EDITORIAL

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Investor who snagged Denver home for $23,524 can do the right thing

We all know the saying — if a deal seems too good to be true, it is.

Christophe Attard scored a Denver home worth at least $300,000 in a 2021 foreclosure auction for a mere $23,524. To his credit, Attard has allowed the family he bought the home out from under to continue to live there as long as they made the payments to the mortgage that still used the house as collateral.

This was not actually a foreclosure. Monica Villela and her ex-husband, Gilardo Gonzalez Jr., had made their mortgage payments and had even paid their homeowners association dues.

But the aggressive HOA in charge of their Green Valley Ranch neighborhood used fines, late penalties, interest and attorney's fees to push the family out of the home that they had purchased in 2005 for $164,000.

Denver Post reporter Noelle Phillips has documented the abuse of the Green Valley Ranch HOA in northeast Denver, where people have lost homes over oil stains on driveways, broken blinds and having a rug on a back patio.

The Master Homeowners Association filed 50 foreclosures in 2021 alone. And although it was among the worst offenders, HOAs across the state take hundreds of houses every year, often over petty infractions and hefty late penalties and attorney fees.

The situation uncovered by The Post was so dire that state lawmakers responded with changes — limiting the amount of fines and attorney fees that can be collected. Most HOAs got the memo, and the number of foreclosures has decreased; Green Valley Ranch HOAs filed none in recent years. But other HOAs are still initiating foreclosures.

As we wrote in 2024, state law must change further so that HOA liens are secondary and cannot be used to initiate a foreclosure process. Liens also should not be used for fines but only for unpaid HOA dues. Small claims court is the appropriate venue for an HOA to collect fines for overgrown weeds and broken windows.

For families such as Villela's, the damage already had been done.

Her situation, however, is unique because they purchased their home under an affordability easement owned by the city and county of Denver.

A judge ruled just last week that the house was sold illegally to Attard's investment company — Welcome to Realty LLC 401K PSP — because the company exceeded income limits, and also the city's housing ordinance prohibits homes from being owned by investors.

Given the situation, we advise Attard to sell the home back to Villela and her ex-husband for the offered price of $30,000, which was raised by a group of people who support Villela's effort to keep her house. Attard should not be surprised. The deal was simply too good to be true.

And we also would advise HOAs and investors to take note of this ruling.

Although past foreclosure auction sales likely will stand judicial challenge unless there are affordability easements on the property, this case should give everyone involved in these deals pause. It's unethical to foreclose a home over unsightly or inconvenient violations of covenants, and the ethics of snapping up these deals at auction are questionable as well.

No one has evidence that HOAs have been conspiring with investors, but now that residents know their rights and have learned to protest this abuse, investigations for collusion and equity theft are certain to follow.