VILLAGE OF HOMEWOOD

BOARD AGENDA MEMORANDUM **DATE OF MEETING: September 22, 2026**

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Noah Schumerth, Director of Community and Economic Development

Topic: Proof of Financing Policy – Economic and Community Development

PURPOSE

The Village of Homewood regularly engages in a variety of economic development activities, including the sale and development of Village property, support of large-scale development projects, and other development activities. The Village pursues such projects for a variety of purposes, such as increasing municipal revenue, providing necessary services for Village residents, or improving overall quality of life in the Village.

The vast majority of the Village's economic development projects require some sort of Village assistance, including TIF incentives, the purchase of Village-owned property, and other forms of assistance. The Village currently does not have a policy for requiring proof of financial capability to complete projects performed in partnership with the Village. The ability to show the financial capability to complete a project is important for ensuring that projects are completed successfully and in a timely manner, and that Village incentives are used for their intended purpose.

Staff has prepared a draft "proof of financing policy" for new developments receiving any sort of Village financial assistance or support. This policy is designed to establish when and how the Village will verify financial capability at common "benchmarks" of the development process. This policy presents three key steps in the development process where Village staff will confirm proof of financing. Not all projects will require all three steps.

This policy ensures that projects are completed successfully in a timely manner. The policy is also designed to ensure that incentives or other agreements are not executed in a manner that opens the Village to undue risks, including loss of revenue, abandoned or incomplete projects, or loss of control of Village-owned property without a positive development outcome.

Economic Development Policies

Staff will be providing drafts of various economic development policies to the Board over the next several months. These policies are designed to clarify and solidify "standard procedures" for economic development activities completed by the Village. These are designed to serve as policies, not an ordinance or requirement specific to any one project – the Village Board reserves the right to modify these requirements as is appropriate for a specific project in order to maximize public benefit.

PROCESS

The Village has the authority, as provided by State statute (65 ILCS 5/8-1-2.5 and 65 ILCS 5/11-74.4-1), to require "proof of financing" for projects which have a public purpose (including economic development projects requiring public assistance or development of public property).

Staff performed careful review of current economic development policies and reviewed best practices from other municipalities which perform large-scale economic development activities to create this policy. Staff identified several key benchmarks that are common to most development projects and represent milestones at which proof of financing may be most beneficial to the Village in assessing the likelihood of successful and timely project completion.

OUTCOME

The Village has developed the following policy that may apply to many Village economic development projects, including:

- Any development project receiving tax-increment financing (TIF) assistance, whether through reimbursable "pay-as-you-go" payments or up-front payments.
- Any development project requiring the purchase of Village-owned property.
- Any development project being funded through one or more additional public assistance programs which require Village support (Low-Income Housing Tax Credits (LIHTC), New Market Tax Credits (NMTC), DCEO funding, federal Small Business Administration (SBA) loans/incentives, etc.).
- Any other development project or business receiving Village incentives, upon request of the Village Board or Village Manager's Office, when deemed necessary to safeguard Village resources.
- Cook County property tax incentives are exempt from this policy because those incentives have a separate review and approval process.

Under this policy, the Village should expect any developer or bidder who is receiving Village assistance or attempting to purchase Village property to provide clear evidence of funding, prior to any commitments being approved for Village resources, incentives, or property. The policy details how proof of financing will be embedded into various Village economic development processes and procedures.

VILLAGE OF HOMEWOOD

FINANCIAL IMPACT

- **Funding Source:** N/A
- **Budgeted Amount:** N/A
- **Cost:** N/A

LEGAL REVIEW

Not Required

RECOMMENDED BOARD ACTION

Pass a resolution approving the Proof of Financing Policy for Economic Development Projects for the Village of Homewood, establishing administrative procedures and minimum documentation requirements for demonstrating financial capability to complete any project receiving Village TIF incentives, property, or other forms of public development assistance.

ATTACHMENT(S)

- Resolution
- Proposed Policy