



Agenda Item

Orange City Council

Item #: 3.6.

1/13/2026

File #: 25-0672

TO: Honorable Mayor and Members of the City Council

THRU: Jarad Hildenbrand, City Manager

FROM: Russell Bunim, Community Development Director

1. SUBJECT

Agreement with the State of California Department of Justice to participate in and receive funding from the Tobacco Grant Program from November 21, 2025, through June 30, 2029. Resolution No. 11652.

2. SUMMARY

The City has been awarded \$301,440 from the State of California Tobacco Grant Program to support code enforcement programs that enforce State and local laws related to the illegal sales and marketing of tobacco and tobacco products, including e-cigarettes, to minors.

3. RECOMMENDED ACTION

1. Approve agreement with the State of California Department of Justice to participate in and receive funding in the amount of \$301,440 for the Tobacco Grant Program and authorize the City Manager to execute on behalf of the City.
2. Adopt Resolution No. 11652. A Resolution of the City Council of the City of Orange accepting funds in the amount of \$301,440 from the State of California Department of Justice, Office of Attorney General, Tobacco Grant Program, and authorizing the City Manager or Community Development Director to execute the grant program Memorandum of Understanding and related documents.
3. Authorize the appropriation of \$70,253 in grant funds from the State of California Department of Justice into revenue account number 499-6301-43201 - Tobacco Grant.
4. Authorize the appropriation of \$70,253 into the following expenditure accounts.
 - a. 499-6301-51002 Regular Salaries - Tobacco Grant \$41,501
 - b. 499-6301-51004 Overtime - Tobacco Grant \$19,799
 - c. 499-6301-57101 Travel and Conference - Tobacco Grant \$5,608
 - d. 499-6301-53101 General Office Supplies, and Equipment - Tobacco Grant \$3,345

4. FISCAL IMPACT

The California Department of Justice Tobacco Grant will fully fund the Code Enforcement Program from November 21, 2025, through June 30, 2029. Expenditures for this project are summarized in the table below. Funding from the California Department of Justice will completely offset these costs, resulting in no net fiscal impact to the General Fund. Ongoing funding for this project as well as annual appropriations will be incorporated as part of the annual budget development process in future fiscal years.

Description	FY 2025-2026	FY 2026-2027	FY 2027-2028	FY 2028-2029	Total
Regular Salaries	\$41,501	\$62,252	\$62,252	\$20,751	\$186,756
Overtime	\$19,799	\$29,698	\$29,698	\$9,900	\$89,095
Travel and Conference	\$5,608	\$2,412	\$2,412	\$804	\$11,236
General Office Supplies, Equipment and Administrative Oversight	\$3,345	\$4,718	\$4,718	\$1,572	\$14,353
Total Project Costs	\$70,253	\$99,080	\$99,080	\$33,027	\$301,440

5. STRATEGIC PLAN GOALS

Goal 1: Maintain Strong Emergency and Safety Services

6. DISCUSSION AND BACKGROUND

The Community Development Department's Code Enforcement Division has been awarded funding from the State of California Tobacco Grant Program. This grant was established under the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (voter-approved Proposition 56) and is administered by the California Department of Justice (DOJ). It supports local law enforcement agencies, including code enforcement, in reducing the availability of unlawful smoking devices and tobacco products, and most importantly, in preventing illegal sales to minors.

Following the City's submission of a proposal to the Tobacco Grant Program, the DOJ awarded \$301,440 for a four-year grant term, beginning upon City Council approval and concluding on June 30, 2029. Acceptance of the proposed grant funds will provide salary reimbursements for Code Enforcement Officers assigned to operations including Tobacco Retailer Inspections, Minor Decoy Operations, Undercover Buys, and Retailer Education and Training. The grant will also support operating expenses such as fuel, investigative funds, and equipment, including surveillance technology capable of live monitoring, recording, and secure storage of audio and video evidence, as well as other administrative costs.

Background

On June 24, 2025, the City Council adopted Ordinance No. 12-25, requiring all tobacco retailers to register with the City, comply with established regulations, and obtain a specialized permit to

operate. Effective July 25, 2025, all businesses selling or intending to sell tobacco and/or tobacco products whether as primary or ancillary merchandise were required to apply for a Tobacco Retailer Permit (TRP) by September 25, 2025. Code Enforcement received approximately 100 applications and has initiated inspections to ensure compliance with City tobacco control laws prior to permit issuance.

A portion of the application fees collected through the TRP program supports a limited number of enforcement operations, as well as training and retailer education related to tobacco product sales. To ensure the long-term effectiveness of the City's tobacco enforcement program, which focuses on preventing sales to underage individuals, prohibiting flavored tobacco products, and eliminating unpermitted retail activity, additional funding is required.

Code Enforcement will serve as the lead division for all field operations, with legal and logistical support provided by the City Attorney's Office and the Orange Police Department as needed. This coordinated effort will focus on high-risk retailers throughout the city, particularly those located near schools and other youth-sensitive facilities, to reduce public health risks associated with unlawful tobacco access by minors and to ensure consistent enforcement of local and State laws.

The allocation of the Tobacco Grant Program will ensure adequate funding covering personnel costs, operating expenses and equipment related to tobacco enforcement operations through June 30, 2029.

7. ATTACHMENTS

- Resolution No. 11652
- Tobacco Grant Program Memorandum of Understanding