

## OFFICE OF THE ARIZONA ATTORNEY GENERAL

KRIS MAYES
ATTORNEY GENERAL

## CIVIL LITIGATION DIVISION CONSUMER PROTECTION & ADVOCACY SECTION CONSUMER LITIGATION UNIT

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July 19, 2024

Buenas Communities LLC c/o Quin Law PLLC, Statutory Agent Attn: Ian Quinn 2415 E. Camelback Rd., Ste. 700 Phoenix, AZ 85016

CC:

Buenas On 32nd Attn: Management 3222 W. Indian School Phoenix, AZ 85017 Horizon Equity Ventures LLC Member of Buenas Communities LLC c/o Corporation Service Company 251 Little Falls Drive Wilmington, DE 19808

Re: Habitability of Apartment Unit Dwellings at Buenas On 32nd

Dear Mr. Quinn:

The Arizona Attorney General's Office ("AGO") has learned that Buenas Communities LLC ("Buenas"), for which you are the registered statutory agent, is failing—and for some time has failed—to comply with the Arizona Landlord Tenant Act § 33-1301, et seq., including by failing to provide proper air conditioning to its tenants. Arizona is again facing record heat this summer. Failing to provide habitable conditions for Buenas' tenants is unacceptable and potentially unlawful.

Based on reports from Arizona Family<sup>1</sup> and consumer statements, it appears that up to 400 units at Buenas On 32nd (also known as Buenas on Indian School and collectively referred to as the "Complex") lack proper air conditioning. The failure to provide proper air conditioning has occurred when Arizona residents, including those at the Complex, are facing one of the hottest summers on record. Maricopa County already reported on a confirmed 18 deaths this

<sup>&</sup>lt;sup>1</sup> <u>https://www.azfamily.com/2024/07/18/phoenix-apartment-complex-without-ac-more-than-month-wait-time-new-chiller-is-20-weeks/</u>

summer,<sup>2</sup> two of which were people who were indoors and did not have functional air conditioning.

The Complex advertises to would-be tenants on its website that its "mission is to provide safe, comfortable, and affordable apartment rentals . . ." and its "team of knowledgeable and friendly professionals are dedicated to providing exceptional customer service." The website also lists units in the Complex for rent with necessary features, most notably proper air conditioning. And previous representations made by Buenas suggested that Complex units would come with functioning air conditioning and utilities. There is no notification on the Complex's website nor Buenas' website regarding this habitability issue. Nor is there any information regarding Buenas' ongoing City of Phoenix violations and its failure to comply with the City Code §39-5B.

Based on public reporting about the Complex, these representations and omissions, appear to be false or deceptive and may constitute violations of the Arizona Consumer Fraud Act (A.R.S. § 44-1521, *et seq.*). The Arizona Consumer Fraud Act prohibits the deceptive advertising of real estate leases. Those who violate the Arizona Consumer Fraud Act may be subject to civil penalties of up to \$10,000 per violation, disgorgement of profits, and responsible to pay restitution to consumers.

The AGO demands that Buenas comply with the Landlord Tenant Act, the Phoenix City Code requirements, and the Arizona Consumer Fraud Act through satisfactory repair of the air conditioning system for all units at the Complex by 5:00 p.m. on **Friday, July 26, 2024**. We further demand written confirmation of compliance be delivered to this office no later than 5:00 p.m. on **Monday, July 29, 2024**.

At this time, the AGO also demands that Buenas preserve all communications and written and electronic materials from 2020 to the present that relate to (a) maintenance requests at the Complex; (b) the air conditioning system and any components of that system at the Complex; and (c) Buenas' sale or advertisement of any products related to the Complex or its other multi-family properties in Arizona in anticipation of consumer fraud litigation.

As a final note, the AGO reminds Buenas of its obligations as a housing provider under the Arizona Civil Rights Act. Arizona Fair Housing Laws guarantee Arizona citizens equal conditions and access to services, such as functioning air conditioning, while renting. As such, any remedial measures or repairs cannot be provided to residents on a discriminatory basis. Housing providers must also make reasonable accommodations for individuals with disabilities. Failing to provide an accommodation to an individual whose disability is impacted or exacerbated by heat related conditions can potentially be a violation of the Fair Housing Laws. The Civil Rights Division of the AGO is tasked with enforcing the Arizona Civil Rights Act and is aware of and monitoring for any discriminatory actions on the basis of a protected class or failures to accommodate those with disability.

<sup>&</sup>lt;sup>2</sup>https://app.powerbigov.us/view?r=eyJrljoiZDA3ZTUzNzAtMzlwMS00YzA3LTlhMzEtZmJhZGQzY2FIYmZ lliwidCl6ljMwY2QzNWQ0LTk5NTEtNGE3Mi05NzhlLTg5NjU1MDc1YzE3ZiJ9

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If you have questions about this letter, you may contact me at <a href="mailto:Amanda.Salvione@azag.gov">Amanda.Salvione@azag.gov</a> or 602-542-8798, or Heather Hamel, Senior Litigation Counsel, at <a href="mailto:Heather.Hamel@azag.gov">Heather.Hamel@azag.gov</a> or 602-542-7731.

Sincerely,

Amanda M. Salvione Assistant Attorney General

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