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Denver family's home lost to foreclosure sits in legal limbo

Judge ordered investor to give up affordable home he bought at an auction; now he is appealing to Colorado's highest court

Monica Villela has been fighting to keep her home for more than four years after the Town Center Metro District sold it at a foreclosure auction for unpaid fines. HYOUNG CHANG — DENVER POST FILE

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A two-story house that once sheltered a family of six sits empty on a corner lot in Green Valley Ranch as years of legal wrangling over homeowners association fines, metro district foreclosures and Denver's affordable housing covenants continue to move through Colorado's judicial system.

Note

A year after a Denver district judge ruled that Monica Villela's home never should have been sold to Welcome to Realty LLC in a foreclosure auction, the investor who bought the house now wants the Colorado Supreme Court to intervene. That investor, Christophe Attard, is challenging the lower court's ruling that the city's inclusionary housing ordinance trumps a lien placed on the house by a homeowners association or metro district.

This year the Colorado Court of Appeals sided with Denver, the plaintiff in the lawsuit, as the city attempts to protect its housing ordinance. The law allows price caps on certain homes to keep them affordable then restricts who can buy them, based on income.

Note

Welcome to Realty argues that the first two legal rulings could overturn a 48-year-old precedent in Colorado that gives special districts a "super priority lien" over mortgages, and that the city's housing ordinance should not trump that foreclosure power. That 1978 case — Wasson vs. Hogenson — established the prevailing law in the state. Note

The appeals court's decision "presents an epochal shift in how special districts can fund and collect on the assessments owed to them from liens against the properties they serve," Welcome to Realty's petition to the Colorado Supreme Court states.

Meanwhile, Villela and her four children are staying with family after being evicted from the Green Valley Ranch home by Attard, stuck in limbo as they await a legal outcome. Villela's supporters and community activists have raised enough money to buy the home back from Attard, but they say he has declined the offer.The Special District Association of Colorado filed a brief in support of Welcome to Realty, saying special districts — including those that levy taxes to fund libraries, fire departments and water — rely on fees to provide public services. And liens are a tool for making sure those districts are paid by those who live in them.

"Almost none of the services provided by special districts can happen without significant future planning, and without dependable sources of revenue, that planning is nearly impossible," the association's brief argues.

Ann Terry, executive director of the Special District Association of Colorado, said her organization's interest lies in protecting the priority of liens under Colorado law.

"We're just in this on a very narrow issue on the priority of the lien," Terry said. "Local governments have always had a priority on a lien."

Efforts to reach Attard and his lawyer, Christopher Conant, were unsuccessful.

Melissa Sisneros, a spokeswoman for the Denver city attorney's office, declined to comment on the case but noted, "We will continue to pursue all remedies available to the city to protect its interests."

Mounting HOA fees and fines

The saga over Villela's home began in March 2022 when the house on Netherland Place in Green Valley Ranch sold at a foreclosure auction.

Villela's family had bought their home in 2005. They made regular mortgage payments and kept up with their HOA's rules and fees. But the family began struggling when Villela and her husband, Gilardo Gonzalez Jr., separated.

Gonzalez continued to pay the mortgage, but Villela, who was living in their house with the couple's four children, could not keep up with the maintenance required by the Town Center Metro District and the homeowners association.

In Colorado, metro districts are elected boards that levy taxes on developments so builders can use the money for critical infrastructure such as street lights and sidewalks. Those elected boards often work in conjunction with homeowners associations to manage neighborhoods and properties, which is the case in Villela's neighborhood in far northeast Denver.

Villela's fines for infractions such as weeds in her yard or a garbage can left on the curb multiplied. Then late fees for unpaid fines stacked up.

Villela said she knew the family was in arrears, but put those expenses on the back burner because of other struggles connected to her and her husband's separation.

The metro district placed a lien on the house, and a judge ordered it to be sold at a foreclosure auction, which happened in December 2021.

Villela's family owed more than $20,000 in unpaid fines and fees to the metro district and its lawyers, according to court documents filed in the case. The debt also included $15 per month on unpaid fines and fees as well as annual 8% interest on the debt.

Foreclosure auctions forced by metro districts and homeowners associations cause homeowners to lose thousands of dollars in equity. Villela's family, for example, bought their house in 2005 for $164,200. It was valued at more than $300,000 when it was sold at the January 2022 auction for $23,524.

Villela said she was not aware the house had been sold until Attard showed up in her driveway in March 2022 with documents showing he had purchased it.

She was floored.

However, the Netherland Place home was bound by Denver's inclusionary housing ordinance, which sets affordability covenants on some homes. It sets price caps on those homes when they are resold, and it prevents those homes from being sold to investors.

Denver takes the matter to the courts

The city sued Welcome to Realty, Attard's investment company.

In April 2025, Denver District Judge Mark T. Bailey ruled that Welcome to Realty must sell the house because it does not meet the city's rules for purchasing homes with affordability covenants.

Bailey's order also placed an injunction prohibiting Attard from leasing the house and, because affordability covenants eventually expire, the judge demanded the clock reset to account for the three years Welcome to Realty had owned the house.

Villela and her children continued to live in the house, without paying rent but maintaining the mortgage and its upkeep, until last summer when Attard obtained a court order for their eviction. He came to the house while Villela was home, and she begged him to let her family stay until the court case is resolved.

"I was asking for more time, and he said, 'No, no more time,' " Villela said. "It was like a nightmare."

Villela and her children, ages 15, 17, 19 and 21, now are living with her ex-husband's parents. There are eight people in the house, and it has been difficult for her teenagers.

"We haven't been able to find our place," she said. "Sometimes it's difficult for the kids to understand why this takes so long."

Villela's hands are tied because the court case is between the investor and Denver. She can only wait for the legal dueling to end and then learn the fate of the home.

If the state Supreme Court declines to accept the case, then Welcome to Realty loses its right to own the house and must sell.

The Denver judge's ruling said the house must be sold under affordable housing covenants, but it did not specify that Villela should get first rights to buy it. The investor could sell the home to someone else.

Offer to buy back house turned down

Community groups and affordable housing advocates have raised enough money for Villela to buy the house from Attard at the price he paid at auction, plus additional money so that he could turn a small profit, said Kevin Patterson of the Redress Movement, an advocacy group that fights discriminatory housing practices.

They have reached out to Attard with financial offers. He has declined, they said.

Note

Zach Neumann, executive director of the Community Economic Defense Project, which provides legal aid to people during a housing crisis, said the best-case scenario for Villela would be the state Supreme Court declining to take the case. He hopes that is the outcome because two courts have ruled against Welcome to Realty.

If the higher court takes the case, Villela's home would be in limbo for at least another year because of the time it takes for cases to be adjudicated.

Neumann fears a victory for Welcome to Realty would harm others whose homes fall under Denver's inclusionary housing ordinance and are subject to foreclosures by metro districts and HOAs.

Meanwhile, the house sits empty in Green Valley Ranch because Attard's company is not allowed to rent it or sell it, pending the court cases.

"The system feels like gangsters — a criminal mafia — coming after me," Villela said. "They're getting richer and richer and displacing my kids from a beautiful home."