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HOA/

Homeowner questions approval of "draconian" rental cap in Colorado community

Story by Olivia Young 2026-1-3

One Douglas County neighborhood is working behind the scenes to stay mostly owner-occupied.

After a court approved a rental amendment, only 25% of the townhomes in the Sawgrass community, in the southern Denver metro area, may be rented out. While the owners' association says the change will protect property values, insurance costs, and community stability, some neighbors say it goes too far.

"That is draconian in nature," said townhome owner Monte Tucker.

Tucker is not a fan of the amendment proposed by his HOA, the Sawgrass at Plum Creek Community Association. It caps the number of townhomes in the community that may be rented out at 25% and creates a waiting list for owners to put their homes up for rent.

"What does that do to each and every individual owner?" Tucker asked. "They can't rent it. So it's going to sit there empty until the waiting list reduces below 25%."

It's not clear how many units are currently being rented in the community. Tucker says he was told the number was 32% at a recent community association meeting.

The amendment also mandates that an owner may only lease one unit at a time.

"Some landlords will be forced to sell because they own more than one unit. I know at least three that own two units," Tucker said.

Short-term rentals like Airbnb are prohibited.

Existing leases will be grandfathered in, and the association may grant hardship exceptions at its discretion.

Tucker feels the amendment infringes on owners' rights and worries it could hurt property values.

"I had two condo owners report to me that they had to drop their sales price because of this new amendment," he said.

The association says the amendment will have the opposite effect, telling CBS Colorado in a statement it pursued the amendment "to protect the community's long-term financial stability and prevent significant increases in insurance premiums tied to high rental concentrations."

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The association told owners the amendment would pass if at least 67% voted for it. Tucker voted against it, and less than 34% voted for it.

"All owners thought it was dead in the water," Tucker said.

It would have been dead in the water if it weren't for a provision in the Colorado Common Interest Ownership Act.

According to the verified petition, only 82 of the total 243 owners voted for the amendment, far short of 67%, which would be 163 votes.

However, Colorado law allows the association to petition a court for approval if the votes in favor are at least half the number required to approve it. Eighty-two yes votes were just enough, and the court approved the amendment.

"Terribly overreaching. It should never have been passed," Tucker said.

The association said, "While a small but vocal group of homeowners disagrees with the amendment, they do not represent the views of the community at large, nor the majority that supported this measure to protect Sawgrass's long-term stability and property values."

Thirty-three-point-seven percent is not a majority of owners, but it may have been the majority of those who voted.

The association told CBS Colorado fewer than 30 owners objected to the amendment. It is not clear whether that refers to no votes or those who made formal objections during the court process, like Tucker did.

The verified petition did not include a breakdown of votes, so it's not clear how many owners voted no or didn't vote at all.

"They didn't release the names or addresses of anybody who voted for it or voted against it," Tucker said.

"It sounds like you just don't have faith that they're even telling the truth about these votes," CBS Colorado's Olivia Young said to Tucker.

"No, not at all," Tucker said.

Tucker reached out to the court, raising concerns about "perjury," based on the fact that the secretary's affidavit attached to the recorded amendment, and signed Nov. 21, 2025, states the amendment "has been duly approved by owners of lots to which are allocated at least 67% of the votes in the association."

However, the association's verified court petition acknowledges that only 82 owners, about 34%, voted in favor and that the amendment was approved through court action.

An attorney for the Sawgrass at Plum Creek Community Association shared the following comment in response to those concerns:

"This homeowner's assertion that the association, its president and/or its attorney committed perjury are simply wrong and not supported by the facts.

The association did not claim it 'had 67% or more voting for the amendment' as the homeowner claims. Again, it truthfully stated the total number of homeowner votes in the association, the total number of homeowner votes required to pass the amendment, and the total number of votes in favor of the amendment. In this regard, we respectfully point you to paragraphs 13 and 14 of the verified petition..."

The statement continues, saying:

"Please note that the association and our firm take this accusation seriously. A verified petition is one that is sworn under oath by the party filing it. False statements can subject the filer to penalties of perjury if knowingly false. That is not the case here.

Further, attorneys have an ethical duty of candor to the court under the Colorado Rules of Professional Conduct. This homeowner's unfounded accusation that our office violated this obligation is untrue and personally offensive."

The amendment also allows the association to enforce leasing rules directly against tenants, including collecting rent to cover unpaid assessments and pursuing eviction for rule violations.

"I've never heard of that ever being done, and I've been a landlord too," Tucker said. "It's the owner's right to acquire rent on their own, without the interference of somebody else."

The amendment requires owners who rent their townhomes to carry at least \$500,000 in landlord liability insurance naming the association as an additional insured.

"Good grief. I mean, kind of nonsense, that's draconian, especially when any insurance payouts for damages would go against that owner's policy and raise his premiums individually," Tucker said.

Another concern of Tucker's is that Sawgrass condominium owners voted on the amendment, even though it applies only to townhome lots.

Full statement from Sawgrass at Plum Creek Community Association:

"Sawgrass at Plum Creek Community Association pursued this rental cap amendment to its declaration of covenants to protect the community's long-term financial stability and prevent significant increases in insurance premiums tied to high rental concentrations. The amendment limits rentals to 25%, while fully grandfathering existing leases and allowing for hardship exceptions.

The association conducted a transparent, months-long outreach effort that included mailed and emailed notices, public town hall meetings, distribution of FAQs, attorney communications and ballots sent to all 243 owners. Owners were given multiple opportunities to ask questions, submit comments and participate in the process.

The Colorado Common Interest Ownership Act allows an HOA to petition the court to approve an amendment when more than half of the homeowners needed to approve it do so. That same law states the court must grant the petition unless at least 33% of owners object.

In this case, more than half of the homeowners needed to approve the amendment voted in favor. Fewer than 30 of Sawgrass's 243 members — about 12% — objected.

Accordingly, the Douglas County District Court found the association complied with every requirement of Colorado law and formally approved the amendment Nov. 20, 2025.

While a small but vocal group of homeowners disagrees with the amendment, the association said, they do not represent the views of the community at large or the majority that supported the measure to protect Sawgrass's long-term stability and property values."