Institute for Youth in Policy

5214F Diamond Heights Blvd #3055
San Francisco, CA 94109
+1 (715) 469-6884
fellowship@yipinstitute.org
www.yipinstitute.org/fellowship/

Fellowship Capstone | Policy Brief

"Permission to Pay?" An Analysis on Permit Law in New York City

Jaylen Adams

I. Executive summary

In New York City, vendors who sell goods or services in public spaces must obtain permits and licenses from various city agencies. Over the past few decades, however, the system has become overwhelmed — bogged down by a backlog of applications, bureaucratic delays, and the rise of resellers who acquire permits only to sell them at inflated prices. This policy brief will examine how the permit system reached this point, the consequences of its dysfunction, and what policy solutions can be implemented [1].

II. Overview

"Permit bureaucracy" will refer throughout this paper to the ways in which bureaucratic red tape harms New York City's vendor industry, whether vendors are selling food, goods, or services. There are over 23,000 street vendors in New York City, many of whom are low-income individuals and people of color [1]. Yet the city caps food-vending permits at just 5,100. This mismatch has created a thriving black-market "lease" system, where permits are resold for as much as $15,000 to $25,000 [2]. The result is a system that drains vendor earnings, reinforces racial inequality, and leaves many in legal limbo. This paper explores the roots and consequences of this permit bureaucracy, and considers reforms such as permit insurance and legalizing current leaseholders as pathways toward greater economic opportunity and equity [1,2].

A. Relevance

New York City is known for many things, but few are as iconic as its thousands of street vendors. From chicken over rice to knockoff sunglasses, the streets are alive not with the sound of music, but with the sound of haggling and sizzling grills [3]. This is not a new phenomenon. Street vendors have long been woven into both the cultural fabric and economic engine of New York City. Back in the 1700s, vendors sold oysters harvested from the New York Harbor off wooden push cards [3]. By the 1840s, waves of Irish and German immigrants brought their own culinary traditions to the curb, selling sausages, potatoes, and other foods from home. A few decades later, Eastern European and Jewish immigrants added pickles, pastrimi, and the now-iconic bagel with a schmear to the city's vending scene [3]. From Bloomingdale's to Goldman Sachs, some of the city's most powerful names in business got their start selling goods from pushcarts [3]. Today, vendors in the city come from over 80 different countries [4]. According to a 2015 report, street vendors contribute up to $71.2 million in taxes, generate

$300 million for the city's economy, and support an additional $200 million in wages [2].

III. History

A. Current Stances

It wasn't until after the Second World War that a new wave of New York street vendors began arriving from places like Puerto Rico and the Dominican Republic, particularly between the 1940s and 1960s [4]. Around the same time, former Mayor LaGuardia launched a war on pushcarts [5]. He claimed vendors were often unlicensed and clogged the streets. In an effort to move vendors off the sidewalks and into indoor spaces, Mayor LaGuardia built the Essex Street Market. It was meant to be a part of a broader network of city-owned public markets, with rent set at $4.25 per stall per week [6]. While the market still exists today, it ultimately failed to curb the growing number of street vendors [6].

During this time, Mayor LaGuardia also introduced the city's street vendor licensing system, requiring vendors to register in order to legally sell their products. By 1945, the number of vending licenses was capped at 1,200 [5]. Mobile food vendors faced even stricter requirements; they needed both a license and a permit from the Department of Health and Mental Hygiene [5].

These regulations, along with their caps, remained largely unchanged until the 1960s, when Mayor Ed Koch's administration revisited them. He raised the cap for food vending permits to 3,000 but limited the number of general merchandise vendor licenses to just 854 [5]. In 1983, the city increased the mobile food vendor permit cap to 5,100 [5]. Both of these caps still stand today. The waitlist for general merchandise vending licenses has swelled to over 12,000 applicants, and the Department of Consumer and Worker Protection, the agency responsible for processing applications, has kept the waitlist closed since 2006 [5]. To address the shortage, Mayor de Blasio and the City Council passed legislation in 2021 to issue 4,000 new "supervisory licenses" for food vendors over a ten-year period [5]. None have been distributed. Currently, about 2,900 vendors are still waiting on the waitlist [5].

Due to high demand and limited availability, a black market for street vending permits has emerged. While the official cost of a permit is only a few hundred dollars in administrative fees, many individuals obtain them solely to lease them out [2]. It's estimated that 70–80% of permit-holders do not sell themselves but instead rent their permits to others [2]. On the black market, vendors typically pay between $6,000 and $8,000 to rent a permit, though some pay as much as $25,000. To cover these costs, many vendors take on significant debt, often turning to informal or predatory lenders. This leaves them especially vulnerable, given that their annual earnings average just $30,000 [2].

IV. Policy Problem

A. Stakeholders

The primary stakeholders are vendors themselves, especially those who are not permitted [4]. It is worth mentioning the demographic of these vendors, however. According to the Street Vendor Project, a membership-based advocacy organization, an estimated “25 percent are Mexican, 20 percent Ecuadorian, 15 percent Senegalese, 14 percent Egyptian, 6 percent Bangladeshi, 3 percent Chinese, and 5 percent are U.S.-born war veterans” [4]. Many of these vendors have families to support. According to a 2024 survey by the Street Vendors of New York, 65% live in households with at least one child. Additionally, 96% rely on vending as their primary source of income [4].

In addition to the street vendors and their families, customers make up a huge group. Vendors operate across the entire city, though there are certain areas where they are heavily concentrated. Manhattan has the largest share of both mobile food vendors (46 percent) and general merchandise vendors (61 percent), followed by Queens, with 33 percent of mobile food vendors and 23 percent of general merchandise vendors [4]. If these vendors were displaced, both boroughs would lose key sources of affordable, accessible food and goods.

B. Current Reforms

There are a few reforms currently underway to address the issue of permit bureaucracy. In 2021, the City Council passed Local Law 18, which aimed to increase the number of food vendor permits by 445 per year starting in 2022 and continuing through 2032 [5]. However, according to the deputy commissioner for environmental health at the Department of Health and Mental Hygiene (DOHMH), only 382 new permits have been issued so far [5].

More recently, the New York City Council heard testimony on a package of bills to further reform the system [7]. One proposal would increase the number of permits by 1,500 each year for five consecutive years, eventually lifting the cap altogether. Another bill (Int. 47) would decriminalize vending offenses, and a third (Int. 408), introduced by Bronx Councilmember Pierina Sanchez, would create a Division of Street Vendor Assistance within the Department of Small Business Services [7].

Officials from the Department of Consumer and Worker Protection (DCWP), the Department of Sanitation (DSNY), DOHMH, and the Department of Small Business Services (SBS) weighed in on the proposed changes. While there was some support for expanding access to permits, agency officials generally saw the idea of fully lifting the cap as unworkable [7].

C. Nonpartisan Reasoning

Permit bureaucracy affects not only individual vendors, but the entire city. For this reason, we must evaluate it beyond partisan debates. When we do, the benefits of reforming the current permit system become clear, including but not limited to the following:

1) **Increasing Revenue for the City:** By expanding the number of legally issued permits and eliminating black-market leasing, the City can capture additional revenue that currently goes uncollected. More vendors operating legally means increased permit fees and associated taxes. A report by the Independent Budget

Institute for Youth in Policy

Office claims $17 million can be gained by licensing the 20,000 people on the waitlist [8].

2) **Reducing Illegal Activity:** Removing the permit cap and regularizing lease agreements will directly undercut the black market for permits. This reduces illegal subleasing, exploitation of vendors, and associated enforcement challenges, leading to a fairer and more transparent marketplace. In 2004, the New York City Police Department issued over 10,000 tickets and confiscated over 800,000 pounds of food from street vendors [9].

3) **Improving Public Health Oversight:** Enhanced tracking and enforcement of permit regulations will ensure vendors comply with health and safety standards. This not only protects consumers but also supports vendors by providing clearer guidelines and access to resources like sanitation facilities. A 2016 report by the New York City Health Department found that clearer oversight led to improved food safety practices [10].

V. Policy Options

Eliminate the Permit Cap to Dismantle the Black-Market System

The current cap on food vendor permits fuels a shadow economy in which permits are subleased for thousands of dollars, far beyond their original administrative fee. By fully removing the cap, the City can eliminate this exploitative system and ensure permits are accessible to those actually doing the work. This would also remove intermediaries who profit off the labor of immigrant and low-income vendors [2].

Accelerate the Rollout of Permits Under Local Law 18

Although Local Law 18 (2021) mandates the phased issuance of 4,445 new supervisory licenses over ten years, the current pace is lagging. Only 382 new permits have been distributed as of 2024. The City should significantly increase administrative capacity and streamline application processing to meet — or exceed — these targets. This will help meet rising demand while reducing reliance on illicit leasing arrangements [5].

Regularize Existing Subleases or Provide Subsidized Buyouts

Thousands of vendors are operating with subleased or informal permits, often with little legal protection. The City should explore a pathway to regularize these arrangements, perhaps by recognizing long-term subtenants as the de facto permit holders. Alternatively, a subsidized buyout program could incentivize current permit holders to relinquish leases and formally transfer them to actual vendors [2].

Enhance Oversight and Enforcement Mechanisms

Without proper enforcement, rule-breaking by a few bad actors undermines public trust in the vending system. The City should invest in digital permit tracking, strengthen street inspections, and ensure that time/place/manner rules are applied equitably across boroughs. This oversight must not criminalize vendors but rather clarify and enforce fair standards [10].

Expand Support Services for Vendors

Many vendors face language barriers, limited knowledge of business practices, and lack of access to basic needs while on the job. The City should fund and expand vendor support services, including multilingual training programs, legal aid clinics, small business coaching, and access to public restrooms and sanitation facilities. These investments would improve compliance, safety, and public health — benefiting both vendors and the communities they serve [4].

VI. Conclusions

In this paper, I have examined various challenges surrounding New York City's street vendor permit system, focusing on the issues created by permit caps and black-market leasing. Among the potential policy solutions, the most actionable and impactful is the complete elimination of the permit cap, which would directly address the root causes of the black-market economy [2].

That said, ensuring fair and accessible permit distribution requires careful attention to administrative capacity, enforcement, and vendor support services. While overcoming these bureaucratic barriers will take time and coordinated effort, it is achievable through thoughtful policy design, strengthened oversight, and investments in vendor resources.

I believe these challenges can be resolved if approached pragmatically, with a commitment to systematic implementation of these reforms.

Acknowledgment

The Institute for Youth in Policy wishes to acknowledge Mason Carlisle, Lilly Kurtz, Asher Cohen, Paul Kramer. and other contributors for developing and maintaining the Fellowship Program within the Institute.

References

[1] Auerbach, J. (2025). Estimating the number of street vendors in New York City (arXiv:2406.00527). arXiv. https://arxiv.org/abs/2406.00527
[2] Institute for Justice. (2015, October). Groundbreaking report highlights economic impact of New York City vendors. https://ij.org/press-release/groundbreaking-report-highlights-economic-impact-of-new-york-city-vendors
[3] Chatterjee, D. (2023, December 5). The Future of New York's street vendors - mold :: Designing the future of food. MOLD. https://thisismold.com/series/street-vendors/the-future-of-new-yorks-street-vendors
[4] Initiative, I. R., & Kallick, D. D. (2024, October 17). Street vendors of New York - Immigration Research initiative. https://immresearch.org/publications/street-vendors-of-new-york/
[5] Parra, D. (2025a, March 24). NYC issued over 10,000 street vendor tickets, confiscated

tons of food in 2024. City Limits. https://citylimits.org/nyc-issued-over-10000-street-vendor-tickets-confiscated-tons-of-food-in-2024/

[6] Wolff, A. (2023, November 22). Essex market. City Lore. https://citylore.org/places/essex-market/

[7] Parra, D. (2025c, May 12). NYC officials back more street vendor permits, but resist lifting longtime cap. City Limits. https://citylimits.org/nyc-officials-back-more-street-vendor-permits-but-resist-lifting-longtime-cap/

[8] Duggan, K. (2024, January 12). Lifting street vendor permit Cap could raise $17M: Watchdog. Streetsblog New York City. https://nyc.streetsblog.org/2024/01/10/lifting-street-vendor-permit-cap-could-raise-17-million-watchdog-says

[9] Parra, D. (2025b, March 24). NYC issued over 10,000 street vendor tickets, confiscated tons of food in 2024. City Limits. https://citylimits.org/nyc-issued-over-10000-street-vendor-tickets-confiscated-tons-of-food-in-2024/

[10] Wong, M., McKelvey, W., Ito, K., Schiff, C., Jacobson, J., & Kass, D. (2015). Impact of a letter-grade program on restaurant sanitary conditions and diner behavior in New York City. American Journal of Public Health, 105(1), e1–e7. https://doi.org/10.2105/AJPH.2014.302404