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September 6, 2023

Testimony

Submitted on behalf of the Pennsylvania Builders Association

Informational Hearing on Developments of Regional Significance and Impact

Before the:
House Local Government Committee

Presented by:
Mark McNaughton
Owner/Treasurer, McNaughton Homes



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Chairman Freeman, Chairman James, members of the House Local Government Committee,

Thank you for the opportunity to testify before you this afternoon on behalf of the Pennsylvania Builders Association, the only statewide trade association advocating on behalf of the residential development community. My name is Mark McNaughton, and I am part owner of McNaughton Homes which is now a third-generation regional land development and residential building company located in the Harrisburg metro area.

Today, I'm here to discuss House Bill 782 and how we believe it will affect the home building industry. Unfortunately, the language as crafted in this bill will impact larger scale residential developments, which I don't believe was the sponsor's ultimate intent based on the circulated co-sponsor memo.

Currently, land developers are required to submit plans that include a detailed fiscal analysis, traffic study, and take into consideration the availability of sewage facilities suitable for the size of the development. Within those plans, developers are required to replace or expand sewage pumping stations to meet the needs of the new community and to upgrade roads necessary to mitigate the additional 'trips' caused by the new construction. Conservative estimates from PBA members report the current approval process takes between three and five years.

There are several provisions in HB 782 that would trigger the Section 607-A impact analysis requiring a residential development to submit to the additional requirements of a "development of regional significance and impact" mitigation plan. Those triggers include:

1. Land developed within a watershed that is unstudied and involves 100 acres of contributory watershed,
2. Where sewage facilities have an existing or projected overload,
3. Those sewage facilities lack capacity, and
4. Where certain amounts of traffic results or where such traffic impacts safety or flow.

A residential development plan that is determined to be a "development of regional significance and impact" would require a second, almost identical detailed analysis of the plan raising further the time delays and costs associated with building a residential development. The cost of



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submitting the additional plan and mitigation information will likely increase the cost of the development process by \$80,000 to \$150,000 depending on the region and add 18-months to two years to the project approval process.

The National Association of Home Builders estimates¹ that for every \$1,000 dollar increase in median national home price of \$425,786– 140,436 more households are unable to afford a new home mortgage. In Pennsylvania those numbers are more sobering – the median home price is \$560,152, \$130,000 more than the national average. For every \$1000 added to the cost of a new home in Pennsylvania, 2,528 further households will be unable to afford a new home mortgage.

On behalf of the Pennsylvania Builders Association and the more than 255,000 members and employees it represents, I thank you again for the opportunity to testify today and would be happy to take your questions.

¹ [NAHB Priced-Out Estimates for 2023](#)