

Dear Committee clerk Huntley,

My name is Jason Frezza and my wife and I have been life-long Rhode Islanders and have worked full-time jobs for 20 years while saving our money and investing in multi-family real estate for the purpose of our retirement. As long-term RI investors, we continue to add value to our properties. We have backup heating and hot water systems in each building so our tenants will always have heat and hot water. We are not “mom and pop” landlords as defined by the realtor association, because we have dozens of units, although we mostly self-manage. We are on call 24/7 and immediately respond to our tenants. We have several long-term tenants that are WELL below market rent because we strive to only increase rent after a tenant leaves.

Over the years, we have received many offers to buy our properties, usually from out-of-state large corporate investors. These offers would typically go in the trash. Recently, we have begun saving these offers and seriously considering them. This is due to the influx of bills that have been brought up in the senate and house in the last four years.

I’d like to keep this short, so I don’t want to address specific bills as there are so many, but all of the bills in question will make it more difficult for us to protect these assets that we have worked very hard for. We have spent hundreds of thousands of our own hard-earned money into these properties, as well as countless hours of blood, sweat, and tears. We see the direction this state is moving in, and we are deeply concerned.

Real Estate investing as you know can be a mobile business. I manage a group of over 600 RI investors (Rhode Island Real Estate Investment Group) that meet on a monthly basis to discuss and educate ourselves. We are now hearing more talk in this group about selling and leaving RI or investing in something else entirely.

We do not want to sell our properties; we do not want to see our long-term tenants get displaced or become financially burdened. But we also do not want to continue to invest in a state that is over-regulating our business, taking away our rights as we see them, adding what we consider to be unnecessary burdens, and potentially putting us into a position where we are unable to make the changes we need to ensure our properties continue to be safe for everyone, updated, and remain profitable. It only takes one disgruntled tenant to have a severe impact on an entire building or neighborhood, and in some of our past experiences, may have had nothing to do with us or our properties.

Supporters of these bills have said that these will not affect us, but will only affect the “bad” landlords. We, and many like us, respectfully disagree with this assessment. We do not seek favorable conditions, we seek fairness. We do not think it is fair to impose laws attempting to go after a small percentage of bad actors that typically invest in one particular area. We think instead there should be more enforcement of existing laws in those areas. We also think RI lawmakers should be giving MORE incentives to invest, develop, and remain in RI, not LESS.

In closing, we ask that you consider our position and the many like us. The very consideration of these bills, even if they do not pass, is already causing a scare in our community. We are hearing investors talk about selling BEFORE bills of this nature get passed, to get ahead of the impending sell-offs, which will likely result in lower sale prices. RI may soon find itself in a situation with more out-of-state corporations owning property, whose goal is not to add value, who do the very minimum required, who focus solely on profits without considering the ramifications, and have the lawyers in place to circumnavigate these laws.

House Bill 7989, proposes residential rent control, rent increase caps, just cause eviction mandates, installment payments for security deposits, and harsh penalties.

While the bill aims to address housing affordability and tenant protections, these measures could have detrimental effects. Rent control and strict rent caps discourage property investment and maintenance, reducing affordable housing availability. Mandating just cause evictions limits landlords' ability to address tenant issues promptly.

Requiring installment security deposits increases financial risks for landlords, and annual reporting to the Department of Housing burdens already strained resources.

I advocate for alternative approaches that promote housing affordability, private investment, and tenant protections without undermining property rights or market dynamics. Collaborative efforts among stakeholders can lead to effective housing policies that benefit our communities.

I support the Rhode Island Coalition of Housing Providers. Thank you for your consideration.

Sincerely,

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