

Good afternoon, my name is Edward D. Nikles and I serve as a Supervisor in Dingman Township in Pike County. I am a Builder & Remodeler who works in Pike County & Wayne County PA as well as in Orange County & Sullivan County NY. I am also a licensed Real Estate Broker & Certified Broker Appraiser in PA. I work directly with property owners, developers and trade contractors building & remodeling homes in our communities. I am a member of the Wayne Pike Building Industry Association (WPBIA) and Past President of the Pike County Builders Association before it merged with WPBIA. I deal with the affordable house crisis on a daily basis on the front line.

I appreciate the opportunity to testify today regarding the challenges we face as builders & trade contractors particularly the increasing challenges tied to permitting, engineering, environmental oversight and DEP – related regulations that are unnecessarily adding to the overall cost of building & remodeling here in rural Pennsylvania.

I have lived in Pike County for all of my 61 years. I believe in protecting our EV & HQ streams as well as the Delaware River. Approximately 1/3 of our County is either State Forest, State Game Lands or Delaware Water Gap Natural Recreation Area. I believe we have passed the point of balance between environmental protection and practical, affordable development that makes our housing unaffordable to most residents.

Currently, potential homeowners are being priced-out to the market by many factors beyond our control. The cost of a new home has risen by over 50% since Covid hit in the winter of 2020. There is a nationwide shortage of skilled trades like masons, framers, mechanical contractors, trim contractors, tile installers etc... Our current trades are aging out with no one to replace them. The interest rates went from 3% to almost 7%. The most recent 2021 IRC Building Codes, which went into effect on January 1st, 2026 have added another 5% - 10% to the price of a typical home. Current homeowners can't afford to sell their existing home with a 3%-4% mortgage to buy a new home with a 6 3/4% fixed rate mortgage. Fuel costs and surcharges are adding to delivery fees from all of our suppliers.

Dingman Township, where I reside, is the most populated Township in our County with approximately 13,000 residents. I served on our Township's Planning Board from 2006 until 2017, when I retired as Chairman. I became a Supervisor in 2018 and my current term expires in December of 2031. I am currently the Vice-Chairman of our Board. Since 2006 there has been 1 major subdivision approved in our Township of just 12 lots. Just one major subdivision, in the most populated Township, in the fastest growing County in PA. That seems improbable, almost impossible.

The reason for that is quite simple. We have no central sewer hookups & rely on wells for water in our rural area with on-site septic systems. In 2006 new NPDES

regulations started to go into effect which increased the costs & time it took to engineer new subdivisions. It required larger lots to provide for the NPDES requirements to keep the stormwater on each individual lot and within the subdivision itself. I have preliminary approval for 7 lots next to my own home. By the time we got it approved, it took over 2 years & \$175,000 in engineering. It was 2008 and there was a housing recession that lasted here until 2018. We chose not to move forward & my NPDES permit expired in 2013. At that time, the cost to renew the NPDES Permit for 7 lots was estimated at another \$50,000.00 due to additional new changes in NPDES permit requirements and retesting of all our proposed onsite retention basins. It became unaffordable to pursue the subdivision as the lot prices would have been in the \$175,000 - \$225,000 range, just to break even. The lot prices in existing subdivisions were selling for \$15,000 to \$40,000 at the time. The math didn't work then and still doesn't today.

In Pike County, we had a subdivision boom which started in the 1950's and ended in the late 1970's when tens of thousands of lots were created around our lakes here in Pike County. Many of these lots are still vacant today & typically sell in the \$15,000 to \$60,000 range, much less than they would cost to develop today. For decades, these lots required nothing more than a simple Erosion & Sedimentation plan based on clearing less than 1 acre. Recently, it is my understanding, that DEP & Pike County Conservation District (PCCD) want to require NPDES Permitting when building disturbs more than 1 acre accumulated over multiple existing lots by the same builder/owner occurring in subdivisions created 50 or 60 years ago! This cannot happen!

Based on the most recent NPDES Permit I did in Milford Township, the engineering costs would be \$12,000 to \$15,000 The design implementation costs ran \$40,000 It took 6 months after the engineering was completed to get the NPDES Permit on an individual lot. It took 10 Months to build the home & get a Certificate of Occupancy. It took another 8 months to get a Notice of Termination (NOT), with no violations during the entire process, from the PCCD. We had 70% grass coverage in the disturbed areas within 60 days of completing the home but still took another 6 months to get the NOT. This cannot continue!

It costs more for the engineering & implementation of an NPDES than to buy the actual property to build on in existing subdivisions. Homebuyers simply can't afford this. It adds no net value to the home but costs a tremendous amount of money. It adds time to the building cycle while waiting for permits and inflation eats up much of the margin on building the home.

Builders & developers are struggling in our rural areas. It costs about \$40,000 to \$50,000 to install an onsite septic & well, as we don't have central water & sewers. This often rivals the cost of a lot in an existing subdivision. New homes become less affordable

which creates less building. Less building creates less economic growth & less tax base in areas that need it the most. Our younger residents continue to move out of the area, as they cannot afford to live here. Our older residents can't afford to retire here.

I was recently made aware that DEP is proposing updates to Onsite Wastewater Facilities Regulations – Chapters 71, 72 and 73. Every time we get updates, they seem to make it more burdensome & more expensive. Some of the proposed changes would greatly affect existing smaller lots with increased setbacks. We simply can't afford to lose anymore existing building lots to government over-regulation.

We need much shorter & more predictable permitting timelines. It should not take 6 months to review an NPDES permit or any permit for that matter. Time is money and delays increase financing costs, allow inflation to increase our costs while we wait, delay the start of project and create frustration between clients, builders and design professionals.

We need consistency in interpretation and enforcement. Requirements can vary depending on who reviews it, what region of PA they are in and which office reviews it. Often, we start working with someone, they leave or retire, and then we get someone new that wants to change things. The engineers are frustrated as they have to do things differently depending on where they work and who will be reviewing it.

Often rule-making comes out of more densely populated, urban areas and simply doesn't work for most rural areas. Each area of our State is different in geography, soils, infrastructure, lot sizes and economic conditions. The State needs to recognize that there are no one-size-fits-all solutions. We need to collaborate on changes to policy that works also for rural PA and still support responsible growth, affordability and yet protects our environment. We need to streamline the permitting process and reduce the time it takes to get review, comments and approval so we can start building homes for our clients. Our residents feel that the process in Pennsylvania is too slow and too expensive and too disconnected from the reality of the real-world conditions, they deal with each day.

Affordability affects young families, retirees, contractors, suppliers and municipalities. We can't continue to ignore the causes that are controllable – streamlining permitting, reducing unnecessary administrative burdens, consistency and clarify.

Thank you for taking the time to hear our concerns and allow us to testify today. I would be happy to answer any questions.