

Testimony of Michele Gaffney, Philadelphia 19125 Resident, and Local Community Advocate and Consultant for Adjacent Construction Safety and Residents' Rights, to the State Housing and Community Development Committee in Support of the Residential Consumer Construction Protection bill package [HB 691, HB 692, HB 693 and HB 694]

August 30th, 2022

My name is Michele Gaffney and I am here to speak in support of the Residential Consumer Construction Protection package. I am in support of all four bills in the package, but would like to speak on two in particular today. The “Lemon Law” (HB 691) and the “Adjacent Neighbors’ Bill of Rights” (HB 693).

I am a Philadelphia homeowner, a voting resident, and a community advocate for adjacent construction safety and neighbors’ rights. I have been helping victims to document, report, and seek resolutions for construction damages caused by adjacent development projects since late 2020, and I have been watching as our unchecked construction ecosystem has harmed and displaced residents across all of Philadelphia and an alarming pace.

There is a severe lack of protections in place for homeowners and homebuyers alike in the face of profit driven, unsafe construction practices across the state, not just here in Philadelphia. Today I will speak from my personal experience as an advocate here in the city. I hope that this testimony will provide clear examples of the need to address these concerns at the state level, despite their local details.

Construction projects are everywhere across Philly. In many neighborhoods you can’t go more than a block or two without passing multiple active construction sites. Buildings are going up at an extremely fast rate, and many new construction projects have been designed to maximize sellable square footage by digging deep basements and by building as tall as they can. With the 2020 shutdown’s impact on supply chain issues, material shortages, and construction labor shortages – plus an understaffed Licenses & Inspections department – more and more projects appear to be cutting corners to cut costs. The bad actors in Philly’s construction industry know that there aren’t enough inspectors to cover the sheer volume of active permits in the city, so they know that it’s unlikely they will be caught skipping a permit here, or using an unlicensed labor provider there.

These conditions lead directly to both (1) low quality construction work, and (2) high rates of damage to adjacent homes.

Regarding low quality construction and the need for a “Lemon Law” (HB 691):

I walk around my own neighborhood and see plenty of “luxury new construction” homes, sold less than 6 months prior, with vinyl siding peeling away to reveal black mold underneath. I’ve seen fires erupt from a nearly finished new-construction complexes only 5 blocks from my house. I’ve seen new homes, barely 2 years old, undergoing major renovations to correct incorrectly installed electrical wiring. The list goes on and on. Residents who were sold their “dream home” for well above the average cost of older housing stock in the same neighborhood currently have little to no recourse once their purchase is complete. Many don’t discover the fundamental issues with the construction of their “luxury row home” until their brief warranty has already expired – if there was a warranty included to begin with. Without legislative protections like the ones proposed in HB 691, a bad actor developer is encouraged to continue building “luxury homes” with the cheapest possible material, and the lowest cost labor, and washing their hands of any consequences of those building choices after closing a sale. To put it plainly: the developer is financially rewarded for their choices to build poor quality construction when residents do not have legislative protections to build a winning lawsuit case around. If a buyer cannot hold a developer accountable for selling them a defective home, that developer has no reason to stop maximizing their profits at the cost of structural integrity and quality construction.

Regarding damage to adjacent homes and the need for an “Adjacent Neighbors’ Bill of Rights” (HB 693):

The learning curve for a resident who finds themselves embroiled in a construction dispute is steep, and oftentimes the resident doesn’t know what to worry about until serious damage has already been done. In many cases the victims lack a full understanding of their rights

to begin with. Residents suddenly find themselves in an uphill battle that many do not have the means to fight – something that bad actors count on. Underserved residents without access to resources often get discouraged and give up. Predatory developers then take this opportunity swoop in with a low cash offer on the resident’s now-damaged and devalued property. This cycle has been on repeat across the city and is actively displacing residents, and harming established communities and neighborhoods. This is an issue that must be addressed on multiple fronts. Residents already experiencing harm need help, but there are also countless future damages that can be prevented.

Philadelphia, like other cities across PA, is a rowhome city. In almost every neighborhood you can find 50 to 100-year-old rowhomes that have stood the test of time. You can also find many blocks where a developer has purchased a home in the middle of the row with plans to demolish it, dig a deeper basement, and build a brand-new property with additional height. I see so many old brick homes that develop new leaks, sticking doors, and even suddenly start to form cracks up the front façade – a tell-tale sign that their foundation has been undermined – only after a construction project began next door. There is so much underpinning (the process of digging out a deeper basement than the adjacent foundation) damage across the city that a quick news search will result in numerous examples of these kinds of damages leading to property collapses. Sometimes these collapses even result in death.

In my work I’ve met with numerous residents of all backgrounds who feared for their life due to the unsafe practices of developers and contractors. Bad actor developers and contractors have a history of ignoring or even bullying neighboring residents with legitimate safety concerns. By the time I end up working with a resident, they have often already tried to contact the developer-next-door about urgent damage with no response. In these kinds of cases, the developer often only comes to the table once a lawyer has become involved, or if the resident is able to refuse property access that the developer absolutely needs in order to complete their project (i.e., to install vinyl siding on a wall that was built directly up to the property line). The “Adjacent Neighbors’ Bill of Rights” would ensure that a resident is informed of their rights and protections ahead of any possible damages, and would help to prepare that resident to protect their property and to assist in holding developers accountable.

We must proactively reduce conditions that lead to adjacent construction damage, and this package of bills is an important step towards that goal.

Thank you for your time and I am happy to answer any questions.

Sincerely,

Michele Gaffney (She/Her/Hers)

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Relevant past public testimony recordings and transcripts:

<https://www.millennialneighbor.com/blog/public-testimony-philadelphia-homeowners-need-legislative-protections-from-adjacent-construction-damages>

<https://www.millennialneighbor.com/blog/public-testimony-lack-of-enforcement-harms-and-displaces-our-communities>

Relevant articles:

[A history of one example bad actor developer in the press](#)

<https://www.inquirer.com/news/inq2/philadelphia-rowhouses-collapse-licenses-inspections-development-20230608.html>

<https://www.inquirer.com/news/what-to-do-construction-excavation-demolition-damage-rowhouse-philadelphia-20230609.html>

<https://www.inquirer.com/news/inq2/real-estate-inspectors-philadelphia-license-issues-20230802.html>