

**Battle Bank
Community Reinvestment Act
2023-2026 Strategic Plan**

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Section I: Introduction

Battle Bank, N.A. (“Battle Bank” or “Bank”) is a nationally chartered bank established on [OPENING DATE TBD] (the “Opening Date”) that maintains its headquarters in Eagle County, Colorado. The Bank is a subsidiary of Battle Financial, Inc. and is regulated by the Office of the Comptroller of the Currency (“OCC”). As a federally insured depository institution, Battle Bank is subject to the Community Reinvestment Act (“CRA”), which requires banks to help meet the credit needs of their entire community, including low and moderate-income (“LMI”) neighborhoods. The Bank’s CRA strategic plan will be evaluated under 12 CFR 25.21 and 12 CFR 25.27. The Bank has prepared this CRA Strategic Plan for 2023-2026 (“Strategic Plan” or “2023-2026 Plan”).

After the Opening Date, the remainder of 2023 will be used to refine our evaluation of the needs of our assessment area while we bring the bank into operation. During 2023, the first calendar year in which there are operations, the Bank will seek traditional CRA opportunities for loans, investments, and community development and use our experiences and additional research to help refine the tactics to ensure the plan properly addresses the needs of the communities served by Battle Bank. The Strategic Plan will then be used to guide our efforts during the years 2024-2026 of the plan period.

Section II: Battle Bank’s Commitment to CRA

Battle Bank is committed to excel in delivering on its obligations under the Community Reinvestment Act. Battle Bank expects to fight for the communities that we serve and comply with both the letter and the spirit of the CRA. Battle Bank’s Board of Directors (“Battle Bank Board”) and senior management plan to make a serious and proportional impact on the areas we serve and steadily expand our involvement as the Bank grows. To this end, Battle Bank has established a comprehensive CRA Program that involves participation from the Battle Bank Board, senior management, the Bank’s CRA Coordinator, and Bank employees.

Battle Bank’s CRA Program is under the direction of the Battle Bank Board, with a designated Coordinator (“Coordinator”) who interacts with all other areas of the company on a regular basis. The coordinator is responsible for the implementation and oversight of the CRA activities, any CRA portfolio, and the Bank approved Strategic Plan. The coordinator has extensive experience in community banking with deep ties in the designated area that will be used to determine opportunities to deploy Battle Bank resources to meet community needs in a safe and sound manner.

The CRA Coordinator will ensure that all proposed CRA loans and investments, and approvals follow Battle Bank’s lending policies and guidelines and Battle Bank’s CRA Policy.

As noted below in this document, the business model utilized by Battle Bank is somewhat unique. As a result, in order to make a meaningful impact we have developed this CRA Strategic Plan. In doing so, Battle Bank will be able to act as a community bank in the assessment area (Eagle County, Colorado), and expand the institution nationally through the developed digital channels.

If Battle Bank fails to meet substantially the strategic plan goals for a satisfactory rating, as noted above, we elect to be evaluated under the normal assessment method based on the size of our institution.

Section III: Battle Bank Description & Business Plan

Battle Bank has been formed to build a diversified financial services company that provides traditional, as well as innovative banking and lending products and services to customers nationwide. Battle Bank will engage with prospects and clients primarily through our integrated online financial portal, direct marketing, and other financial intermediaries. These channels will be connected by technology-driven centralized platforms. While other direct banks exist, this approach to banking remains relatively unique.

Alongside traditional deposit products such as our High Yield Cash Account and certificates of deposit, Battle Bank is also offering clients the opportunity to diversify their cash holdings through market-based FDIC-insured deposits. We offer money market and short-term CD deposits denominated in currencies outside the U.S. dollar and, periodically, we offer medium-term CD's that will provide principal-protected access to market opportunities.

As a companion product to these market-based deposits, Battle Bank offers clients the opportunity to purchase, sell, take delivery of, and store non-FDIC insured precious metals such as gold, silver, platinum, and palladium.

Battle Bank makes loans nationwide to consumers and businesses. As a national community bank, clients may approach us with a variety of credit requests. Battle Bank provides clients with the opportunity to obtain liquidity secured by precious metals that they own. Battle Bank makes other personal loans, some secured by residential real estate, and business loans that meet our credit standards and are of a character that we feel can be extended cost-effectively in a safe and sound manner.

Section IV: Battle Bank Financial Information

Battle Bank is a de-novo bank that, at opening, will have no existing deposits outside of founders, shareholders, and team members and at opening there will be no loan balances. On the Opening Date, Battle Bank will be capitalized with \$120 million of equity capital and is expected to have 35 - 40 full-time employees. Battle will file financial information with its regulators on a quarterly basis - the most recent updates are available at cdr.ffiec.gov (or by clicking [here](#)). Search for Battle Bank, N.A. in Colorado or search by our FDIC certificate number XXXX [to be updated when issued].

Section V: Battle Bank Assessment Area

The Community Reinvestment Act requires every bank to delineate one or more assessment areas within which the bank's record of helping to meet the credit needs of its community will

be examined. The assessment area must include the geographies in which the bank has its main office, its branches and its deposit-taking ATMs (12 CFR 25.41(b)).

Because Battle Bank does not anticipate operating any physical branches or deposit-taking ATMs, the Bank delineates its assessment area Eagle County, Colorado, where it is headquartered. The Bank may also participate in community development activities outside of Eagle County that benefit its larger regional area up to and including the entire state of Colorado. For this plan, the Bank has elected to set its service goals based on a multiple of hours per full-time equivalent (FTE) employee based in or assigned to the AA or to the greater regional area. In compliance with 12 CFR 25.41 (e), the assessment area includes only whole geographies or political subdivisions (counties), does not reflect illegal discrimination, does not arbitrarily exclude low or moderate income areas, and generally may not extend substantially beyond a Metropolitan Statistical Area (“MSA”) boundary or beyond a state boundary unless the assessment area is located in a multi-state MSA.

Please see Appendix A for a map of the Assessment Area and the Census Tracts encompassed in the Assessment Area. Please also see Appendix B for selected demographic information about the Assessment Area.

Section VI: Overview of Battle Bank’s CRA Strategic Plan, Effective Date and Term

The effective date of the Battle Bank CRA Plan is anticipated to be January 1, 2024, or 90 days after the granting to Battle Bank of its national bank charter. If the Bank is granted its charter prior to January 1, 2024, the goals for this short period will be to meet with at least three strategic organizations in the AA involved in community development activities to help bank leadership determine what opportunities might be available for community development. Additionally, the Bank asks that any qualifying investments made during this short period prior to January 1, 2024 be considered for the Strategic Plan period.

In developing this 2024-2026 Plan (to include any time during which the bank is open for business in 2023) and its proposed goals, a Battle Bank Organizer has met with and received input from entities representing some community partners. Other members of Battle Bank’s team have extensive experience in Eagle County and the greater Colorado market, including employment in banks that were located in Eagle County and other major markets in Colorado. From and after the Opening Date, the CRA Coordinator is charged with expanding this outreach and establishing programs to better meet community needs.

Goal Formation:

Based on Battle Bank’s initial research, articles in local and regional press, and contacts with local community leaders, housing continues to be a clear and urgent need for LMI households in the community. Since the Eagle County economy primarily revolves around the ski resorts of Vail and Beaver Creek, most of the employment opportunities center around the hospitality industry and consist of lower wage and seasonal jobs such as ski patrol and lift operators, restaurant and retail employees, janitors and hotel staff, etc. These households are attempting to live in an area that has a high cost of living making it difficult to find affordable housing.

Despite the fact that Eagle County does not contain any LMI census tracts, the individuals in need of workforce housing qualify as LMI individuals. Most resort communities suffer from this same community concern and banks within those communities can and should help provide solutions.

While workforce housing needs are clear in Eagle County, after Battle opens it will determine the best methods to support these needs in the community. To help assess these needs, Battle intends to meet with the organizations that support the LMI needs of the area and utilize surveys and other inputs from the community to ensure the Bank is actively meeting those needs.

Beyond Eagle County, Battle Bank may also participate in community development activities in the wider regional area up to and including the full state of Colorado.

Battle Bank requests that the OCC's evaluation of the Bank's combined CRA lending and investment performance be measured in terms of a percentage of the Bank's average assets for each of the three years of the Strategic Plan. The average assets used for this calculation will be derived from the total average assets listed on RC-K line 9 of the Bank's 12/31 Call Report for the previous year. The Bank will also use average balances for loans and investments for each Plan year as the method for evaluating its performance against the Plan's goals. Additionally, while the Bank will strive to achieve its lending and investment goals within Eagle County, which is relatively small and does not contain any LMI census tracts, we ask to also include community development activities within our wider regional area – the state of Colorado. We have developed a weighting system for our strategic plan goals to align with our focus on our AA. This weighting system will count all qualifying community development activities within Eagle County at 100% and all other qualifying community development activities outside Eagle County, but in Colorado, at 85%. This will focus Battle Bank's attention and efforts on meeting the CRA goals inside the Eagle County AA yet provide Battle Bank with a way to still meet its CRA goals by serving the needs of our broader regional area as well. For example, if Battle Bank made a \$1,000,000 qualifying community development loan in Eagle County, 100% of that loan would count towards the community development goal. If a similar qualifying \$1 million loan was made outside Eagle County, but in Colorado, only \$850,000 would be counted towards our Plan goal.

Battle Bank has established volunteer hour goals based on a review of other strategic plans. Battle notes that some large institutions have goals as low as 0.10 hours per employee per year. Given the Bank's national online business strategy, Battle Bank will have relatively few employees residing in Colorado and even fewer in Eagle County. At the Opening Date, Battle is forecasted to have 43 employees, but currently expects only four of them to live in Colorado and only one in Eagle County. For this reason, we are setting volunteer hour goals based on a per employee in Colorado basis. We have set total volunteer hours at 3 hours per employee in Colorado per year for a Satisfactory result, and 5 hours per employee in Colorado per year as an Outstanding goal. While we expect most of Battle Bank's employees will reside outside Colorado, meaning their volunteer activities will not count towards the goals under this

strategic plan, Battle Bank will still encourage and support employee volunteerism in their local communities so that the Battle Bank team can have a positive impact in all of the communities in which they live.

Investments

Based on the information reviewed, Battle Bank will focus on the following areas as it invests in the Bank's Assessment Area. Battle does not expect to limit itself to the specific efforts described in this Plan, rather it believes that the following are representative of the types of qualified activities Battle intends to pursue. Battle Bank's possible investments will include the following:

- CRA Eligible Mortgage-Backed Securities or Municipal Bonds
- Affordable Housing Tax Credit Investments
- Certificate of Deposit Investments in Minority/Women Owned Institutions

Lending

Battle Bank's potential lending opportunities will include:

1. Community development lending and investment in workforce housing plans, projects, occupation, and organizations that support or contribute to affordable housing.
2. Community development lending and investments that support economic development, job creation and workforce development, and community revitalization.
3. Small Business Lending. Although Battle does not currently plan to focus on these programs nationally, Battle intends to initiate or purchase SBA 7a loans, which are geared toward small business borrowers, in our Assessment Area.
4. We expect to provide bank financing to local small businesses for the purchase of equipment and/or real estate.
5. We expect to participate in the down-payment assistance programs offered through Housing Eagle County. This program helps LMI families with the down payment for the purchase of a home.
6. There are a variety of community support opportunities available in the Bank's Assessment Area for investment or lending that Battle Bank will evaluate and consider as the opportunities arise. These include support services for childcare, education, workforce development and job training programs, legal services, health services, and housing services, that partially or primarily serve or assist low or moderate-income individuals or families.

Opportunities

There are several organizations in Colorado, and in the Eagle County community, focused on community development, affordable and workforce housing. Battle Bank will leverage current ties to the community to develop relationships with organizations that can help Battle Bank identify opportunities to best make a positive impact on the affordable and workforce housing and other needs of the LMI residents in our assessment area. The following list of organizations are ones that Battle Bank has identified as actively supporting the LMI needs in our assessment area. We have established relationships at several of these organizations and intend to expand these relationships as well as develop relationships with the organizations that we do not yet know. Our CRA coordinator will be in contact with personnel at each of these organizations to develop specific plans for Battle Bank to support their missions in our assessment area. That support may be financial or through volunteer service by our team members or even via offering financial education to the families supported by these organizations.

Colorado Housing Finance Authority (CHFA)

<https://www.chfainfo.com/>

Created in 1973, CHFA's mission is to strengthen Colorado by investing in affordable housing and community development. CHFA was created by the Colorado General Assembly to address the shortage of affordable housing in the state. In addition to helping facilitate and finance affordable housing, CHFA also provides homebuyer education programs, facilitates small business loan programs, non-profit financing, and administers the Fresh Food Financing Fund.

Impact Development Fund (IDF)

<https://impactdf.org/partners/>

IDF is a Colorado based CDFI that supports projects that bring together multi-faceted community stakeholders including nonprofit organizations, developers, community banks, individuals and local and state government to help overcome obstacles to ensure critical Colorado community projects can be realized.

Vail Valley Partnership (VVP)

<https://www.vailvalleypartnership.com/>

VVP is a regional community development organization, dedicated to the economic vitality of the Vail Valley. VVP is dedicated to ensuring local business success and fostering regional economic vitality by offering local businesses tools and resources, promoting the Vail Valley to destination guests, and initiating economic development efforts.

Vail Valley Foundation

<https://vvf.org>

The Vail Valley Foundation is a nonprofit organization with a mission to provide leadership in arts, athletics, and education, and address community needs to enhance the Vail valley as a place to live, work, and visit. In education, they operate YouthPower365. In athletics, they host the GoPro Mountain Games and Xfinity Birds of

Prey. In arts, they operate the Gerald R. Ford Amphitheater and Vilar Performing Arts Center and host the Vail Dance Festival.

Housing Eagle County (HEC)

<https://www.housingeaglecounty.com/development>

HEC is the Eagle County Housing and Development Authority. They have several programs to help address the shortage of affordable and workforce housing in Eagle County

Good Deeds

Good Deeds supports the local deed-restricted inventory of for-sale homes available to home buyers that make Eagle County their permanent residence. The goal is to increase the number of deed-restricted units available to in the market by converting an existing open-market home into a deed-restricted home that will be preserved for a local household for the future.

The Eagle County Loan Fund

The Eagle County Loan Fund has three programs to assist the LMI community:

1. *Down Payment Assistance Program:* helps provide down payment assistance for eligible homebuyers.
2. *Rental Assistance Program:* provides assistance for locally employed, full-time, year-round renters signing a new 12-month lease within Eagle County by providing them with up to two months of rental payments to the landlord.
3. *Accessory Dwelling Unit (ADU) Program:* this program is designed to help increase the existing inventory or local rental properties by providing loans to property owners to finish space that may be converted to an ADU.

Volunteer Hours

Many of Battle Bank's employees ("team members") work remotely. Battle encourages team members to become involved in their local area and volunteer to assist with various organizations, including those mentioned above, that benefit the community. Qualified service hours may also include hours contracted to a vendor to teach financial literacy to students at a high free and reduced lunch school and/or hours contracted to a vendor to provide consumer credit counseling services. Volunteer activities that qualify for our CRA commitment include, but are not limited to:

- Various members of the Battle Bank team are involved as board members of community non-profit organizations in the AA and greater Colorado and will continue or expand on those activities as a representative of Battle Bank;
- Activities such as teaching and mentoring including youth on basic financial planning skills, understanding traditional banking and credit services, and starting small businesses;

- Outreach discussions revolving around providing financial independence through education, counseling including fundamental needs such as opening a checking account, budgeting for a first home, establishing credit, or recovering from financial mistakes, either in person or through electronic media produced by Battle Bank;
- Programs that introduce entrepreneurs and their small businesses to providers of equity capital;
- Providing guidance either in person or through electronic media produced by Battle Bank on financial matters to local religious and community organizations that offer services to LMI communities as a part of their charter or practice through Board membership or as an advisor;
- and other activities supporting LMI individuals and households that are uniquely important in each local community.

The Battle team will work with the organizations noted above as well as others in the community for volunteer opportunities.

Other Activities

- Community Development loans for activities that support affordable housing, promote economic development and job creation, provide community services to LMI individuals, or serve to revitalize and stabilize neighborhoods and the surrounding economy.
- Single Family residential loans made or acquired by the Bank on properties in LMI census tract geographies, and/or loans to LMI borrowers.
- Multi-Family loan originations or purchased loans on units that support affordable housing.

If during the term of this Strategic Plan there is a material change in circumstance, Battle Bank may request an amendment to this Strategic Plan as provided for in 12 CFR 25.27(h).

Section VII: Performance Goals & Measurables

Battle Bank's strong commitment to CRA is further evidenced by the following measurable goals now set forth in this Strategic Plan. Since Battle Bank plans to open for business slightly prior to the beginning of this three-year plan, investments made once the Bank is open for business, but prior to the beginning of this Plan, are intended to be scoped into these goals. The goals are expressed as the average book value for each Plan year for the loans and investments. This is illustrated in table 2 below.

Qualified Community Development Lending & Investment

Cumulative CRA Eligible Community Development Loans, Grants, Donations, and Investments as a percentage of AA	2024	2025	2026
Satisfactory Rating	0.7%	0.7%	0.7%
Outstanding Rating	1.0%	1.0%	1.0%

Qualified Community Development Goals for Community Development Grants and Service Hours per FTE in the Assessment Area

Satisfactory Goals	2024	2025	2026
Service Hours per FTE in AA	3	3	3
Outstanding Goals	2024	2025	2026
Service Hours per FTE in AA	5	5	5

Section VIII: Public Participation in Development of the Plan

Informal Public Suggestions

Pursuant to the CRA requirement that a bank formally seeks suggestions from the public while developing a Strategic Plan, members of management and a Battle Bank founder have met with and received input from entities representing community partners in Eagle Colorado. Information gathered in these meetings heightened our awareness of the needs of the community and assisted in the development of our lending, investment, and service goals.

Formal Public Comments

Once the Bank has developed the Strategic Plan, the Bank is required to formally solicit public comment on the Strategic Plan for at least 30 days by publishing notice in at least one newspaper of general circulation in each assessment area covered by the Strategic Plan.

The Bank formally solicited comments from the community prior to submitting the Strategic Plan for OCC approval by posting a notice in the Vail Daily newspaper on May 31, 2023. This newspaper is published and circulated widely in the Bank’s Assessment Area including a digital platform through VailDaily.com.

Comments were solicited from the public for at least 30 days from the publication date of the notice.

The following is a copy of the official public notice posted in the Vail Daily:

Public Notice

*Community Reinvestment Act Strategic Plan
Public Comments Invited*

Battle Bank, N.A. - in organization ("Battle Bank") intends to file a Community Reinvestment Act Strategic Plan with the OCC, Independence Plaza 1050 17th Street, Suite 1500, Denver, CO 80265, no earlier than thirty (30) days from the date of this Notice. The proposed Strategic Plan is available for public inspection online at <https://battlebank.com/cra>. Upon request, Battle will mail a copy of the proposed plan to any interested party for a reasonable fee. These requests should be directed to Battle Bank at cra@battlebank.com. Written comments from the public should be addressed to cra@battlebank.com and will be reviewed and considered in preparing the final Community Reinvestment Act Strategic Plan. All written comments will also be submitted with the Strategic Plan to the OCC.

During the period of formal public comment, copies of the Strategic Plan were made available online or via mail delivery upon request for a reasonable fee to cover printing and mailing expenses.

All written comments received by the Bank during the formal comment period are included in Appendix XX, along with the Bank's responses to those comments. If comments received by the Bank are incorporated into the Strategic Plan, resulting in changes to the Strategic Plan, the Bank will submit both versions of the Strategic Plan to the OCC.

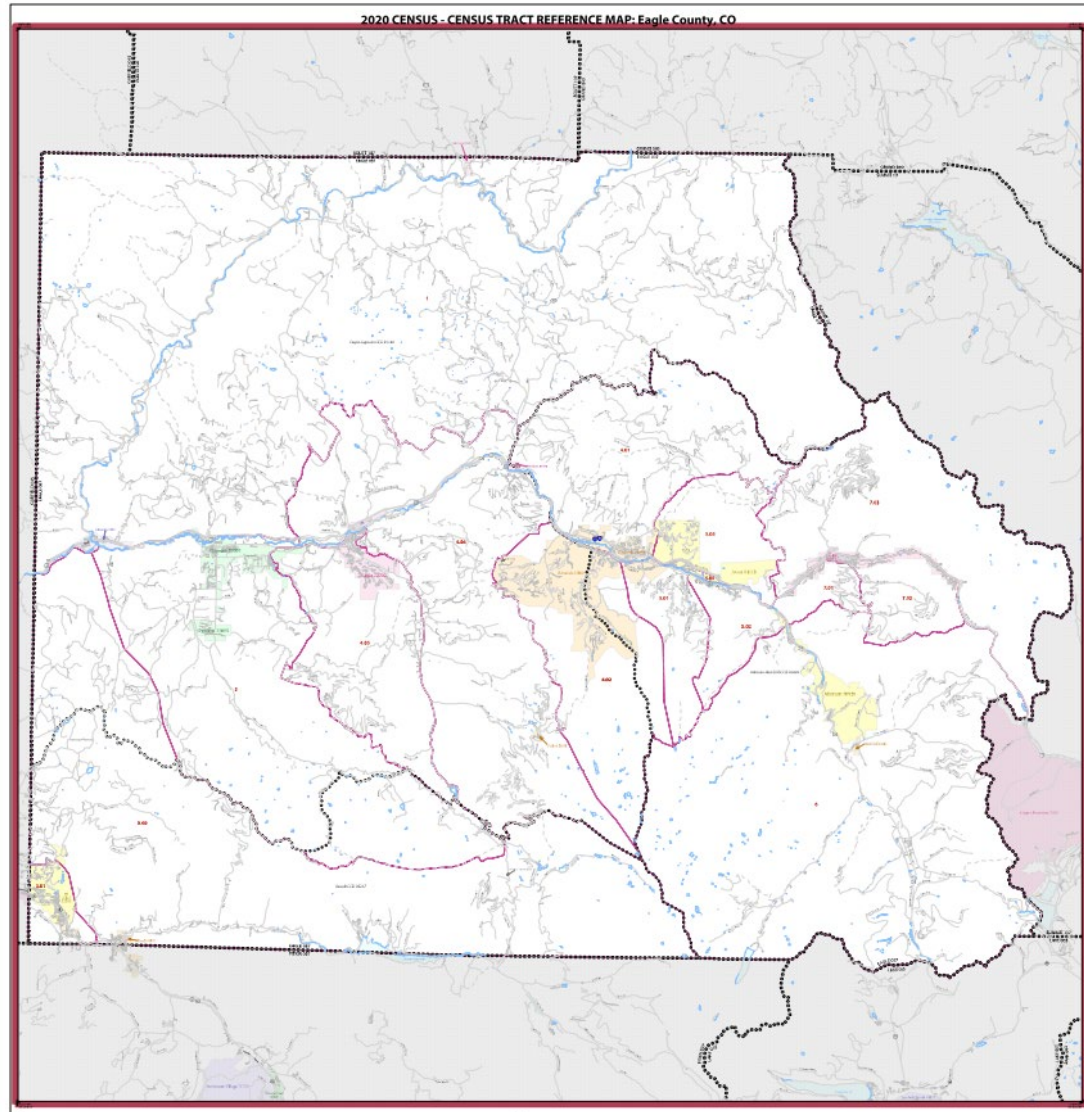
The Bank **received/did not receive any** written comments from the public during the formal public comment period from May 31, 2023 through June 30, 2023.

Appendix A

Battle Bank Assessment Area (Outlined in orange)




Battle Bank Assessment Area Tract Map



Appendix B

Table 1:
Census Tracts within the Battle Bank Assessment Area.

2022 FFIEC Census Report - Summary Census Demographic Information

 FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL <i>Promoting uniformity and consistency in the supervision of financial institutions</i>											
			Home Site Index Disclaimer Privacy Policy Accessibility								
FFIEC Census Reports											
Restart Search Report Help Census Info Sheet											
2022 FFIEC Census Report - Summary Census Demographic Information											
State: 08 - COLORADO (CO)											
County: 037 - EAGLE COUNTY											
Records 1 through 16 of 16											
Data Report Links											
Demographic (PDF) Income (PDF) Population (PDF) Housing (PDF)											
For details on each field, please refer to the Census Info Sheet											
* Will automatically be included in the 2023 Distressed or Underserved Tract List											
Tract Code	Tract Income Level	Distressed or Under-served Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD non-MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4-Family Units
0001.00	Middle	No	115.81	\$82,500	\$95,543	\$83,839	1664	56.61	942	334	563
0002.00	Middle	No	113.06	\$82,500	\$93,275	\$81,849	8385	52.05	4364	1651	2229
0003.01	Upper	No	150.16	\$82,500	\$123,882	\$108,701	6420	41.53	2666	1318	1707
0003.02	Upper	No	141.05	\$82,500	\$116,366	\$102,112	2150	23.26	500	922	1417
0004.01	Middle	No	106.31	\$82,500	\$87,706	\$76,964	5956	35.98	2143	1137	1618
0004.02	Upper	No	136.70	\$82,500	\$112,778	\$98,964	5052	41.57	2100	1095	1977
0004.04	Middle	No	104.93	\$82,500	\$86,567	\$75,962	2411	33.22	801	496	706
0004.05	Upper	No	155.93	\$82,500	\$128,642	\$112,882	6876	17.82	1225	1414	1879
0005.01	Middle	No	119.70	\$82,500	\$98,753	\$86,658	1222	25.94	317	551	1339
0005.02	Upper	No	131.70	\$82,500	\$108,653	\$95,343	3587	24.06	863	914	1348
0005.04	Moderate	No	61.80	\$82,500	\$50,985	\$44,738	2944	58.12	1711	398	517
0005.05	Upper	No	257.98	\$82,500	\$212,834	\$186,754	2603	27.58	718	730	957
0006.00	Upper	No	144.37	\$82,500	\$119,105	\$104,511	1347	25.54	344	299	653
0007.01	Upper	No	181.12	\$82,500	\$149,424	\$131,116	1201	12.16	146	288	867
0007.02	Upper	No	210.66	\$82,500	\$173,795	\$152,500	1389	14.54	202	586	1259
0007.03	Upper	No	177.42	\$82,500	\$146,372	\$128,438	2524	19.29	487	883	1304

FFIEC Census Reports

[Restart Search](#) [Report Help](#) [Census Info Sheet](#)

2022 FFIEC Census Report - Summary Census Income Information

State: 08 - COLORADO (CO)

County: 037 - EAGLE COUNTY

Records 1 through 16 of 16

Data Report Links

[Demographic \(PDF\)](#) [Income \(PDF\)](#) [Population \(PDF\)](#) [Housing \(PDF\)](#)

For details on each field, please refer to the [Census Info Sheet](#)

Tract Code	Tract Income Level	2020 MSA/MD Statewide non-MSA/MD Median Family Income	2022 FFIEC Est. MSA/MD non-MSA/MD Median Family Income	% Below Poverty Line	Tract Median Family Income %	2020 Tract Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Household Income
0001.00	Middle	\$72,390	\$82,500	3.92	115.81	\$83,839	\$95,543	\$81,250
0002.00	Middle	\$72,390	\$82,500	10.84	113.06	\$81,849	\$93,275	\$76,841
0003.01	Upper	\$72,390	\$82,500	7.83	150.16	\$108,701	\$123,882	\$108,199
0003.02	Upper	\$72,390	\$82,500	13.25	141.05	\$102,112	\$116,366	\$77,005
0004.01	Middle	\$72,390	\$82,500	8.78	106.31	\$76,964	\$87,706	\$62,758
0004.02	Upper	\$72,390	\$82,500	12.22	136.70	\$98,964	\$112,778	\$92,500
0004.04	Middle	\$72,390	\$82,500	7.37	104.93	\$75,962	\$86,567	\$75,088
0004.05	Upper	\$72,390	\$82,500	6.65	155.93	\$112,882	\$128,642	\$125,417
0005.01	Middle	\$72,390	\$82,500	3.84	119.70	\$86,658	\$98,753	\$0
0005.02	Upper	\$72,390	\$82,500	5.13	131.70	\$95,343	\$108,653	\$97,711
0005.04	Moderate	\$72,390	\$82,500	18.02	61.80	\$44,738	\$50,985	\$37,554
0005.05	Upper	\$72,390	\$82,500	13.39	257.98	\$186,754	\$212,834	\$90,439
0006.00	Upper	\$72,390	\$82,500	1.91	144.37	\$104,511	\$119,105	\$96,765
0007.01	Upper	\$72,390	\$82,500	5.95	181.12	\$131,116	\$149,424	\$111,528
0007.02	Upper	\$72,390	\$82,500	8.85	210.66	\$152,500	\$173,795	\$100,788
0007.03	Upper	\$72,390	\$82,500	10.04	177.42	\$128,438	\$146,372	\$64,303

Eagle County Background

The Battle Bank Assessment Area is comprised of Eagle County Colorado

The Eagle County housing market has been exceptionally strong for several years and continues to show strong performance due to long-term trends in recreation and retirement location choices and shifts in housing selection choices due to the COVID-19 pandemic. Eagle County hosts a bimodal housing and income market with second homeowners and wealthy full-time residents pricing out workforce households and other communities. Eagle County is surrounded by mountains and has a high proportion of land that is not suitable for developing workforce and low-income housing. It is a rare week that goes by without a news story in local or regional journals about the difficulty of obtaining or retaining employees or the inaccessibility of appropriate housing for workers and their families.

While the supply of residences for the higher-end consumer has been readily satisfied by developers, Eagle County is projected to continue to have limited growth in workforce and low-income housing.

The overall state's population growth is also a contributor to the demand for housing, which has driven prices upward and put stress on the available housing inventory. According to BestPlaces.net, Eagle County's current median home value is currently \$1,135,500 which is a 9.4% increase from last year. This surge is outpacing the increase in workforce median household incomes, with median sales prices increasing 138% over the last ten years, and household incomes only growing by 21%. While homebuyers have experienced an increase in prices, renters are also experiencing higher rents. For example, according to rentdata.org, over a five-year period, median rents for a 2-bedroom unit in Eagle County have increased from \$1,208 in 2016 to \$2,030 in 2023. This is indicative of the overall housing market in the AA and Colorado as a whole.

Due to the cost of land and rising construction costs, most new developments, including most multi-family projects, are geared toward high-end condos, time-shares, and second homeowners. All of this conspires to make it difficult to develop housing that is priced such that it is affordable for local workers. In the Eagle County, as in most mountain communities, developers are generally required to provide some units in proposed developments at an affordable level for workforce families, or as deed-restricted properties. In addition, the various cities and towns in the county have built and own some housing with the purpose of keeping it affordable for working families. None of these solutions, while helpful, have been able to keep up with the demand for affordable workforce housing.

There have been other factors that have negatively impacted the affordable housing problem in the Assessment Area. Ironically, low interest rates have exacerbated the problem, which seems counter intuitive. However, lower interest rates generally end up driving up the value of real estate, including land for development. The Covid-19 pandemic has also negatively impacted housing affordability in most Colorado mountain communities. With the shift to working from

home and thus away from working in an office building, many high earners have chosen to move out of dense metropolitan areas. No longer needing to live within a reasonable commute from their office, many are choosing the mountain lifestyle, and their arrival in mountain communities has created new demand for housing, thus driving up home and land values.

There have been many studies done to try to solve the affordable housing issue, but thus far, a workable solution has been elusive.

Over the last ten years Colorado has ranked as the sixth fastest growing state; however, in 2022 it fell out of the top ten fastest growing and has now dropped to 19th fastest growing. Colorado will likely continue to experience significant population growth from in-migration and natural increases. Some research projects that the number of Colorado households will continue to grow steadily into the future while persons per household decrease with continued challenges in housing, education and transportation. As the market demand for housing increases with the pace of growth, it will continue to outpace available inventory and the rise in home prices will remain a barrier to homeownership for lower-income households.