

File No. 101096

Committee Item No. 6

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date September 27, 2010

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Resolution                                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance                                    |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget Analyst Report                        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Analyst Report                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form (for hearings)             |
| <input type="checkbox"/>            | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER

(Use back side if additional space is needed)

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Small Business Commission Response, dtd 8/25/10</u> |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____  |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____  |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____  |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____  |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____  |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____  |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____  |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____  |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____  |

Completed by: Alisa Somera Date September 24, 2010

Completed by: \_\_\_\_\_ Date \_\_\_\_\_

An asterisked item represents the cover sheet to a document that exceeds 25 pages.  
The complete document can be found in the file.

1 [Setting Nutritional Standards for Restaurant Food Sold Accompanied by Toys or Other Youth  
2 Focused Incentive Items]

3 **Ordinance amending Article 8 of the San Francisco Health Code by adding Sections**  
4 **471.1 through 471.8, to set nutritional standards for restaurant food sold accompanied**  
5 **by toys or other youth focused incentive items.**

6 NOTE: Additions are *single-underline italics Times New Roman*;  
7 deletions are *strike-through italics Times New Roman*.  
8 Board amendment additions are double-underlined;  
9 Board amendment deletions are ~~strikethrough-normal~~.

9 Be it ordained by the People of the City and County of San Francisco:

10 Section 1. The San Francisco Health Code is hereby amended by adding  
11 Sections 471.1 through 471.8, to read as follows:

12 **SEC. 471.1. FINDINGS.**

13 1. In the last thirty-five years, obesity has grown into a public health problem of epidemic  
14 proportions. Seventy-three million Americans are obese according to a 2010 report issued by the  
15 CDC-- an increase of 2.4 million from 2007. At least 17 percent of American children ages 2-19 years  
16 are now considered overweight or obese. An additional 17 percent are identifiably at risk of becoming  
17 overweight. Since the 1970s, obesity rates have doubled among preschool children ages 2-5 years and  
18 adolescents aged 12-19 years, and more than tripled among children aged 6-11 years.

19 2. According to the 2007 California Health Interview Survey (CHIS), 15 percent of adolescents  
20 in the greater Bay Area between 12 and 17 years of age are overweight or obese for their age, and  
21 8 percent of children under age 12 are overweight for their age. In 2004, nearly one-fourth of San  
22 Francisco children in grades 5, 7, and 9 were overweight. By 2008, approximately 29 percent of 5th  
23 graders, 26 percent of 7th graders, and 25 percent of 9th graders in San Francisco had weights above  
24 the healthy fitness zone range of the California Department of Education fitness gram assessment.

25  
Supervisors Mar, Campos, Chiu  
BOARD OF SUPERVISORS

1           3. Obesity, overweight, and unhealthy eating habits pose a serious risk to the health and  
2 welfare of San Francisco's children and adolescents. Children and adolescents who are obese or  
3 overweight have an increased risk of being obese or overweight as adults, with 75 percent of children  
4 who are overweight expected to be overweight as adults.

5           4. Childhood obesity also increases children's chances of experiencing chronic health problems  
6 later in life. During childhood and adolescence, obese and overweight individuals are already more  
7 likely than their peers to exhibit risk factors for heart disease (including elevated cholesterol levels,  
8 triglyceride levels, and blood pressure), risk factors for cancer, and impaired glucose tolerance, a  
9 precursor for development of Type 2 diabetes. In recent years, Type 2 diabetes in children and  
10 adolescents has risen dramatically in conjunction with increases in obesity and overweight.

11           5. The Institute of Medicine has found that the prevalence of obesity among children is so great  
12 that it may reduce the life expectancy of the current generation of children and diminish the overall  
13 quality of their lives.

14           6. Childhood obesity and overweight also have serious economic costs. Nationally, the annual  
15 costs of providing inpatient treatment to children diagnosed with obesity increased from \$125.9 million  
16 in 2001 to \$237.6 million in 2005. In addition to inpatient treatment, an estimated \$14.1 billion is  
17 spent nationally on prescription drug, emergency room, and outpatient visit expenses each year as a  
18 result of childhood obesity and overweight. About 7 percent of San Francisco Public Health  
19 Department's unreimbursed medical payments are attributable to obesity among San Franciscans. As  
20 children and adolescents in San Francisco become adults, their high rates of obesity and overweight  
21 are likely to contribute to the already high economic costs of healthcare and loss of productivity  
22 associated with adult obesity in San Francisco.

23           7. San Francisco has invested considerable resources to combat childhood obesity, offering a  
24 wide range of community programs. Shape Up San Francisco, a multidisciplinary government  
25 coalition, provides an annual Walking Challenge, a Safe Routes to School program to encourage

1 children to walk or bike to school, and the Rethink Your Drink marketing campaign to discourage soda  
2 consumption. The San Francisco WIC program also has a Healthy Eating, Active Living campaign to  
3 increase WIC families' access to fresh, healthy food. Despite these measures, childhood obesity rates  
4 continue to rise and concern San Franciscans.

5 8. San Francisco parents identify childhood obesity as a significant concern for their families.  
6 A 2003 survey by the Kaiser Family Foundation found that nearly all Bay Area adults said that being  
7 overweight or obese was a significant problem currently faced by children and teens, with 69 percent of  
8 adults describing it as major problem. In 2006, 21 percent of Bay Area parents in the Bay Area Parent  
9 Poll reported being somewhat or very concerned about their child's weight. The 2007 Bay Area Parent  
10 Poll showed that 26 percent of parents picked weight as their primary concern for their children– the  
11 second highest primary concern, after stress.

12 9. San Francisco families want their children to have access to healthy, nutritional food and to  
13 make healthy choices from the food available. The 2003 survey by the Kaiser Foundation found that  
14 approximately 70 percent of Bay Area parents consider nutritional value to be very important when  
15 buying food for their household. In addition, the survey showed that 42 percent of Bay Area adults felt  
16 that the food industry has a significant responsibility in addressing obesity.

17 10. San Francisco families also face limited time to obtain and prepare nutritional food,  
18 making dining out an appealing and often necessary option. The 2003 Kaiser Foundation study  
19 showed that 40 percent of Bay Area parents said that their child ate at least one fast food meal or snack  
20 on a typical day. More San Franciscans are eating out at least several times a week, with 14 percent of  
21 Bay Area parents reporting that their child did not eat dinner cooked at home on most nights in 2003.  
22 Fifty-seven percent of Bay Area parents said their child eats out at a restaurant at least once a week,  
23 and 14 percent of Bay Area parents said their child eats out at a restaurant between two and seven  
24 days a week.

1           11. The food that children and adolescents consume at restaurants has a significant impact on  
2 their risk of developing obesity, overweight, or other related health risks. Studies have shown a  
3 positive association between eating out and higher caloric intakes and higher body weights. Research  
4 shows that consumption of fast food, sugar-sweetened beverages, and other restaurant offerings by  
5 children and adolescents is frequently associated with overeating, poor nutrition, and weight gain.  
6 About one-third of the calories in an average American's diet come from restaurant or other away-  
7 from-home foods. Children eat almost twice as many calories (770) when they eat a meal at a  
8 restaurant as they do when they eat at home (420).

9           12. The Institute on Medicine and the U.S. Department of Health and Human Services, among  
10 other public health agencies, have developed guidelines and recommendations on healthy nutritional  
11 standards for children's meals. The food and beverages that restaurants typically serve to children and  
12 adolescents often fail to meet these accepted nutritional recommendations.

13           13. Restaurant foods are generally higher in those nutrients for which over-consumption is a  
14 problem, such as fat and saturated fat, and lower in nutrients required for good health, such as calcium  
15 and fiber. An analysis of nutrient quality of children's meals served by restaurant chains found that  
16 only 3 percent met USDA criteria for meals served under the National School Lunch Program.  
17 Children who ate restaurant food compared with those who did not consumed more total fat, more total  
18 carbohydrates, more sugar-sweetened beverages, less fiber, less milk, and fewer fruits and non-starchy  
19 vegetables.

20           14. Children's menus at the largest chain restaurants are dominated by burgers, chicken  
21 nuggets, macaroni and cheese, French fries, and soft drinks. The most common entree on children's  
22 menus is fried chicken in some form, available at 89 percent of the largest chain restaurants.

23           15. Portion sizes are often large at restaurants and people tend to eat greater quantities of food  
24 when they are served more, whether or not they are hungry.

1           16. Restaurants encourage children and adolescents to choose specific menu items by linking  
2 them with free toys and other incentive items. The Federal Trade Commission (FTC) estimated that the  
3 ten restaurant chains surveyed spent \$360 million in 2006 to acquire toys distributed with children's  
4 meals. The FTC reported that in 2006, fast food restaurants sold more than 1.2 billion meals with toys  
5 to children under 12, accounting for 20 percent of all child traffic.

6           17. Research analyzing children's meals at major restaurant chains found that many exceed the  
7 recommended caloric limits for children. And almost every high-calorie meal in the study came with  
8 toys.

9           18. Toys, games, trading cards, admission tickets, and other items given out by restaurants tend  
10 to be particularly appealing to children and adolescents. Digital incentives like computer games and  
11 on-line media similarly appeal to youth.

12           19. Research shows that parents frequently make purchases based on requests made by  
13 children, particularly for items that are geared toward children. Additionally, children and  
14 adolescents ages 4-17 years have increasing discretionary income that is frequently spent on restaurant  
15 food.

16           20. The FTC recommends that companies adopt nutrition-based standards for food and  
17 beverages targeted at children. However, as of March 2010, 35 of 45 major national restaurant chains  
18 surveyed had no policies or extremely vague policies on this issue, and the remaining 10 restaurant  
19 chains were found to have key weaknesses in their policies or the nutritional criteria used.

20  
21           **SEC. 471.2. TITLE AND PURPOSE.**

22           This Ordinance shall be known as the "Healthy Food Incentives Ordinance." The intent of this  
23 Ordinance is to improve the health of children and adolescents in San Francisco by setting healthy  
24 nutritional standards for children's meals sold at restaurants accompanied by toys or other incentive  
25 items. These standards will support families seeking healthy eating choices for their children by

1 permitting restaurants to offer toys and other incentive items only in conjunction with foods meeting  
2 specified nutritional criteria. This Ordinance imposes no requirements for the labeling of food or  
3 beverages or disclosure of ingredients.

4  
5 **SEC. 471.3. DEFINITIONS.**

6 (a) "City" means the City and County of San Francisco.

7 (b) "Department" means the Department of Public Health.

8 (c) "Director" means the Director of the Department of Public Health, or his or her designee.

9 (d) "Incentive Item" means (1) any toy, game, trading card, admission ticket or other  
10 consumer product, whether physical or digital, with particular appeal to children and teens but not  
11 including "Single Use Articles" as defined in California Health & Safety Code Section 113914 as of  
12 January 1, 2009, or (2) any coupon, voucher, ticket, token, code, or password redeemable for or  
13 granting digital or other access to an item listed in (d)(1). If the incentive item consists of a food  
14 product, the food product shall be considered as part of the Meal under Section 417.4. for purposes of  
15 determining whether the Meal meets the nutritional standards.

16 (e) "Meal" means any combination of Single Food Items and/or beverages offered together for  
17 a single price.

18 (f) "Restaurant" means an establishment that stores, prepares, packages, serves, vends, or  
19 otherwise prepares food for human consumption at the retail level for consumption on or off the  
20 premises. "Restaurants" include, but are not limited to, establishments: (1) primarily engaged in  
21 providing food services to patrons who order and are served while seated, and pay after eating,  
22 (2) primarily engaged in providing food services where patrons generally order or select items and pay  
23 before eating, or (3) engaged in providing take-out food services where patrons order ready-to-eat food  
24 generally intended for immediate consumption off the premises. Restaurants may also include  
25

1 separately owned food facilities that are located in a grocery store but does not include the grocery  
2 store.

3 (g) "Single Food Item" means the complete contents of any food offered for individual sale by  
4 a Restaurant, not including beverages. Single Food Item may include, but is not limited to, a single  
5 slice of pizza, a burrito, a hamburger, french fries, or a sandwich containing a meat or other protein  
6 filling.

7  
8 **SEC. 471.4. INCENTIVE ITEMS WITH RESTAURANT FOOD.**

9 (a) Single Food Items and Meals. A Restaurant may not provide an Incentive Item linked to  
10 the purchase of a Single Food Item or Meal if the Single Food Item or Meal includes any of the  
11 following:

12 (1) Excessive Calories. More than two hundred (200) calories for a Single Food Item,  
13 or more than six hundred (600) calories for a Meal;

14 (2) Excessive Sodium. More than four hundred and eighty milligrams (480 mg) of  
15 sodium for a Single Food Item, or more than six hundred and forty milligrams (640 mg) of sodium for a  
16 Meal;

17 (3) Excessive Fat. More than thirty-five percent (35%) of total calories from fat, except  
18 for fat contained in nuts, seeds, peanut butter or other nut butters, or an individually served or  
19 packaged egg, or individually served or packaged low-fat or reduced fat cheese; or

20 (4) Excessive Saturated Fat. More than ten percent (10%) of total calories from  
21 saturated fats, except for saturated fat contained in nuts, seeds, peanut butter or other nut butters, an  
22 individually served or packaged egg, or individually served or packaged low-fat or reduced fat cheese;

23 or;

24 (5) Trans Fat. More than 0.5 grams of trans fat.



1           **(b) Meals.** A Restaurant may not provide an Incentive Item linked to the purchase of a Meal  
2 unless the Meal includes the following:

3                   **(1) Fruits and Vegetables.** 0.5 cups or more of fruits and 0.75 cups or more of  
4 vegetables for a Meal.

5                   **(c) Beverages.** A Restaurant may not provide an Incentive Item linked to the purchase of a  
6 Beverage if the Beverage includes any of the following:

7                           **(1) Excessive Fat.** More than thirty-five percent (35%) of total calories from fat;

8                           **(2) Excessive Sugars.** More than ten percent (10%) of calories from added caloric  
9 sweeteners.

10  
11                   **SEC. 471.5. ADMINISTRATIVE PENALTIES AND ENFORCEMENT.**

12                   **(a)** The Director may issue administrative citations for the violation of Section-471.4. San  
13 Francisco Administrative Code Chapter 100, "Procedures Governing the Imposition of Administrative  
14 Fines," is hereby incorporated in its entirety and shall govern the amount of fees and the procedure for  
15 imposition, enforcement, collection, and administrative review of administrative citations issued under  
16 this Section.

17                   **(b)** The Department of Public Health shall inspect restaurants for compliance with Section  
18 471.4 and shall enforce Sections 471.1-471.4. The Director may adopt rules and regulations to give  
19 effect to those sections.

20  
21                   **SEC. 471.6. PREEMPTION.**

22                   In adopting this Chapter, the Board of Supervisors does not intend to regulate or affect the  
23 rights or authority of the State or Federal government to do those things that are required, directed, or  
24 expressly authorized by federal or state law. Further, in adopting this Chapter, the Board of  
25 Supervisors does not intend to prohibit or authorize that which is prohibited by Federal or State law.

1  
2                    SEC. 471.7. CITY UNDERTAKING LIMITED TO PROMOTION OF GENERAL  
3 WELFARE.

4                    In undertaking the adoption and enforcement of this Chapter, the City is assuming an  
5 undertaking only to promote the general welfare. The City does not intend to impose the type of  
6 obligation that would allow a Person to sue for money damages for an injury that the Person claims to  
7 suffer as a result of a City officer or employee taking or failing to take an action with respect to any  
8 matter covered by this Chapter.

9  
10                   SEC. 471.8. SEVERABILITY.

11                   If any of the provisions of this Chapter or the application thereof to any person or circumstance  
12 is held invalid, the remainder of this Chapter, including the application of such part or provisions to  
13 persons or circumstances other than those to which it is held invalid, shall not be affected thereby and  
14 shall continue in full force and effect. To this end, the provisions of this Chapter are severable.

15  
16 APPROVED AS TO FORM:

17 DENNIS J. HERRERA, City Attorney

18  
19 By:

  
\_\_\_\_\_  
ALEETA M. VAN RUNKLE  
Deputy City Attorney

## LEGISLATIVE DIGEST

[Setting Nutritional Standards for Restaurant Food Sold Accompanied by Toys or other Youth Focused Incentive Items.]

**Ordinance amending Article 8 of the San Francisco Ordinance Health Code by adding Sections 471.1 through 471.8, to set nutritional standards for restaurant food sold accompanied by toys or other youth focused incentive items.**

### Existing Law

The San Francisco Health Department permits all restaurants in San Francisco under Article 8 of the San Francisco Health Code. The department inspects the permitted establishments and enforces the applicable health and safety requirements.

### Amendments to Current Law

The proposed legislation amends Article 8 of the San Francisco Health Code by adding Sections 471.1 through 471.8, to set nutritional standards for restaurant food sold accompanied by toys or other youth focused incentive items. The ordinance defines "Incentive Item" as meaning (1) any toy, game, trading card, admission ticket or other consumer product, whether physical or digital, with particular appeal to children and teens but not including "Single Use Articles" as defined in California Health & Safety Code Section 113914 as of January 1, 2009, or (2) any coupon, voucher, ticket, token, code, or password redeemable for or granting digital or other access to an item listed in (d)(1). )

Under the ordinance, a Restaurant may not provide an Incentive Item linked to the purchase of a Single Food Item or Meal if the Single Food Item or Meal includes any of the following as defined in the ordinance: excessive calories, excessive sodium, excessive fat including saturated fat, and trans fat exceeding 0.5 grams. A Meal must also contain at least 0.5 cups or more of fruits and 0.75 cups or more of vegetables.

A Restaurant may not provide an Incentive Item linked to the purchase of a Beverage if the Beverage includes any of the following: excessive fats and/or sugars as defined in the ordinance.

The Department of Public Health shall enforce the ordinance and the Director of the Health Department may issue administrative citations for the violations of the ordinance under San Francisco Administrative Code Chapter 100.

### Background Information

According to the 2007 California Health Interview Survey (CHIS), 15 percent of adolescents in the greater Bay Area between 12 and 17 years of age are overweight or obese for their age,

and 8 percent of children under age 12 are overweight for their age. Obesity, overweight, and unhealthy eating habits pose a serious risk to the health and welfare of San Francisco's children and adolescents. Children and adolescents who are obese or overweight have an increased risk of being obese or overweight as adults, with 75 percent of children who are overweight expected to be overweight as adults. During childhood and adolescence, obese and overweight individuals are already more likely than their peers to exhibit risk factors for heart disease (including elevated cholesterol levels, triglyceride levels, and blood pressure); risk factors for cancer; and impaired glucose tolerance, a precursor for development of Type 2 diabetes.

San Francisco parents identify childhood obesity as a significant concern for their families. San Francisco families also want their children to have access to healthy, nutritional food and to make healthy choices from the food available. But families face limited time to obtain and prepare nutritional food, making dining out an appealing and often necessary option. A 2003 Kaiser Foundation study showed that 40 percent of Bay Area parents said that their child ate at least one fast food meal or snack on a typical day.

The food that children and adolescents consume at restaurants has a significant impact on their risk of developing obesity, overweight, or other related health risks. About one-third of the calories in an average American's diet come from restaurant or other away-from-home foods. And according to 2003-2004 data, San Franciscans consume over one-third of their food, as measured by weight, at fast food and pizza restaurants.

The Institute on Medicine and the U.S. Department of Health and Human Services, among other public health agencies, have developed guidelines and recommendations on healthy nutritional standards for children's meals. The food and beverages that restaurants typically serve to children and adolescents often fail to meet these accepted nutritional recommendations.

Restaurants encourage children and adolescents to choose specific menu items by linking them with free toys and other incentive items. Research analyzing children's meals at major restaurant chains found that many exceed the recommended caloric limits for children. And almost every high-calorie meal in the study came with toys. Research shows that parents frequently make purchases based on requests made by children, particularly for items that are geared toward children. Additionally, children and adolescents ages 4-17 years have increasing discretionary income that is frequently spent on restaurant food.

The intent of this proposed ordinance is to improve the health of children and adolescents in San Francisco by setting healthy nutritional standards for children's meals accompanied by toys or other incentive items. These standards will support families seeking healthy eating choices for their children by permitting restaurants to offer toys and other incentive items only in conjunction with foods meeting specified nutritional criteria. This legislation imposes no requirements for the labeling of food or beverages or disclosure of ingredients.

BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

**MEMORANDUM**

TO: Regina Dick-Endrizzi, Director  
Chris Schulman, Commission Secretary  
Small Business Commission, City Hall, Room 448

FROM: Angela Calvillo, Clerk of the Board *lyvny*

DATE: August 16, 2010

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
City Operations and Neighborhood Services Committee

The Board of Supervisors City Operations and Neighborhood Services Committee has received the following, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File: 101096

Ordinance amending Article 8 of the San Francisco Health Code by adding Sections 471.1 through 471.8, to set nutritional standards for restaurant food sold accompanied by toys or other youth focused incentive items.

Please return this cover sheet with the Commission's response to Gail Johnson, Clerk, City Operations and Neighborhood Services Committee.

\*\*\*\*\*

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: 8/25/10

No Comment  
 Recommendation Attached

*Regina Dick-Endrizzi*  
\_\_\_\_\_  
Chairperson, Small Business Commission  
Director