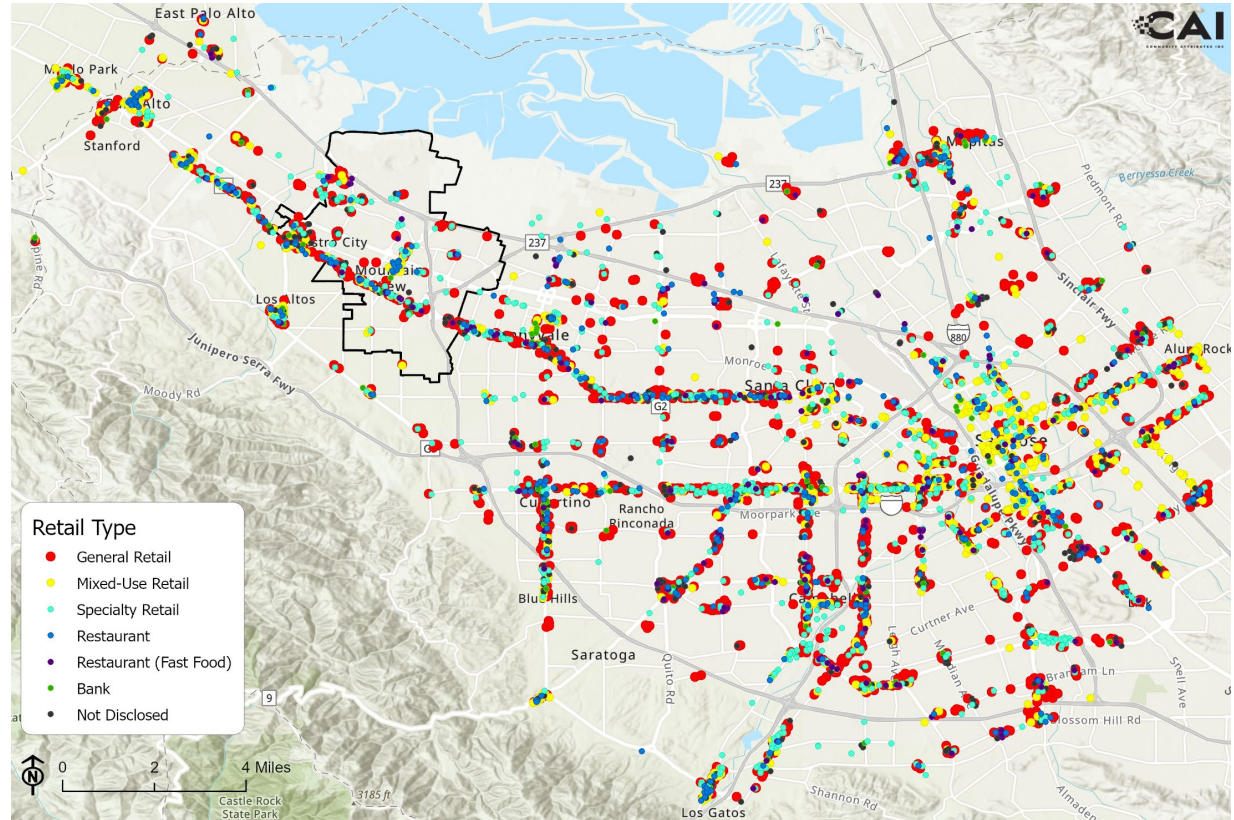
Sources: CoStar 2022; CAI, 2022.

Regional retail offerings include multiple retail clusters within roughly a 25-minute drive of Mountain View.

In addition to current market conditions, Mountain View's current policy and fee programs will impact the feasibility of supportable retail growth. These policies include:

- Downtown Parking In-lieu fee, which allows for an in-lieu fee of \$61,000 per parking space for new construction and \$31,000 per space for a change in commercial and retail space to a more intense use, such as moving from retail to restaurant, rather than providing required parking (City of Mountain View, 2023).
- Housing Impact Fee, which requires commercial development, including retail, to pay \$1.65/net new sq. ft. for the first 25,000 sq. ft. and \$3.27/net new sq. ft. for all square footage over 25,000 square feet (City of Mountain View, 2023).

EXHIBIT 18. RETAIL CLUSTERS WITHIN A ROUGHLY 25-MINUTE DRIVE OF MOUNTAIN VIEW

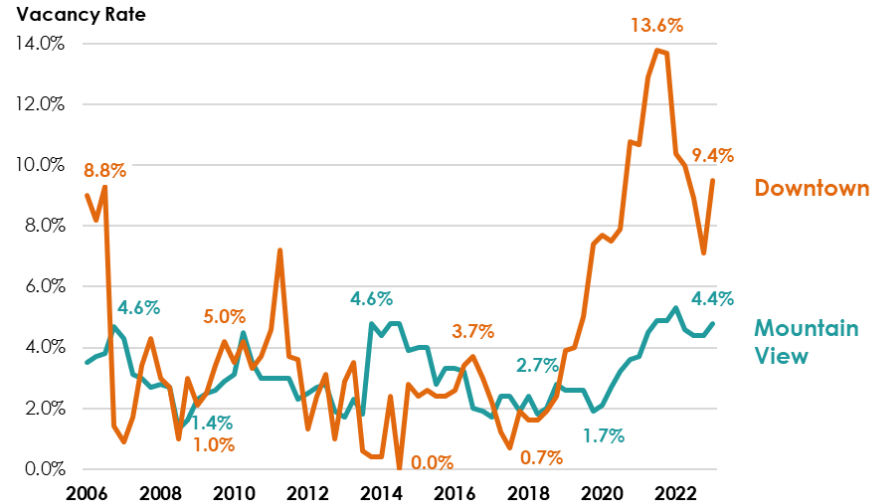


Sources: CoStar 2022; CAI, 2022.

In recent years, the retail vacancy rate in downtown Mountain View has exceeded the city average.

- Downtown retail vacancy has seen a departure from city vacancy in recent years. Vacancy rates in downtown rose to as high as 13.6%, while citywide vacancy remained below 5.0% in 2021.
- Mountain View's retail has fared well to past economic shocks, with citywide vacancy rates remaining below 5.0% in the years following the Great Recession and the during the COVID-19 pandemic.
- Through early 2021, CoStar reports roughly 420,000 square feet of retail space in downtown Mountain View with vacant square feet totaling slightly more than 39,000.
- The citywide surplus of per capita spending on food and beverage suggests the city is offering enough restaurant and bar options. The greatest leakage in 2021 was seen in the clothing and clothing accessories industry.

EXHIBIT 19. RETAIL VACANCY RATE, MOUNTAIN VIEW AND DOWNTOWN, 2006-2023



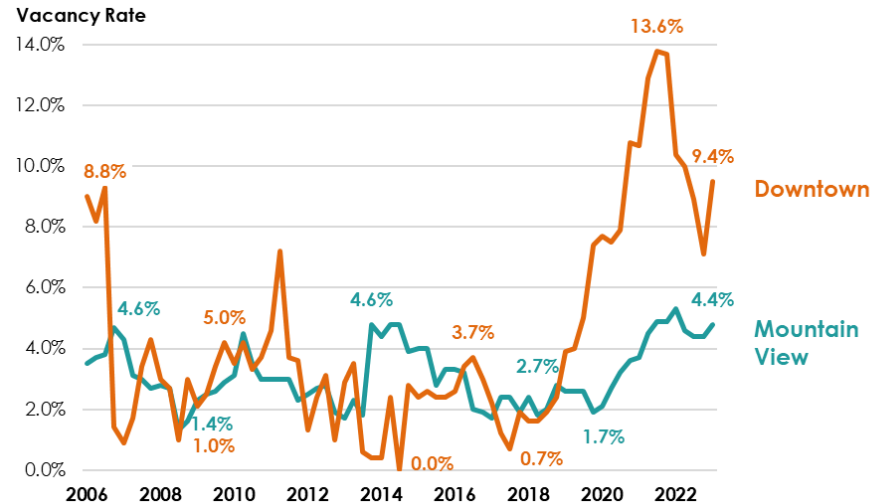
Sources: CoStar 2022; CAI, 2022

*Note: Retail inventory for car dealerships, building material and garden equipment dealers, and gas stations was removed for this analysis.
Note: Downtown Mountain View for the purposes of this study captures Castro Street between El Camino Real and Central Expressway and is framed to the east/west by South Shoreline Boulevard and Bush Street.*

In recent years, the retail vacancy rate in downtown Mountain View has exceeded the city average.

- If downtown were to fill the current vacancies, and Mountain View retailers were able to win the market share needed to support additional space, it is not unreasonable to assume downtown could support 10% of the city's estimated supportable retail growth. Which equates to an additional 20,000 square feet of retail space when utilizing the low-end of the estimated supportable retail growth.
- The ability to support this additional retail and fill vacancies is contingent on many market and policy-driven factors, including e-commerce shopping trends, return to office trends, and the extent to which development regulations and other city policies adversely affect development feasibility.

EXHIBIT 19. RETAIL VACANCY RATE, MOUNTAIN VIEW AND DOWNTOWN, 2006-2023



Sources: CoStar 2022; CAI, 2022

*Note: Retail inventory for car dealerships, building material and garden equipment dealers, and gas stations was removed for this analysis.
Note: Downtown Mountain View for the purposes of this study captures Castro Street between El Camino Real and Central Expressway and is framed to the east/west by South Shoreline Boulevard and Bush Street.*

Mountain View “leaks” retail sales in some categories, has a surplus in others, and in aggregate has a net *surplus*. Daytime population, however, presents an unrealized opportunity for more retail.

Aggregate Retail Analysis

- Surplus and leakage represent the difference in per capita taxable retail sales in Mountain View and the Trade Area¹; and represents the potential retail spending entering Mountain View or leaving Mountain View and taking place in surrounding communities.²
- To fully understand Mountain View's retail market, the analysis must consider the city's resident and daytime populations. As such, the leakage analysis considers the per capita spending and leakage associated with spending by the resident and daytime populations. The daytime population is defined as the total resident population plus total workers working in the area, minus workers who live and work in the same area.
- If Mountain View retailers were able to capture per capita retail spending from residents and a majority of workers equal to the Trade Area per capita spending level, then the city would capture an additional \$160 million in retail spending.³ Assuming retail sales per square foot of roughly \$400, which aligns with the two-county average, Mountain View could support an estimated 232,000 square feet in new retail space after filling current vacancies throughout the city (Exhibit 20). If some currently vacant spaces are not viable, the city could support additional square footage.

EXHIBIT 20. SUPPORTABLE RETAIL GROWTH, MOUNTAIN VIEW, 2021

Supportable Retail Growth	2021	
	Resident Population	Daytime Population
Retail Spending and Surplus/Leakage		
Per Capita Retail Spending		
Mountain View	\$10,700	\$7,500
Regional Trade Area	\$10,000	\$9,100
<i>Per Capita Surplus/Leakage</i>	\$700	(\$1,600)
Total Leakage		
<i>Per Capita Surplus/Leakage</i>	\$700	(\$1,600)
Mountain View Population	83,100	99,800
<i>Total Estimated Retail Surplus/Leakage</i>	\$58,170,000	(\$159,680,000)
Supportable Retail		
Supportable Retail Square Feet	(138,500)	380,200
Less Vacant Retail Square Feet	148,200	148,200
Estimated Supportable Retail Square Feet	(286,700)	232,000

Sources: ESRI Business Analyst, 2022; California Department of Finance, 2022; California Department of Tax and Fee Administration, 2022; CAI, 2022.

¹Note: The Trade Area, custom defined for this analysis, includes the following cities: Atherton, Campbell, Cupertino, East Palo Alto, Los Altos, Los Altos Hills, Los Gatos, Menlo Park, Milpitas, Monte Sereno, Mountain View, Palo Alto, Portola Valley, Redwood City, San Jose, Santa Clara, Sunnyvale, and Woodside.

²Note: Retail spending and vacancies at car dealerships, building material and garden equipment dealers, and gas stations were removed for this analysis.

³Note: Mountain View's daytime population has been discounted to arrive at 99,800 which is used to calculate supportable growth. The discount factor was informed by the region's workforce that travels from outside of Santa Clara and San Mateo County as it is not anticipated the city would capture spending from workers living outside of a certain proximity to the trade area.

Retail Categories Findings

- Mountain View industries experience the highest degree of leakage in motor vehicle and parts dealers; clothing and clothing accessory stores; and building materials, garden equipment, and supply.
- Leakage in 2021, calculated using the resident population, represented between \$49 and \$74 million for these industries. Total leakage calculated using the daytime population was similar for the clothing and building material industries, while leakage in the motor vehicle and part dealers' industry was significantly higher at \$95 million.
- Relative to spending across the Trade Area, Mountain View's per capita spending at clothing and clothing accessory stores is the lowest among any industry. Mountain View's per capita spending within this industry represented between 28% and 37% of 2-county region per capita spending in 2021, depending on whether the daytime or resident population was used to calculate per capita spending.
- Mountain View's food services and drinking places industry garnered a significantly higher level of spending compared to the 2-county region, with surplus totaling \$203 million (resident population) and \$100 million (daytime population).

People are leaving Mountain View to purchase clothing and clothing accessories.

EXHIBIT 21. SPENDING PER CAPITA AND LEAKAGE BY INDUSTRY, MOUNTAIN VIEW, 2021

Industry	Per Capita Spending		Leakage
	Mountain View	Regional Trade Area	
Resident Population			
Motor Vehicle and Parts Dealers	\$1,580	\$2,470	(\$73,983,900)
Clothing and Clothing Accessories Stores	\$390	\$1,060	(\$55,695,800)
Building Mat., Garden Equip., and Sup. Dealers	\$490	\$1,080	(\$49,045,500)
Home Furnishings and Appliance Stores	\$910	\$940	(\$2,493,800)
Gasoline Stations	\$1,020	\$1,030	(\$831,300)
Food and Beverage Stores	\$950	\$730	\$18,288,200
General Merchandise Stores	\$2,370	\$1,360	\$83,959,300
Food Services and Drinking Places	\$4,880	\$2,440	\$202,832,300
Daytime Population			
Motor Vehicle and Parts Dealers	\$1,100	\$2,240	(\$94,765,900)
Clothing and Clothing Accessories Stores	\$270	\$960	(\$57,358,300)
Building Mat., Garden Equip., and Sup. Dealers	\$340	\$980	(\$53,201,900)
Gasoline Stations	\$710	\$930	(\$18,288,200)
Home Furnishings and Appliance Stores	\$630	\$850	(\$18,288,200)
Food and Beverage Stores	\$660	\$660	\$0
General Merchandise Stores	\$1,660	\$1,240	\$34,913,800
Food Services and Drinking Places	\$3,410	\$2,210	\$99,753,600

Sources: ESRI Business Analyst, 2022; California Department of Finance, 2022; California Department of Tax and Fee Administration, 2022; CAI, 2022.

Note: Daytime population = Mountain View's resident population + Mountain View workers – workers living and working in Mountain View.

Note: The two-county region includes the following cities: Atherton, Campbell, Cupertino, East Palo Alto, Los Altos, Los Altos Hills, Los Gatos, Menlo Park, Milpitas, Monte Sereno, Mountain View, Palo Alto, Portola Valley, Redwood City, San Jose, Santa Clara, Sunnyvale, and Woodside.

Mountain View is among just four large cities in the region with a retail surplus, falling behind Palo Alto and San Jose.

- Among large, surrounding cities, Palo Alto and San Jose experienced the greatest retail surpluses, which totaled \$302 million and \$1.2 billion in 2021, respectively.
- Among large, surrounding cities there is a net retail surplus, suggesting retail demand in the region is being met, and in fact draws in people from other cities.

EXHIBIT 22. PER CAPITA SPENDING AND LEAKAGE, SELECT CITIES, 2021

City	Per Capita Retail Spending	Leakage/Surplus
Sunnyvale	\$5,000	(\$770,500,000)
Santa Clara	\$8,700	(\$169,600,000)
Menlo Park	\$6,400	(\$120,900,000)
Redwood City	\$9,100	(\$69,500,000)
Milpitas	\$10,000	(\$1,700,000)
Cupertino	\$10,200	\$14,000,000
Mountain View	\$10,700	\$59,600,000
Palo Alto	\$14,500	\$302,300,000
San Jose	\$11,200	\$1,197,000,000
<i>Unincorporated Santa Clara County</i>	<i>\$1,600</i>	<i>(\$711,100,000)</i>
<i>Unincorporated San Mateo County</i>	<i>\$6,100</i>	<i>(\$241,900,000)</i>

Sources: CDF, 2022; CDTFA, 2022; CAI, 2022.

Note: Does NOT INCLUDE retail spending at car dealerships, building material and garden equipment dealers, and gas stations for this analysis.

Mountain View has a lot of retail competition. Major cities surrounding Mountain View represented 85% of the regional trade area's retail inventory in 2021.

- Roughly 85% of retail space within the regional trade area is located in San Jose, Santa Clara, Milpitas, Sunnyvale, Palo Alto, Redwood City, Mountain View, Cupertino, and Menlo Park.
- San Jose retail offerings currently represent 45% of total retail offerings found in the regional trade area. On a per capita basis, Milpitas, Palo Alto, and Santa Clara have the greatest retail square footage.
- In order to support the construction of new retail space, Mountain View retailers would have to win market share in an area possessing a large amount of retail space.

**EXHIBIT 23. RETAIL INVENTORY,
SELECT CITIES, 2022**

City	Retail Inventory (sf)	Share
San Jose	33,697,400	45%
Santa Clara	6,335,900	8%
Milpitas	4,913,900	7%
Sunnyvale	4,690,900	6%
Palo Alto	3,899,100	5%
Redwood City	3,524,600	5%
Mountain View	3,457,300	5%
Cupertino	2,331,900	3%
Menlo Park	1,096,500	1%
Other	10,996,900	15%
Regional Trade Area	74,944,400	

Sources: CoStar, 2022; CAI, 2022.

Note: Retail inventory for car dealerships, building material and garden equipment dealers, and gas stations was removed for this analysis.

Parking requirements for retail and commercial space changed to a more intense use in downtown may impede small-business attraction.

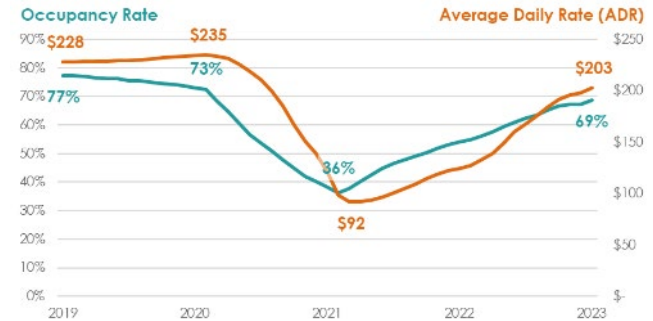
- The change-of-use parking fee implemented by the city can create large costs for small-business owners inhabiting existing retail space not currently used for the same type of business. For example:
 - If a restaurant owner wanted to move into a general merchandise space of 2,500 square feet, they would have to provide an additional 11 parking spaces to current parking provided for the space or pay an in-lieu fee of \$337,000.
 - If an entrepreneur wanted to open a café in a 500-square-foot space previously rented by a small boutique, city code requires the business to provide two additional parking spaces or pay an in-lieu fee of \$61,200.
- These parking fees can represent a large cost burden for small entrepreneurs without the large cash reserves of a national chain.
- In a member survey conducted by Restaurant Owner, the median startup cost for an independent restaurant totaled \$375,500.¹ For a full-service restaurant requiring a change of use for retail space, in-lieu parking fees could nearly double the money needed for startup.

¹Independent Restaurant Cost to Open Survey, RestaurantOwner.com.

LODGING & HOSPITALITY

- As of January 2023, Mountain View has 1,911 hotel rooms in 21 hotels across the city. Approximately 4% of all hotel rooms in Santa Clara and San Mateo Counties are located in Mountain View.
- Hotel revenue, occupancy, and average daily rates (ADR) began to decline in early 2000 (Exhibits 24 and 25). Recovery has been unsteady and cyclical with additional COVID-19 waves, like that in winter of 2021.
- Mountain View hotels were not operating at full capacity prior to the pandemic, but the onset of the pandemic and early shelter-in-place restrictions resulted in a decrease in occupancy rates from approximately 77% in early 2019 to a low of 36% in early 2021. As of January 2023, hotel occupancy had returned to 69%. This most recent data represents a return to 89% of typical pre-pandemic occupancy rates. The average daily rate (ADR) for hotels also decreased to a low of \$92 in early 2021. The current ADR of \$203 also represents a return to 89% of pre-pandemic room rates.

ADR, MOUNTAIN VIEW, 2019-2023



Source: CoStar, 2023; CAI, 2023.

EXHIBIT 25. REVENUE & MONTHLY TOT, MOUNTAIN VIEW, 2019-2022

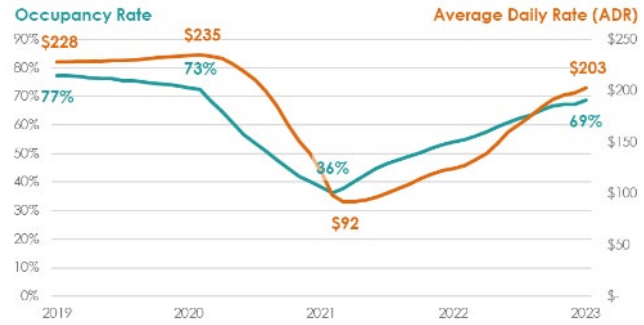


Source: CoStar, 2023; City of Mountain View; CAI, 2023.

LODGING & HOSPITALITY

- The largest decrease in revenues since the onset of the pandemic occurred between January 2020 and January 2021. Revenues decreased by 89% at the beginning of 2020 to the lowest revenue since 1993. While revenue and revenue growth continues to fluctuate, the industry's revenues in December 2022 represent 78% of pre-pandemic revenue.
- The City of Mountain View maintains a 10% Transient Occupancy Tax (TOT) of the rent charged per hotel room stay in the city. Exhibit 25 shows approximate changes to TOT monthly revenue over the course of the pandemic. From the period immediately preceding the pandemic to the lowest TOT revenue month in early 2021, the City lost approximately \$20,000 per month in TOT revenue from decreased hotel occupancy.

EXHIBIT 24. HOTEL OCCUPANCY & ADR, MOUNTAIN VIEW, 2019-2023



Source: CoStar, 2023; CAI, 2023.

EXHIBIT 25. REVENUE & MONTHLY TOT, MOUNTAIN VIEW, 2019-2022



Source: CoStar, 2023; City of Mountain View; CAI, 2023.

DEMOGRAPHIC & SOCIO-ECONOMIC DATA

Mountain View stakeholders have questions and concerns about its demographic and economic character:

- What are the effects of the city's population growth on its job and housing market?
- What impacts will layoffs have on the large tech companies based in Mountain View? Will this impact their campus or other investments in the city? How will this impact return-to-work policies?
- Stakeholders are also concerned about the impacts of remote work policies and continued tech layoffs on downtown businesses and restaurants.
- How were employers and workforce affected by the pandemic?

Demographic and Economic Findings

- Mountain View added population at a rate of 1.6% (2020-2022) and added 8 times more jobs than housing units (2010-2021).
- At its current growth rate, Mountain View is projected to grow by 11,000, or 550 residents per year, by 2040.
- The share of jobs in Information and Professional and Scientific Services, combined, increased in the City from 45% to 66% since 2010. Jobs in Manufacturing, Warehousing and Distribution, Hospitality, Retail, Arts & Entertainment all declined and not returned to pre-pandemic levels.
- In 2021, a little over half of Mountain View residents were employed in occupation groups with a median salary higher than \$100,000 (60%).
- As of Spring 2022, unemployment rates have decreased since the initial COVID outbreak to better-than-pre-pandemic levels.

Located in the heart of Silicon Valley, growth and economic conditions in Mountain View are tied to regional growth.

- Mountain View is geographically centered within Silicon Valley, and residents and workers have access to San Francisco and the East Bay as other major employment centers.
- As such, Mountain View's economy and population growth are influenced by what happens within Mountain View, Silicon Valley, and the greater Bay Area.
- The City's Economic Vitality Strategy will succeed by understanding how regional economic conditions drive local considerations for housing, retail, jobs, and much more. And within city limits, the City's Economic Vitality depends on both its residents and the people who work in the city but live elsewhere.

EXHIBIT 26. MOUNTAIN VIEW, SILICON VALLEY & THE BAY AREA, 2022



Source: CA Open Data Portal, 2022; CAI, 2022.

Mountain View’s population growth historically has been consistent with that of Silicon Valley as a whole. However, during the pandemic the region lost residents while Mountain View grew in population.

- Mountain View in 2022 has 83,900 residents. The city has grown in population at a rate of 1.0% annually since 2010. While not shown in the exhibit, the growth during that period was rather continuous throughout. This growth was more rapid than the City experienced from 1990 through 2010 (0.5% per year).
- Mountain View’s population has grown at the same rate as Santa Clara County throughout the past 30 years or more (not shown).
- However, throughout the pandemic years of 2020 – 2022, Mountain View added population at a rate of 1.6%, while the two counties of Santa Clara and San Mateo combined actually declined by 1.1% per year.

Source: California Department of Finance, 2022; CAI, 2022.

EXHIBIT 27. MOUNTAIN VIEW AND NEIGHBORS’ POPULATION, 2022

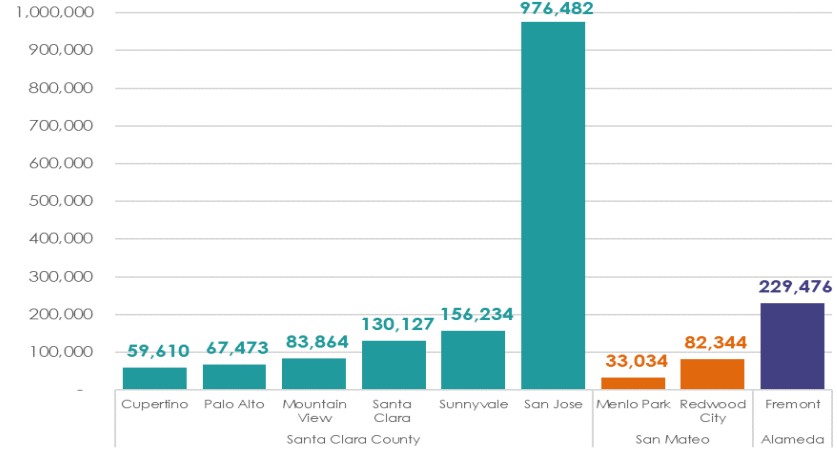
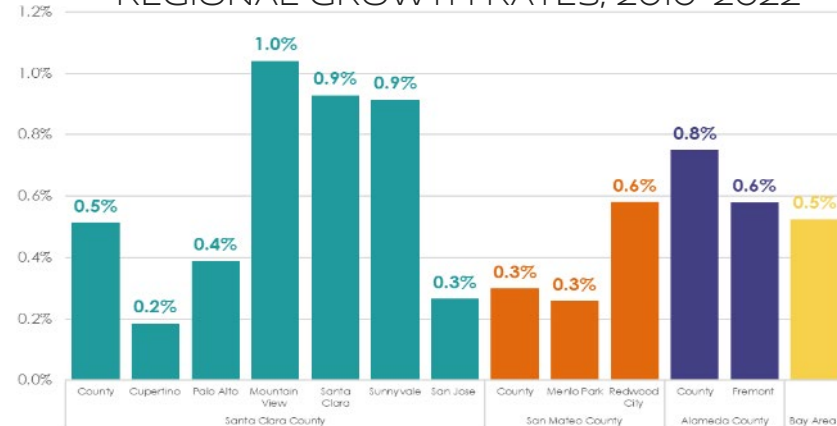
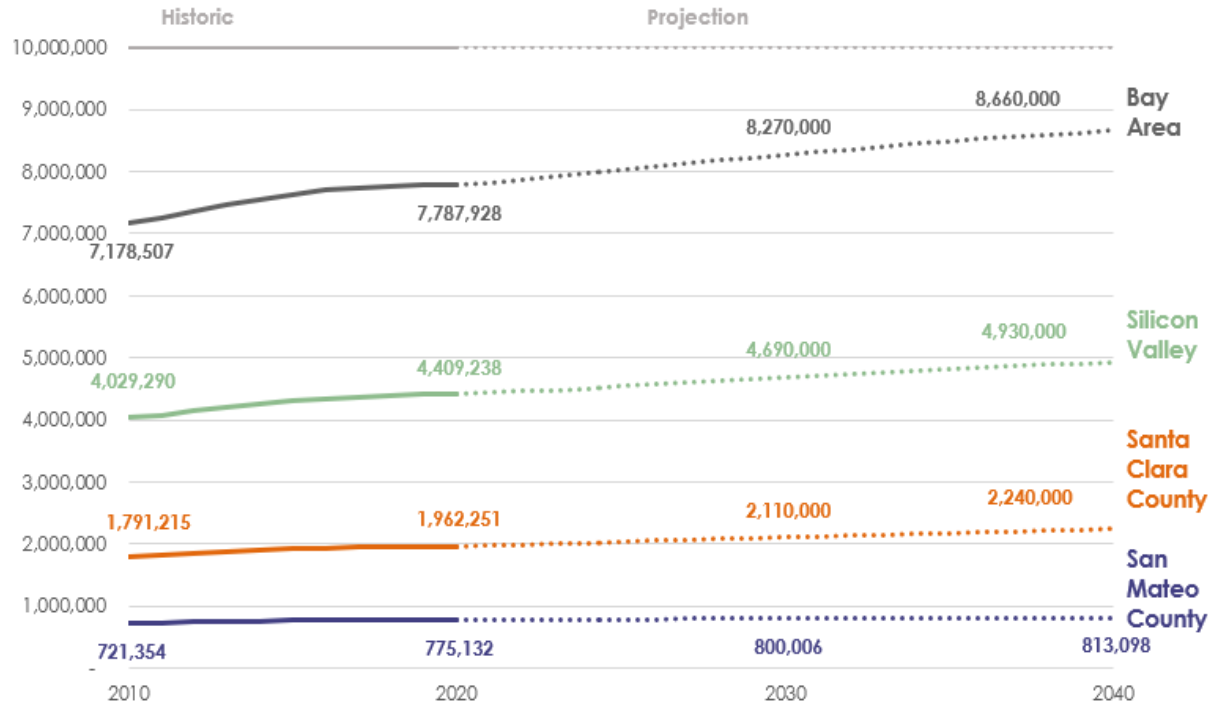


EXHIBIT 28. MOUNTAIN VIEW AND REGIONAL GROWTH RATES, 2010-2022



If Mountain View maintains its countywide share of population growth, it will grow to 95,000 people (11,000 more residents, or 550 per year) by 2040.

EXHIBIT 29. HISTORIC AND PROJECTED POPULATION, 2010 TO 2040



Source: California Department of Finance, 2022; CAI, 2022.

- Mountain View accounted for 4% of Santa Clara County's population in 2010 and in 2020.
- Silicon Valley's three counties account for more than half of the Bay Area's population. It will add about 540,000 of the 900,000 residents forecast regionally through 2040.
- Santa Clara's 2020 population is nearly 2 million and will add about 280,000 residents.

Nearly two-thirds of Santa Clara County households earn more than \$100,000 annually; more than one-third earn more than \$200,000, a slightly larger share than Silicon Valley.

- 61% of Silicon Valley households earn more than \$100,000 annually; and more than half of those high-income households earn more than \$200,000. Santa Clara County has a slightly higher share of high-income households than Silicon Valley as a whole (Exhibit 30).
- Mountain View’s approximately 90,000 jobs represents 9% of all jobs in Santa Clara County and 4% of all jobs in the three counties that make up Silicon Valley. More than half (56%) of the jobs located in Mountain View have an average wage of more than \$200,000 (Exhibit 31).
- The concentration of high-paying jobs in Mountain View signifies the city’s potential to be a destination for Silicon Valley workers to live. A high share of high-income households demonstrates an ability to pay for increasing housing costs. This contributes upward pressure on prices in the region’s housing market.

EXHIBIT 30. HOUSEHOLD INCOME, SANTA CLARA COUNTY AND REGION, 2021

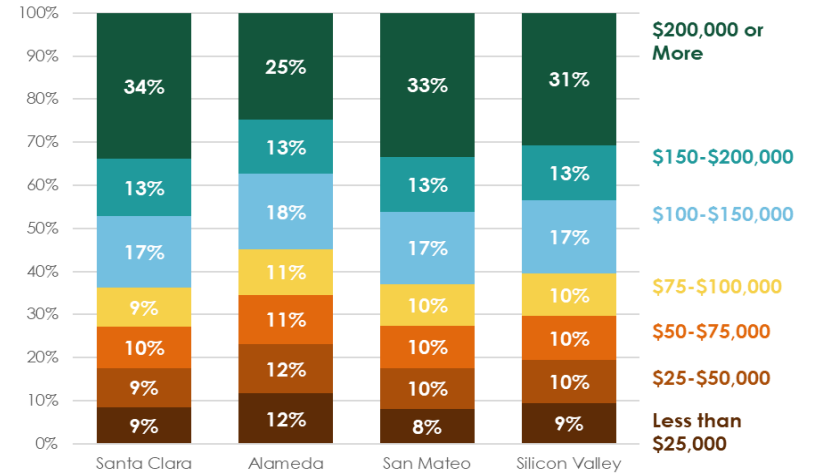
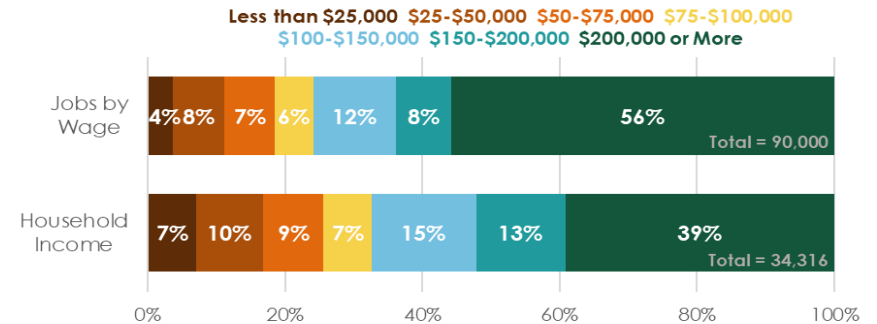


EXHIBIT 31. HOUSEHOLD INCOME & JOBS BY AVERAGE WAGE, MOUNTAIN VIEW, 2021



Source: ACS, 2017-2021; CAI, 2023 (top). ACS, 2017-2021; QCEW, 2021; CAI, 2023.

From 2010 to 2021, the city added 8 times more jobs than housing units.

- Mountain View had 34,500 more jobs in 2021 than in 2010.
- During the same period, the city’s residential population grew by 9,800, adding 4,435 housing units during this time (one housing unit added for every 8 jobs added).
- In 2021, the City’s Jobs to Housing Units Ratio was 2.3, up from 1.6 in 2010. Silicon Valley has 1.4 jobs per housing unit, and Santa Clara County has 1.7.
- The past eleven years took Mountain View from having a jobs to housing unit ratio just somewhat higher than regional norm to a significant outlier much higher than the region.
- The implications for this job growth before the pandemic would have been increased demand for local housing.
- The pandemic and the major employers’ work-from-home trends would be expected to soften the increase in local housing demand, but the scale of jobs increase appears to have kept increasing local housing demand.

EXHIBIT 32A. MOUNTAIN VIEW POPULATION, HOUSING UNITS & JOBS, 2010 & 2021

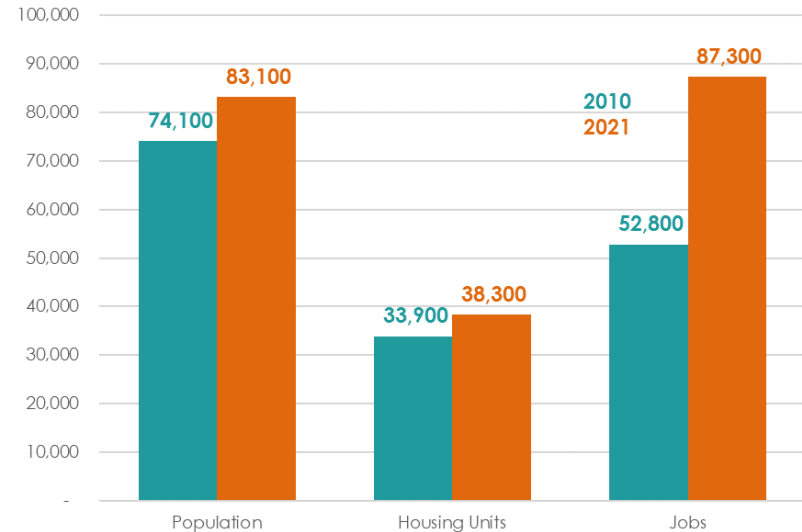


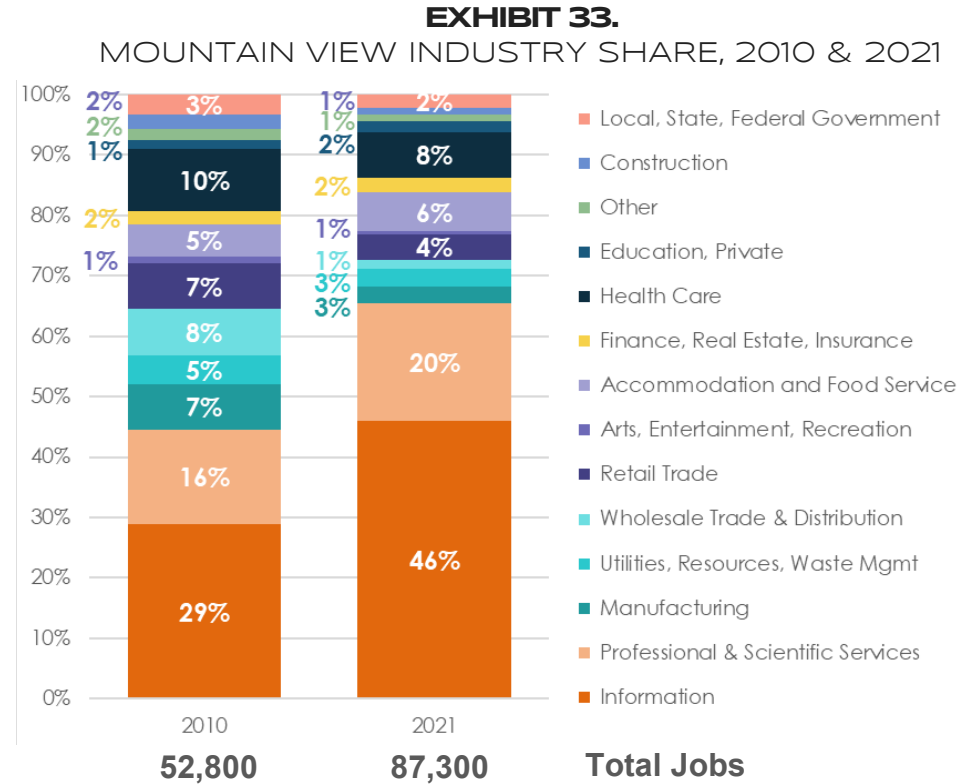
EXHIBIT 32B. MOUNTAIN VIEW POPULATION, HOUSING UNIT & JOB CHANGE

	Net Change	Percent Change	CAGR
Population	9,000	12%	1.0%
Housing Units	4,400	13%	1.1%
Jobs	34,500	65%	4.7%

Source: California EDD (jobs), 2022; DOF (housing units, population), 2022; CAI, 2022.

Jobs grew primarily in Information & Professional and Scientific Services, and declined in Manufacturing, Warehousing & Distribution.

- Since 2010, the City has added 33,700 jobs in Information and Professional, Scientific Services. The share of those jobs (combined) in the City increased from 45% to 66%.
- During the same period, the City lost 4,400 jobs in Manufacturing, Warehousing and Distribution.
- Hospitality, Retail, Arts & Entertainment all declined from 2019 to 2020 nationwide and in Mountain View, and have added jobs back since then, though not back to pre-pandemic levels.



Source: California Employment Development Department, 2022; CAI, 2022.

Mountain View’s leading industries require high paying occupations.

- Among occupations with more than 750 jobs in Mountain View’s two largest industries, more than 75% reported average annual salary higher than \$100,000, while nearly 40% reported average annual salaries above \$150,000 in 2021.¹
- Mountain View’s information and professional, scientific, and technical services industries employed an estimated 8,200 software developers in 2021. The average annual salary for software developers in San Jose-Sunnyvale-Santa Clara MSA was nearly \$170,000 in 2021.
- The weighted average annual salary among occupations presented in Exhibit 34 totaled nearly \$150,000, with salaries ranging from \$54,800 to \$234,800.

¹ Note: Due to data limitations, employment estimates by occupation for Mountain View were calculated using the statewide distribution of occupation by industry and applied to Mountain View’s employment by industry. Average wages represent 2021 wage estimates for the San Jose-Sunnyvale-Santa Clara MSA.

EXHIBIT 34. EMPLOYMENT & WAGES BY PLACE OF WORK FOR MOUNTAIN VIEW’S LARGEST OCCUPATIONS AMONG LEADING INDUSTRIES, 2021

Occupation	2021 Employment	Average Annual Salary (2022\$)
Information Industry		
Software Developers and Software Quality Assurance Analysts and Testers	6,650	\$169,800
Producers and Directors	2,350	\$129,500
Computer and Information Systems Managers	1,950	\$234,800
Project Management Specialists and Business Operations Specialists, All Other	1,850	\$124,700
Market Research Analysts and Marketing Specialists	1,800	\$122,700
General and Operations Managers	1,300	\$170,300
Telecommunications Equipment Installers and Repairers, Except Line Installers	1,250	\$78,400
Computer Occupations, All Other	1,200	\$145,700
Sales Representatives of Services, Except Advertising, Insurance, Financial Services, and Travel	1,050	\$108,100
Accountants and Auditors	1,000	\$116,200
Sales Managers	1,000	\$202,800
Marketing Managers	950	\$216,500
Telecommunications Line Installers and Repairers	900	\$83,100
Information Security Analysts	900	\$156,200
Customer Service Representatives	900	\$54,800
Financial Managers	850	\$207,300
Computer User Support Specialists	800	\$79,300
Film and Video Editors	750	\$78,800
Professional, Scientific, and Technical Services Industry		
Software Developers and Software Quality Assurance Analysts and Testers	1,550	\$169,800
Project Management Specialists and Business Operations Specialists, All Other	800	\$124,700
Accountants and Auditors	750	\$116,200

Source: California Employment Development Department, 2021; City of Mountain View, 2021; CAI, 2023.

In 2021, 60% of Mountain View residents were employed in an occupation group paying a median salary higher than \$100,000.

- Occupations within the computer and mathematical occupations group were the most prevalent among Mountain View residents in 2021, representing an estimated 23% of total jobs.
- Occupational groups with more than 1,000 jobs and median salaries below \$100,000 include sales and related occupations (2,950 jobs), educational instruction and library occupations (2,750 jobs), office and administrative support occupations (2,750 jobs), food preparation and serving related occupations (1,750 jobs), building and grounds cleaning and maintenance occupations (1,250 jobs), and art, design, entertainment, sports, and media occupations (1,200 jobs).

EXHIBIT 35. EMPLOYMENT & WAGES BY OCCUPATION GROUP, MOUNTAIN VIEW RESIDENTS, 2021

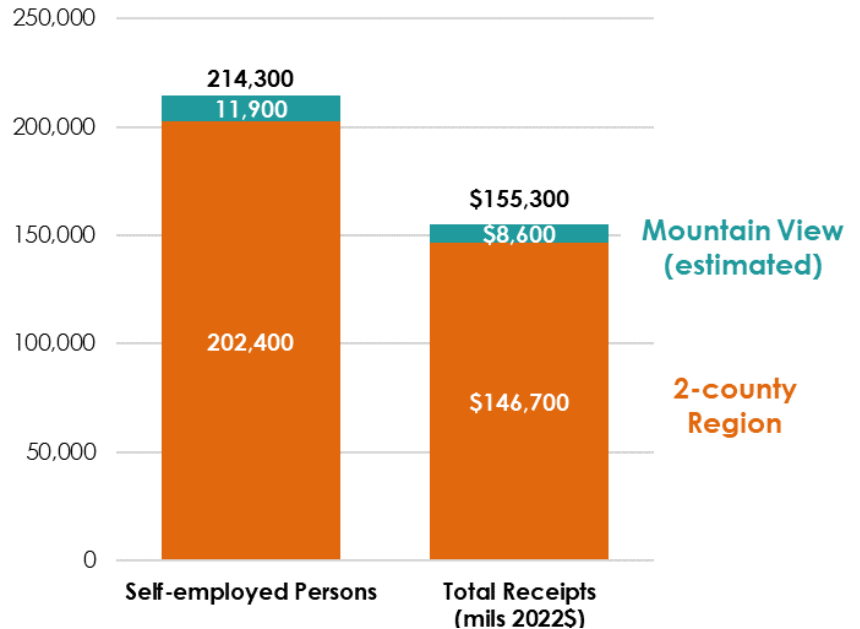
Occupation Group	2021 Employment	Median Salary (2022\$)
Computer and mathematical occupations	10,800	\$180,300
Management occupations	7,600	\$174,300
Business and financial operations occupations	3,550	\$124,600
Architecture and engineering occupations	3,300	\$153,000
Sales and related occupations	2,950	\$59,400
Educational instruction and library occupations	2,750	\$67,100
Office and administrative support occupations	2,750	\$58,800
Life, physical, and social science occupations	2,350	\$111,100
Food preparation and serving related occupations	1,750	\$32,900
Health diagnosing and treating practitioners and other technical occupations	1,550	\$131,100
Building and grounds cleaning and maintenance occupations	1,250	\$27,900
Arts, design, entertainment, sports, and media occupations	1,200	\$95,000
<i>Other</i>	6,200	\$64,700
Total	48,000	\$114,900

Source: U.S. Census Bureau American Community Survey 5-year Estimates, 2021; CAI, 2023.

- In 2019, receipts for establishments with no paid employees totaled nearly \$14 billion in the 2-county region, with average receipts totaling \$64,000 per establishment.
- At least 214,000 people across the 2-county region are registered as non-employer establishments, suggesting roughly 12% of the region's workers are self-employed.
- Industries with the highest number of non-employer establishments include professional, scientific, and technical services (50,000 establishments); wholesale trade, transportation and warehousing (32,000 establishments); and finance, insurance, real estate, and rental and leasing (31,000 establishments).
- Assuming Mountain View's regional share of covered employees aligns with the city's share of self-employed persons, Mountain View's self-employed workers would have totaled 11,900 in 2019.
- In many cases, self-employed individuals' earnings serves as supplemental or hobby incomes. The number of self-employed workers whose entire livelihood comes from self-employment is likely much lower than 11,900.

Self-employment in the 2-county region represents a small proportion of total employment within Santa Clara and San Mateo County.

EXHIBIT 36. SELF-EMPLOYED WORKERS AND TOTAL RECEIPTS, 2-COUNTY REGION AND MOUNTAIN VIEW, 2019



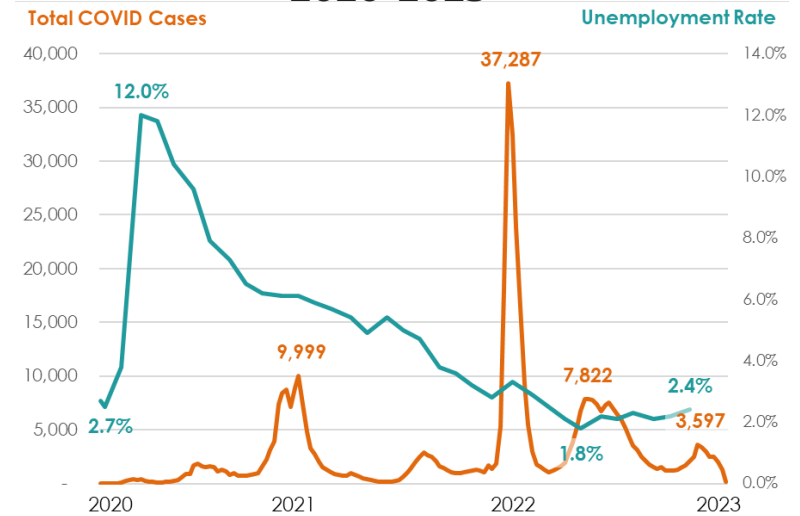
Source: U.S. Census Bureau, 2019; Bureau of Labor Statistics, 2019; Federal Reserve Bank of St. Louis, 2023; CAI, 2023.

COVID IMPACTS

- Since the initial COVID outbreak and spike in unemployment, unemployment rates have steadily decreased to better-than-pre-pandemic levels in spring of 2022. As Exhibit 37 shows, this rate decreased even as waves of COVID-19 periodically continued to hit the Bay Area.

Note: Additional data on the impacts of the COVID-19 pandemic are available in the appendix.

EXHIBIT 37. TOTAL COVID CASES & UNEMPLOYMENT, SANTA CLARA COUNTY, 2020-2023

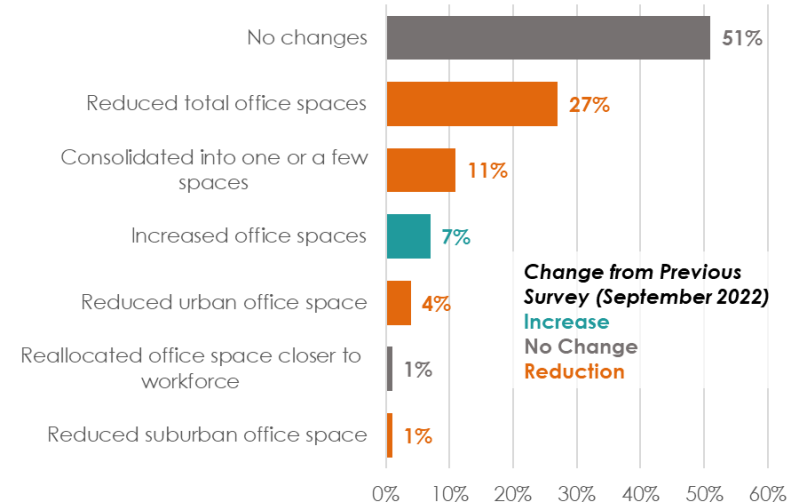


Source: Santa Clara County (COVID data), 2023; California Employment Development Department, 2023; CAI, 2023.

The pandemic has changed workplace needs for the region's employers and workforce

- The Bay Area Council has surveyed roughly 200 regional employers representing a range of industries about COVID impacts on their workforce since April 2021. The data included here are from the most recent survey in November 2022.
- 80% of surveyed employers have brought their non-essential workforce back into the workplace. 10% report they no longer plan to bring their workforce back in person (the highest share since the survey's outset).
- Employers have estimated throughout the pandemic that between 20% and 30% of their workforce will remain fully remote post-pandemic.
- Remote work has forced many employers to reconsider their office space. Exhibit 38 outlines the actions that employers have taken regarding office space. Approximately half of employers have made no changes. 27% have reduced and 11% have consolidated their total office spaces.
- Overall, the share of employers who are reducing or consolidating office space is decreasing from previous surveys. A small but growing share are increasing their office presence in the Bay Area.

EXHIBIT 38. EMPLOYER ACTIONS DUE TO REMOTE WORKFORCE, 2022



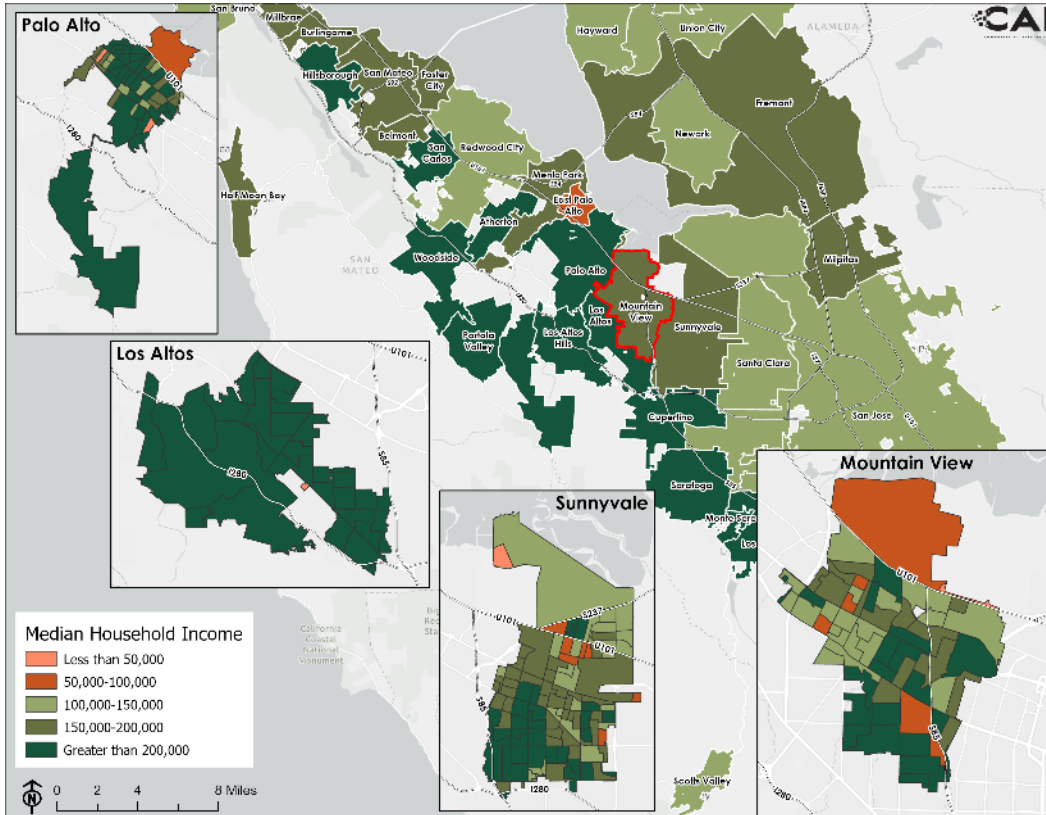
Source: Bay Area Council, November 2022; CAI, 2023.

APPENDIX

Additional Data



EXHIBIT 39. MEDIAN HOUSEHOLD INCOME, MOUNTAIN VIEW & REGION, 2022



Source: ESRI Business Analyst, 2022; CAI, 2022.

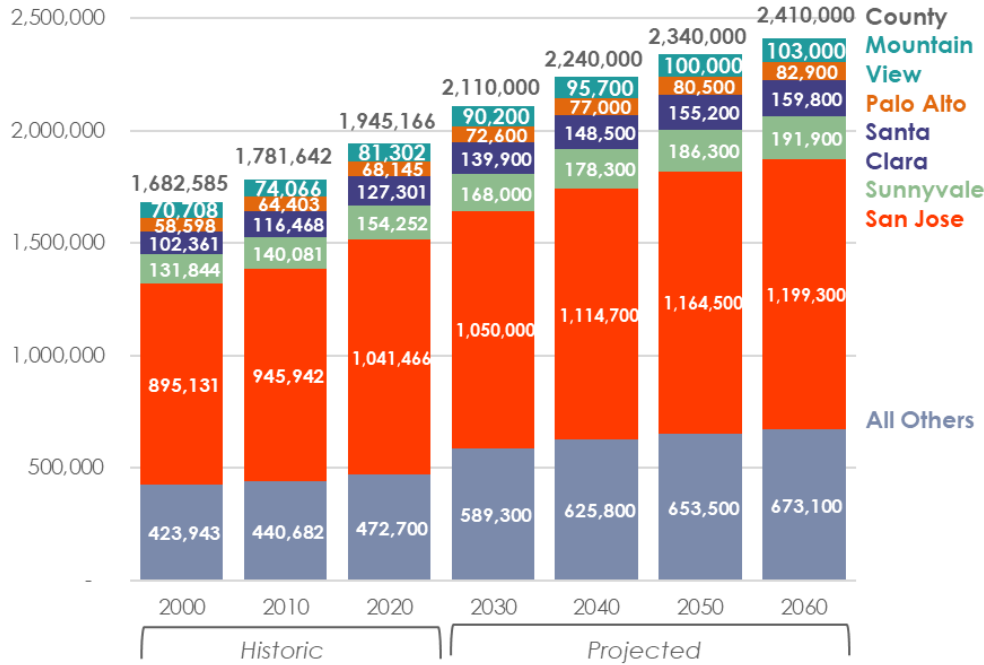
- Mountain View has a median household income of \$161,000 (2022).
- Mountain View's median income is lower than that of Palo Alto and Los Altos by 19% and Sunnyvale by 3%.
- Santa Clara County's median income is about 20% lower than San Mateo County but 33% higher than Alameda County.

EXHIBIT 40. MEDIAN INCOME, MOUNTAIN VIEW & NEIGHBORS, 2022

City	Median Income
Los Altos	\$200,000+
Palo Alto	\$200,000+
Sunnyvale	\$166,268
Mountain View	\$161,309
San Mateo	\$3,192,191
Santa Clara	\$2,559,008
Alameda	\$1,920,468

How has Mountain View grown in recent years and how does that compare to its neighbors and the region?

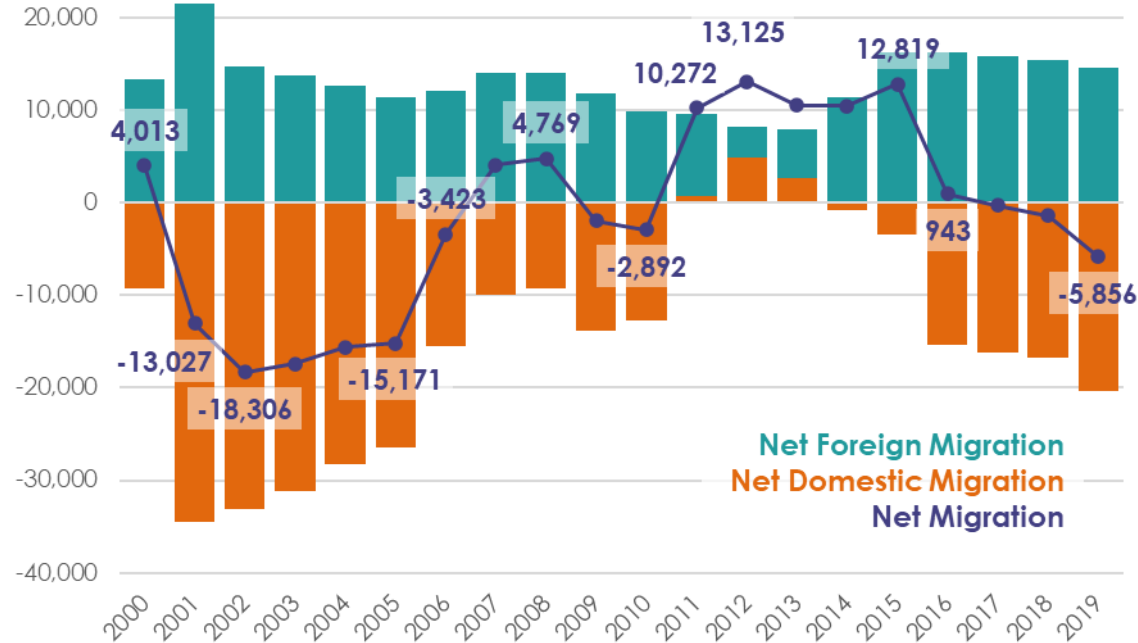
EXHIBIT 41. PROJECTED POPULATION, SANTA CLARA COUNTY AND ITS CITIES, 2020 TO 2060



Source: California Department of Finance, 2022; CAI, 2022.

- Mountain View is the fourth-largest city in the County and it is expected to break 100,000 residents by 2060, adding 19,000 residents between 2020 and 2060.
- Note: Exhibit 41 shows historic and projected population growth by select Santa Clara County cities. This projection assumes that each city will retain its current share of the county's population.*

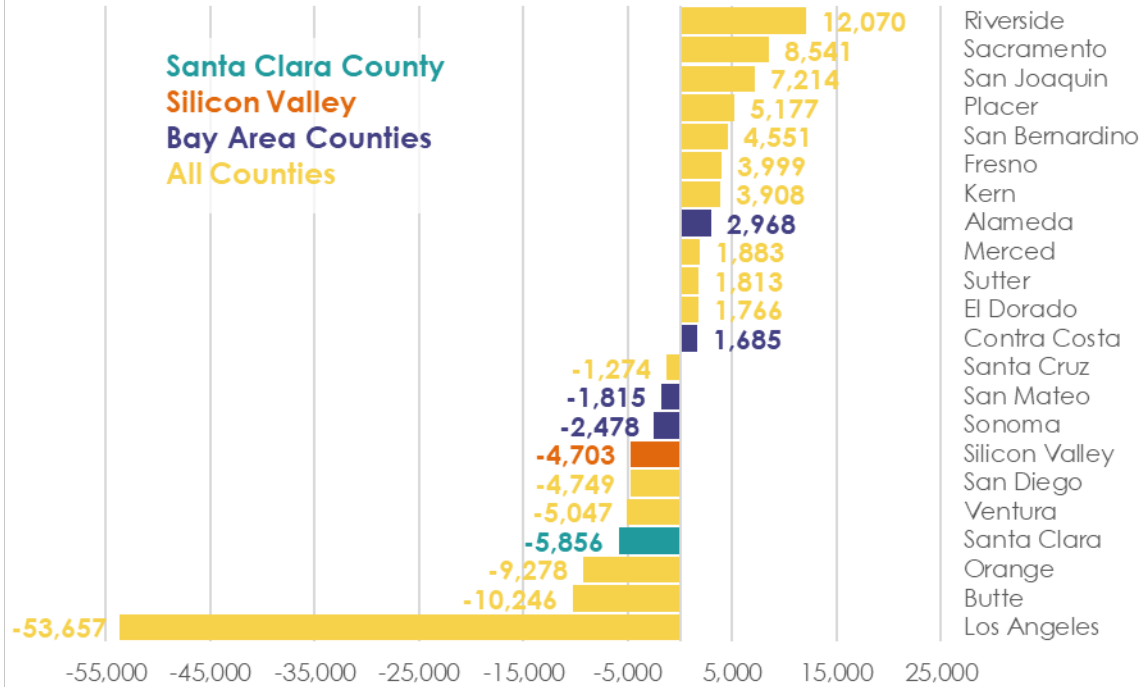
EXHIBIT 42. MIGRATION,
SANTA CLARA COUNTY, 2000 TO 2019



Source: California Department of Finance, 2022; CAI, 2022.

- Exhibit 42 shows the foreign, domestic, and net migration patterns of Santa Clara County residents.
- Most of the county's positive migration are foreign individuals. On the domestic side, more residents are leaving than moving to Santa Clara County.
- The only years of positive domestic migration were in 2012 and 2013.
- In the years leading up to the pandemic, the county's population was slowly declining.

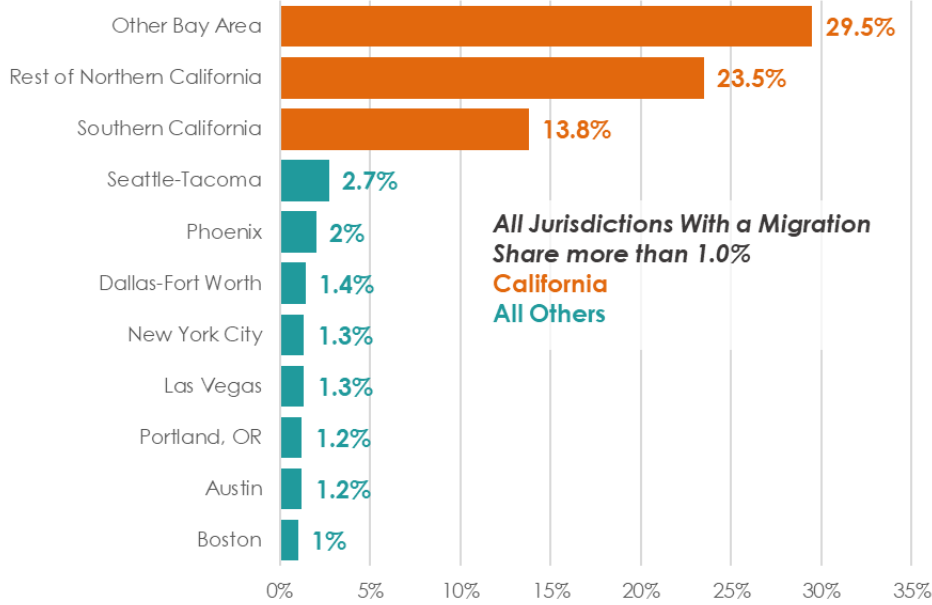
EXHIBIT 43. COUNTIES WITH THE LARGEST NET DOMESTIC MIGRATION, 2017-2018



Source: California Department of Finance, 2022; CAI, 2022.

- In 2018, Santa Clara County saw one of the highest decreases in population of all California counties.
- Aggregated as one unit, Silicon Valley as a whole has also seen population decline.

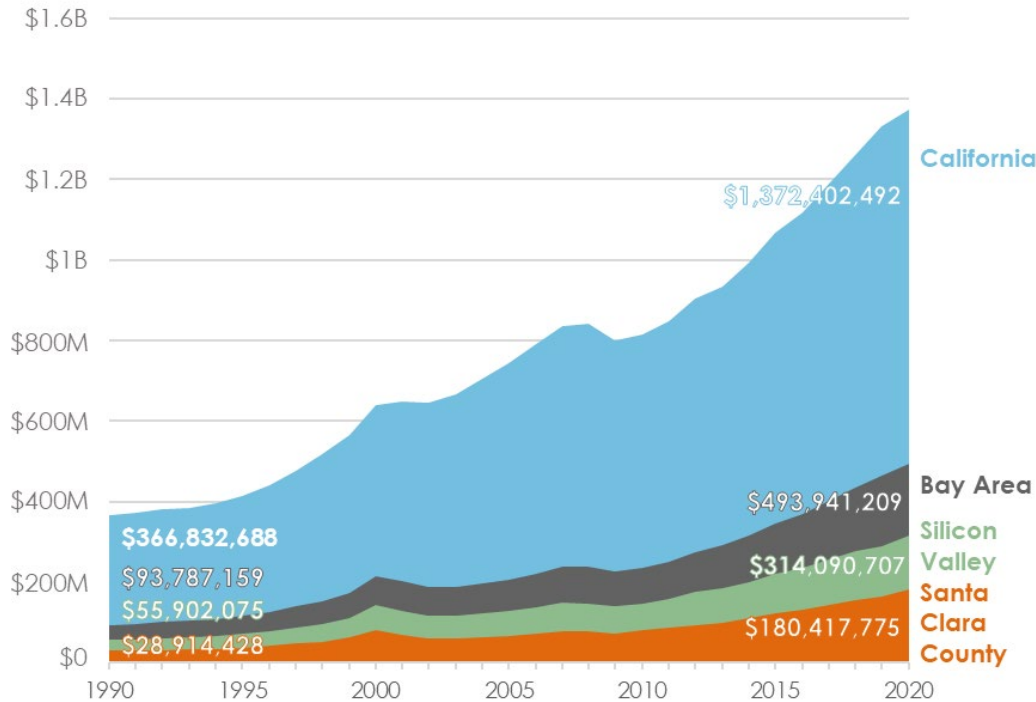
EXHIBIT 44. TOP OUT-MIGRATION DESTINATIONS, SANTA CLARA & SAN MATEO COUNTIES, 2013 TO 2017



Source: California Department of Finance, 2022; CAI, 2022.

- The vast majority of residents leaving Santa Clara and San Mateo Counties remain in California, particularly within the Bay Area. This indicates relatively easy movement of residents and workers within the region.
- The cities that local residents are likely to leave the state for are the Greater Seattle area, Phoenix, Dallas-Fort Worth, and New York City.
- *Note: Data on the top origins for in-migration is not available from this source.*

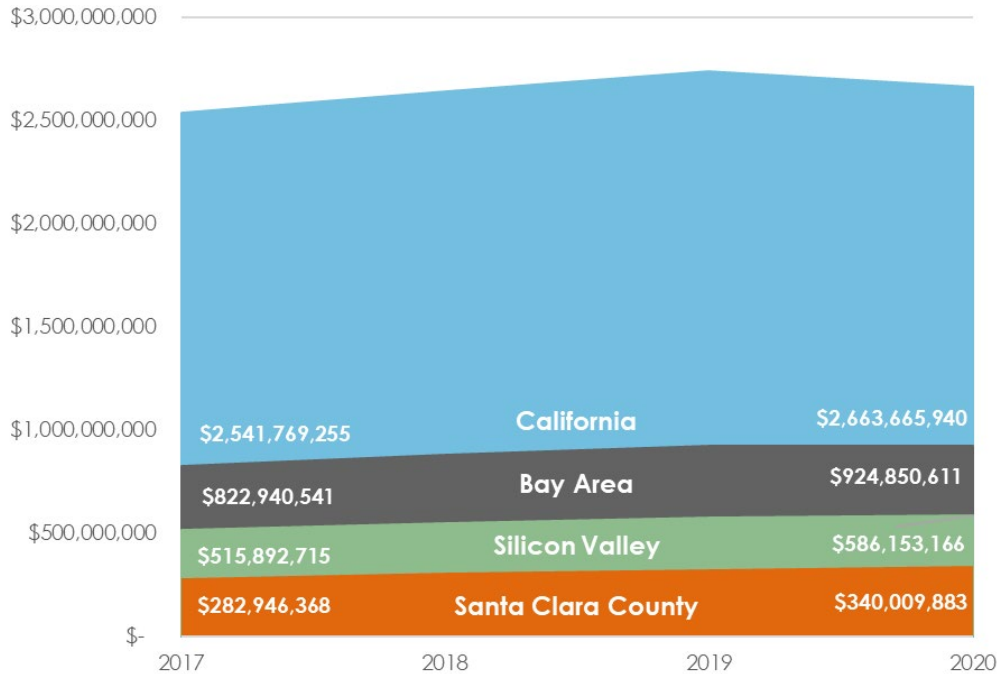
EXHIBIT 45. INCOME BY PLACE OF WORK, SANTA CLARA COUNTY & REGION, 1990 TO 2020



Source: U.S. Bureau of Economic Analysis, 2020; CAI, 2022.

- Income has significantly increased across the state of California since the 1990s.
- Income is concentrated in the Bay Area region, and Santa Clara County in particular.
- The Bay Area represents about 36% of the state's income.
- Santa Clara County's income represents about 13% of all income in the state of California and more than one-third of the income in all of the Bay Area.

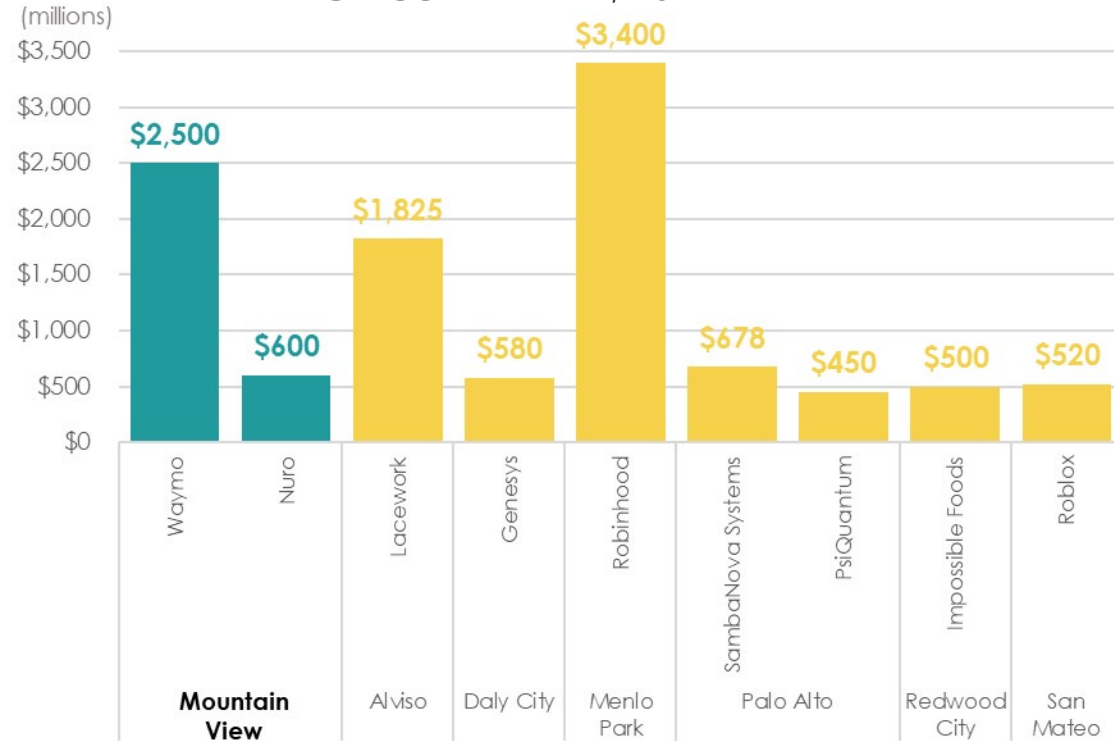
EXHIBIT 46. ANNUAL GDP, SANTA CLARA COUNTY & REGION, 2017 TO 2020



Source: U.S. Bureau of Economic Analysis, 2020; CAI, 2022.

- Similarly, the Bay Area is a significant anchor of the state’s economy. The region accounts for about one-third of California’s annual GDP.
- Santa Clara County is responsible for about 13% of the state’s annual GDP. However, it has an outsize impact on the Bay Area, as it accounts for 37% of the region’s GDP.

**EXHIBIT 47. TOP VENTURE CAPITAL DEALS,
SILICON VALLEY, 2021**



Source: Silicon Valley Indicators, 2022; CAI, 2022.

- In 2021, companies located in Mountain View accounted for two of the top nine venture capital deals.
- Waymo, the former Google self-driving car project, received the second most funding at \$2.5 billion.
- Nuro, an autonomous delivery bot company, received \$600 million in venture capital funds.

EXHIBIT 48. MOUNTAIN VIEW PARCEL LAND USE

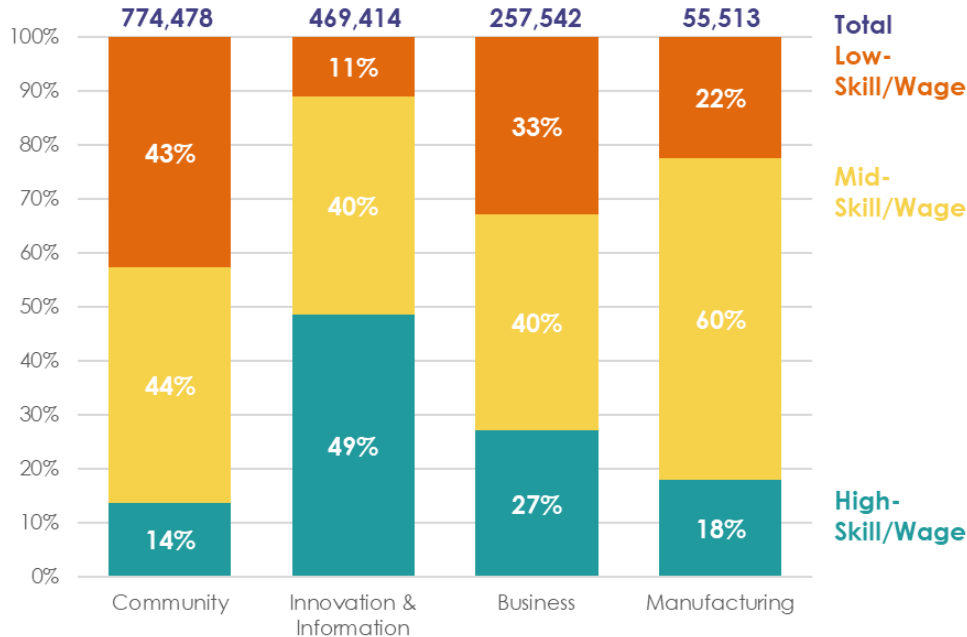
Land Use	Acres	Percent Makeup
Residential	2679	42%
Park	717	11%
R&D Office	714	11%
Retail	361	6%
Institutional	342	5%
Office	296	5%
Agriculture, Conservation	246	4%
Educational	216	3%
Industrial	158	2%
Transportation	80	1%
Recreation	67	1%
Hospital	54	1%
Vacant	30	0.5%
Hotel	27	0.4%
Unclassified	405	6%

Source: Mountain View Open GIS Portal, 2019; CAI, 2023.

- Residential areas make up majority of Mountain View's land use (42%), followed by parks (11%)
- Research and development offices and other office spaces combined account for 16% of the city's land use in 2019
- 6% of the city's land is occupied by retail use with hotels only making up 0.4% of land use
- Vacant spaces account for only 0.5% of the city's land use

Q. What are the key businesses & industries in Mountain View?

EXHIBIT 49. SECTOR EMPLOYMENT BY SKILL AND WAGE, SILICON VALLEY, 2021

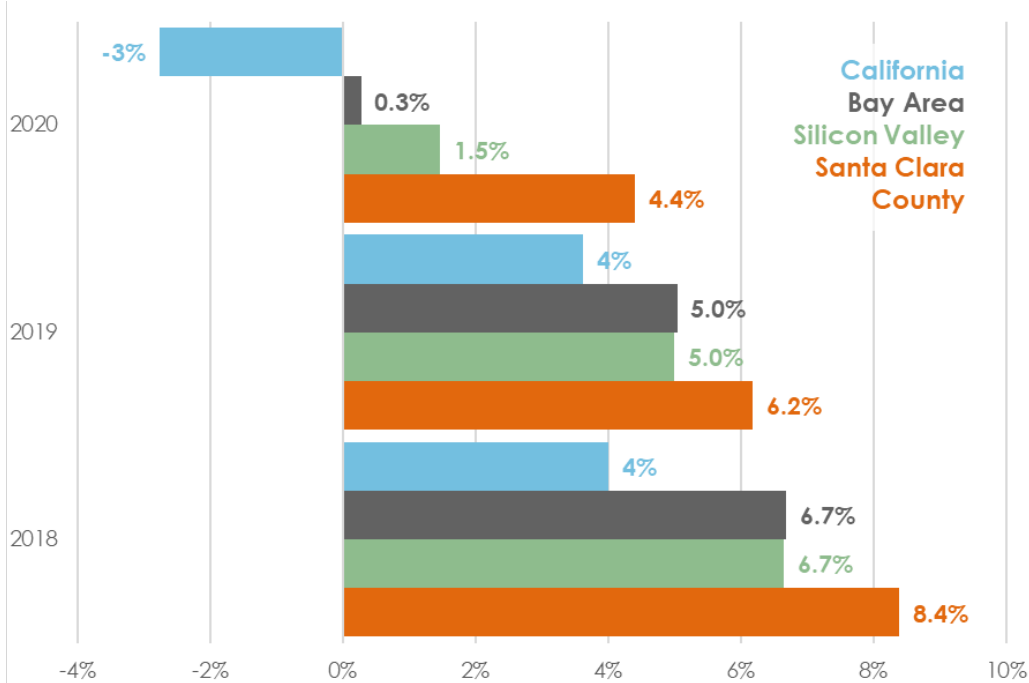


Source: Silicon Valley Indicators, 2022; CAI, 2022.

- Innovation and Information has the highest share of high-skill and high-wage jobs, with about 50%. It is the second largest sector in Silicon Valley.
- Community Infrastructure and Services includes occupations in healthcare, social services, retail, education, government, and utilities. It represents the most jobs with about 775,000. It has the lowest share of high-skill and high-wage jobs and a high share of low- and mid-skill and -wage employees.

Q. What has shifted due to the COVID-19 Pandemic?

EXHIBIT 50. PERCENT CHANGE IN GDP FROM PREVIOUS YEAR, SANTA CLARA & REGION, 2017 TO 2020

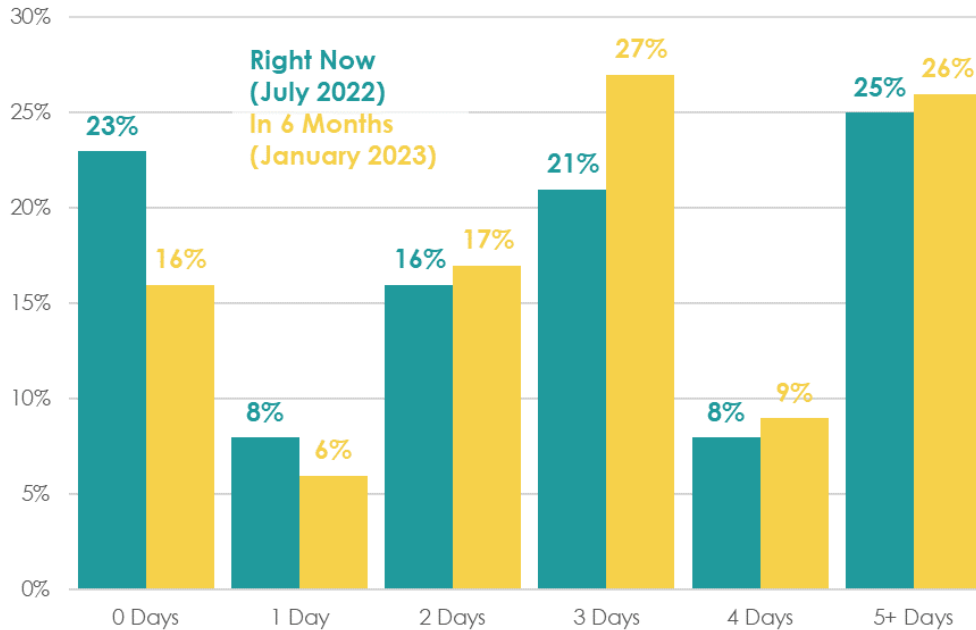


Source: U.S. Bureau of Economic Analysis, 2020; CAI, 2022.

- Santa Clara County appears to be a resilient local economy within the region. While California's GDP decreased from 2019 to 2020 by 3%, Santa Clara County's increased by 4.4% during the pandemic, outpacing both State and region.
- *Note: Exhibit 50 includes early pandemic data to show the change the pandemic had on the previous year's GDP.*

Q. What has shifted due to the COVID-19 Pandemic?

EXHIBIT 51 IN SIX MONTHS, WHAT IS YOUR BEST ESTIMATE AT THE FREQUENCY YOUR BAY AREA WORKFORCE COMES TO THE WORKPLACE EACH WEEK?

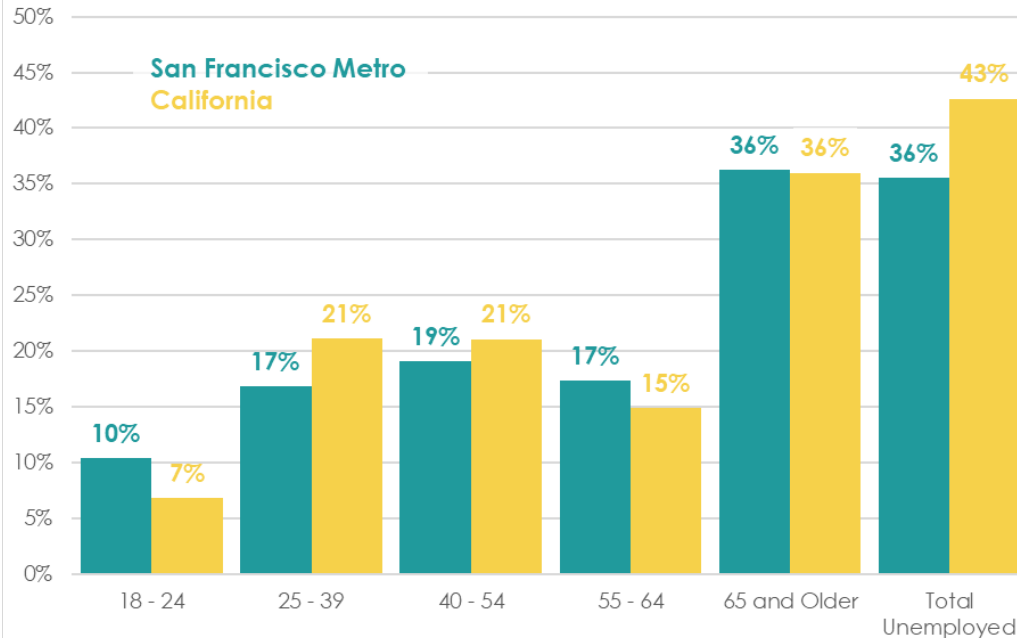


Source: Bay Area Council, 2022; CAI, 2022.

- One-quarter of respondents have returned to full-time in-person work. They predict a small increase in the number of in-person days, but full-time in-person work will remain around 26% by January 2022.
- Of those who are currently using a hybrid approach to work, workers generally come in one day a week or two-to-three days a week.

Q. What has shifted due to the COVID-19 Pandemic?

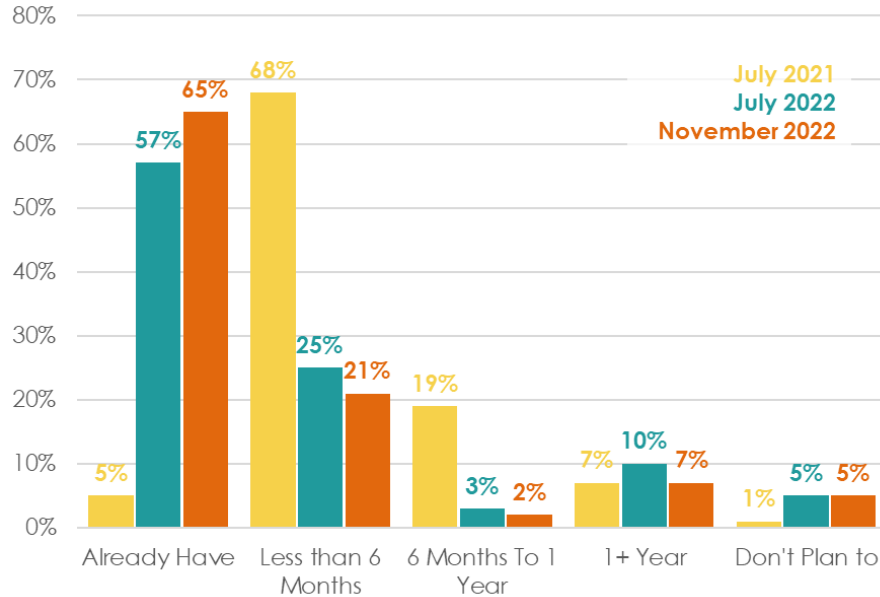
EXHIBIT 52. SHARE OF POPULATION UNEMPLOYED IN LAST 7 DAYS, JULY 2022



Source: U.S. Census Bureau Household Pulse Survey, 2022; CAI, 2022.

- About one-third of San Francisco's metro workforce (those 18 and older) were unemployed as of July 2022. This is slightly less than the state.
- Unemployed residents are more likely to be elderly.
- *Note: The Census Bureau launched a pandemic survey designed to understand the economic, health, housing, and educational impacts at the state level and for the nation's top metro areas. This data is available for San Francisco metro area and the state of California as a whole.*

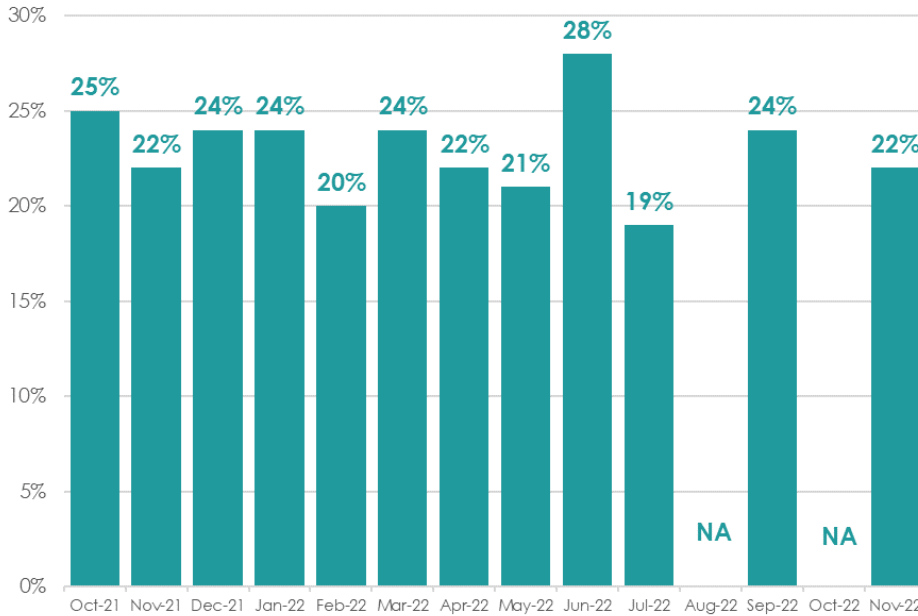
EXHIBIT 53. FROM TODAY, WHEN DO YOU THINK YOUR NEW LONG-TERM “NORMAL” WILL BE FULLY IMPLEMENTED IN YOUR ORGANIZATION?



Source: Bay Area Council, 2022; CAI, 2022.

- More than half of respondents report they have found their “new normal,” a significant increase in organizations who believe office conditions have stabilized at this point in the pandemic (Compared to 5% in July 2021).
- *Note: “New normal” refers to general organization operations and is not a transit-specific question. It is included as a question in a Bay Area Council Employer Network “Return to Transit” poll deployed since April 2021. Respondents include public, private and non-profit organizations from every county in the Bay Area. The most recent results are shown from July 2022.*

EXHIBIT 54. WHAT IS YOUR BEST GUESS AT THE PERCENT OF YOUR BAY AREA WORKFORCE THAT WILL BE FULLY REMOTE POST-PANDEMIC?

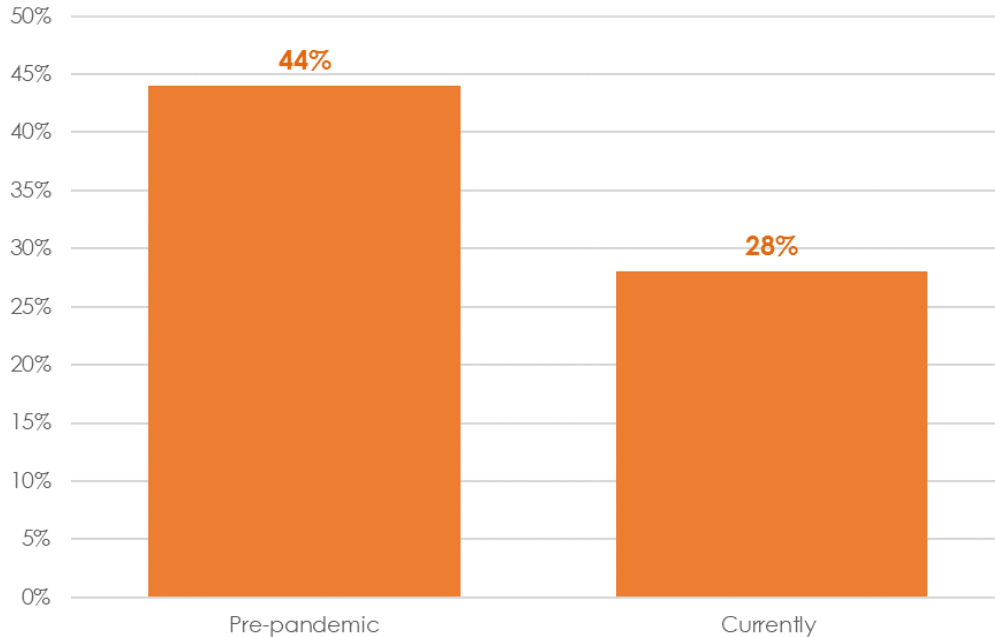


Source: Bay Area Council, 2022; CAI, 2022.

- Since October 2021, respondents have expected 20-30% of their workforce to remain fully remote post-pandemic, but this assessment fluctuates. In June, respondents gave the highest expectation for a fully remote workforce at 28%. The following month that dipped to the lowest rate at 19%.

Q. What has shifted due to the COVID-19 Pandemic?

EXHIBIT 55. WHAT IS YOUR BEST GUESS AT THE PERCENTAGE OF YOUR COMPANY'S BAY AREA EMPLOYEES WHO TOOK TRANSIT TO WORK BEFORE THE PANDEMIC AND CURRENTLY?

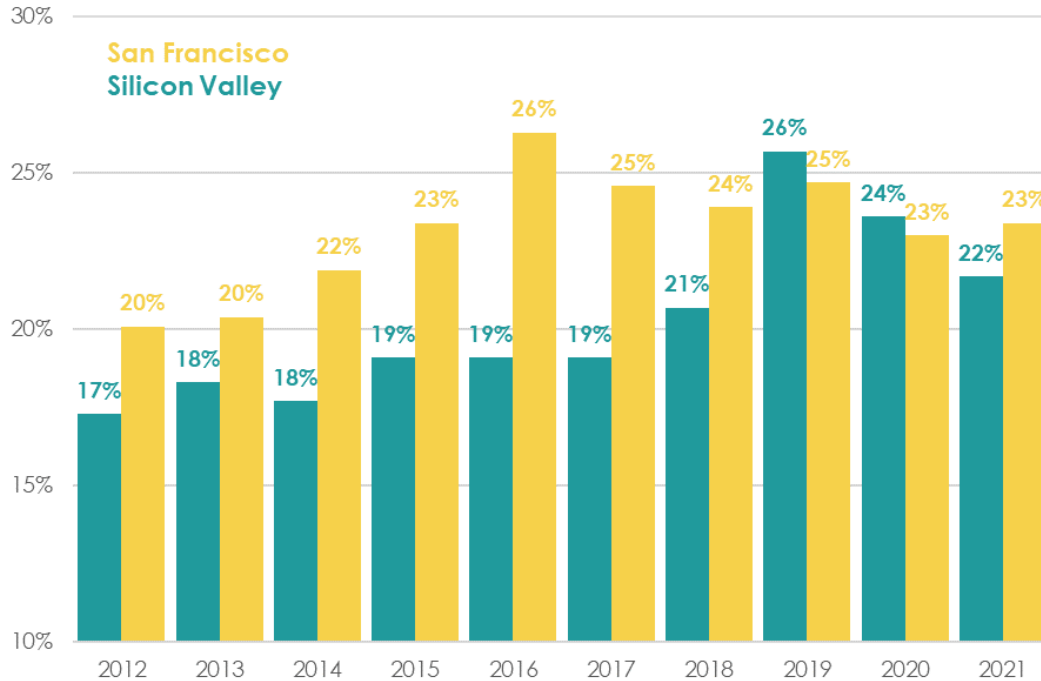


Source: Bay Area Council, 2022; CAI, 2022.

- Transit usership by commuters significantly decreased over the course of the pandemic and has yet to return to the pre-pandemic norm. Nearly half of all commuters took transit pre-pandemic, while under one-third were using transit as of June 2022.
- This may represent increases in remote work or signify a hesitancy to return to transit for those workers who do commute to an office space.

Q. How do diverse businesses play a role in Mountain View?

EXHIBIT 56. SHARE OF STARTUPS FOUNDED BY WOMEN, SAN FRANCISCO & SILICON VALLEY, 2021

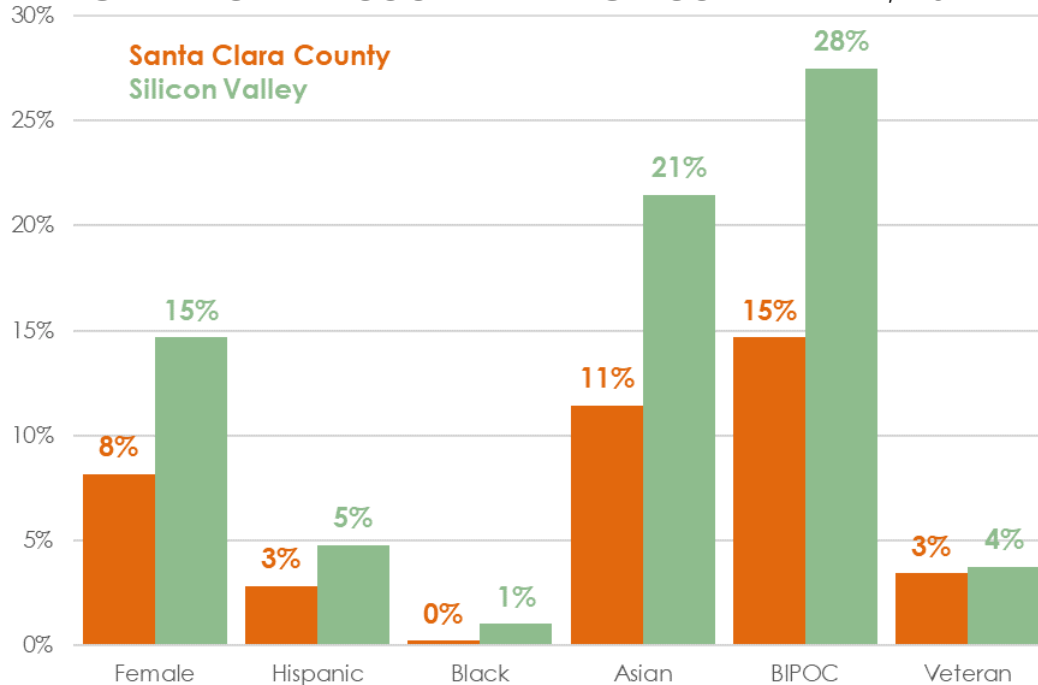


Source: Silicon Valley Indicators, 2022; CAI, 2022.

- Over the last ten years, around one-quarter of all startups in Silicon Valley were founded by women. The share of women-founded startups has historically been lower than San Francisco, and it declined in both locations since 2019.
- This may represent an opportunity to activate more women to advance business activity in Mountain View and supporting a diverse array of businesses and business owners is an emerging theme throughout stakeholder engagement to-date.

Q. How do diverse businesses play a role in Mountain View?

EXHIBIT 57. BUSINESS OWNER CHARACTERISTICS, SANTA CLARA COUNTY AND SILICON VALLEY, 2017



Source: U.S. Census American Business Survey, 2017; CAI, 2022.

- Santa Clara County's business community is not as racially diverse as Silicon Valley's as a whole, with fewer women owned businesses as well. About half as many business owners are women or BIPOC in Santa Clara as in Silicon Valley.
- This may represent an opportunity to generate business activity in Mountain View by providing more support for a diverse business community.
- *Note: Exhibit 57 shows the breakdown of business owners from a select set of demographic characteristics. The latest data is from 2017 and serves as a general benchmark rather than as a current snapshot.*