



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Councilmember Peter Ortiz

SUBJECT: SEE BELOW

DATE: August 14, 2025

Approved:

Date: August 14, 2025

SUBJECT: Vacant Storefront Incentive: Explore a Fee Waiver Program for New and Expanding Small Businesses in Urban Villages and Areas of Growth.

RECOMMENDATION

Direct the City Manager to explore an ordinance that amends the Business and Tax Regulations Code to develop a year-long pilot fee waiver program for specific first-year permit, license, and business registration fees for qualifying small businesses that are newly formed or opening a new location in urban villages and areas of growth within the city.

BACKGROUND

Small businesses are the backbone of San Jose's economy, which is crucial in fostering neighborhood vitality, generating local jobs, and preserving community identity. Yet, new and expanding small businesses often face substantial startup costs, particularly in permit, license, and registration fees. These costs can be a significant barrier, especially in areas targeted for growth, where the city seeks to stimulate investment and accelerate economic activity.

San Francisco recently enacted an ordinance to retroactively waive first-year permit, license, and business registration fees for qualifying small newly-formed businesses or opening a new location. That program, in effect from July 1, 2023, to June 30, 2024, aimed to reduce cost barriers for entrepreneurs, stimulate economic recovery, and revitalize commercial corridors most in need of investment.

A similar approach tailored to San Jose's planning priorities, specifically within urban villages and other designated growth areas, would provide a meaningful economic boost, align with the City's long-term land use strategy, and foster equitable development.