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**VIA HAND DELIVERY**

President London Breed  
c/o Angela Calvillo, Clerk of the Board  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 244  
San Francisco, CA 94102

RE: Appeal of CEQA Categorical Exemption Determination  
Planning Case No. 2013.1383ENV  
Building Permit Application Nos. 2013.12.16.4318 and 2013.12.16.4322  
3516-3526 Folsom Street ("Project Site")

Dear President Breed and Honorable Members of the Board of Supervisors:

This firm represents two couples, Fabien Lannoye and Anna Limkin, and James and Patricia Fogarty (collectively, the "Project Sponsors"), who are the owners respectively of two vacant lots zoned for residential use located at 3516 and 3526 Folsom Street, upon which they propose to build two single-family homes and construct the foot-long adjacent "paper street" segment of Folsom Street to provide vehicular and pedestrian access to the site (the "Project"). This letter supplements our prior letter to the Board dated December 2, 2016, in order to address one additional issue not previously briefed in connection with the referenced appeal scheduled to be heard on January 24, 2017.

Appellants claim without any legal or factual support that the proximity of the Project to PG&E Pipeline #109 constitutes "unusual circumstances" precluding reliance on a Class 3 Categorical Exemption. Both the July 8, 2016 Categorical Exemption determination ("2016 Determination") and the Planning Department's response to Appellants' CEQA challenge dated December 5, 2016 ("Planning Department's Response") find otherwise based on substantial evidence in the record. For example, both the 2016 Determination and the Planning Department's Response indicate that "the presence of a gas transmission pipeline beneath areas adjacent to residential development is not unusual in San Francisco or throughout the state because residential homes are commonly served by gas lines." (2016 Determination, p. 4 and Planning Department's Response, p. 5). In fact, PG&E Pipeline #109's "alignment takes it through a variety of residential neighborhoods in the southeast area of the City, and other similar pipelines run beneath streets, in

other areas of the city.” (2016 Determination, p. 4). The Planning Department’s Response further addresses the Appellants’ argument that the Project is located in a High Consequence Area, stating that “A High Consequence Area is defined under the Code of Federal Regulation and includes any urbanized area, including the entire area of the City and County of San Francisco and nearly all of the urbanized areas in the San Francisco Bay Area. As gas transmission pipelines run under streets and roads throughout urbanized parts of the Bay Area, it is not a unique circumstance for a pipeline to run through a High Consequence Area.” (Planning Department’s Response, p. 5). Moreover, “PG&E natural gas lines run under a number of small and large streets in San Francisco that have experienced, and will continue to experience, maintenance that includes earth movement, excavation and related work in proximity to a natural gas transmission line.” (Planning Department’s Response, p. 7).

One crucial point that the 2016 Determination and the Planning Department’s Response do not address is that if the Board requires the Project to undergo more extensive environmental review due to the Project’s proximity to the PG&E gas transmission pipeline, then a legal precedent will be established that all future public (including City projects) and private development, maintenance and repair activities conducted close to a gas transmission pipeline (which is nearly all of San Francisco) will also need to prepare mitigated negative declarations or environmental impact reports prior to commencing any work. This will prove to be extremely expensive and inefficient, and will delay the development of many projects.

Even if the Project were required to prepare a mitigated negative declaration or an environmental impact report, any required mitigation measures would simply duplicate PG&E best practices, as described in the 2016 Determination. The 2016 Determination already outlines that PG&E safety practices for construction projects near PG&E pipelines are required by law, and that these practices apply in the case of both housing construction and road improvements anywhere in San Francisco adjacent to a gas transmission pipeline. (2016 Determination, p. 5). These PG&E practices are specifically in place to ensure construction activities do not substantially affect underground services, including natural gas pipelines. (2016 Determination, p. 5). Thus, these PG&E regulations and other existing laws already ensure that no significant environmental effect would occur from construction in proximity to PG&E’s pipelines. Further environmental review would therefore lead to a wasteful and redundant conclusion.

Appellants have sought to delay the Project time and time again. There is no possibility that the Project would have a significant effect on the environment due to unusual circumstances with regards to the presence of the PG&E pipeline. The Project Sponsors once again respectfully request that the Board reject this appeal and uphold the Planning Department’s 2016 Determination.

Sincerely,



Charles R. Olson

cc: Fabien Lannoye and Anna Limkin  
James Fogarty and Patricia Fogarty