

# VILLAGE OF HOMEWOOD



## **BOARD AGENDA MEMORANDUM**

**DATE OF MEETING: March 10, 2026**

**To:** Village President and Board of Trustees

**Through:** Napoleon Haney, Village Manager

**From:** Angela Mesaros, Director of Economic and Community Development  
Noah Schumerth, Assistant Director of Economic and Community Development

**Topic:** Sale of Village-Owned Property at 2066 Ridge Road and 2024 Chestnut Road

The property located at 2024 Chestnut Road is currently used as the Village Hall public parking lot. In 2006, the Village consolidated six parcels at the northeast corner of Chestnut Road and Harwood Avenue into a single property at 2024 Chestnut Road in anticipation of a mixed-use development (Chestnut Square). This site has long been identified as a key redevelopment opportunity within the community. The property is currently tax-exempt; redevelopment would return the site to the tax rolls and increase residential housing opportunities within the Central Business District.

The property located at 2066 Ridge Road is also a Village-owned property that is desirous to be redeveloped. Both properties were shared as part of a Request for Proposal solicitation that garnered the attention of six (6) developers. The six (6) development proposals were narrowed down to four (4), which were subsequently reduced to two (2) developers who were presented to the Village Board.

At its February 10, 2026 meeting, the Village Board identified Holladay Properties as the preferred developer and passed an ordinance directing the Village Manager to solicit alternate bids and proposals, in accordance with the requirements of the Tax Increment Financing (TIF) Act. The Village received two alternate bids and proposals for the sale and development of the property by the submission deadline of 5:00 p.m. on Tuesday, February 24, 2026. The most recent complete proposals are available on the Village's website at the following link: <https://www.village.homewood.il.us/business/downtown-transit-oriented-development-2066-ridge-road-and-2024-chestnut-road>

Attached is an updated comparative grid. The items that have been revised for the alternate proposals are in red. *Below is a summary of each proposal and its revisions.*

1. ***Preferred Developer:*** ***Holladay Properties*** is a 70-year-old fully integrated real estate developer, owner, and operator with offices across the Midwest. Their mission is to build long-term value in communities. Holladay proposes a mixed-use development with market-rate apartments and highly amenitized spaces, private terraces or balconies, and concierge-style services for both sites. The Matrix property would be a "retail mixed-use project" including a restaurant with outdoor seating or local grocery store on the ground floor.

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In response to community input, Holladay provided the following update to their plans: They have significantly expanded the public plaza on the south portion of the site, increasing overall public gathering space. The north portion of the property now features enhanced green open space. They have incorporated 10 public parking spaces along Chestnut Road and can commit to installing a couple of EV charging stations in this area. They eliminated the single and costly (\$4,400 rent) 1,600+ SF unit.

2. *Alternate Proposal: Far South Community Development Corporation (Southland CDC)* is a Chicago-based non-profit established in 1980, focused on community revitalization, economic development, and social justice in Chicago's Far South Side neighborhoods and south suburban Cook County, offering housing support and business assistance, and advocating for affordable housing and development to combat poverty and blight in low-income areas. Their team, including SEEK Design + Architecture (architect) and BOWA Construction (general contractor), proposes a mixed-use development that includes commercial on the ground floor and both market-rate and affordable apartments.

Far South CDC originally proposed a 72-apartment complex in a four-story building along with a restaurant and commercial space, plus two public courtyards or plazas for the Chestnut Road site. For the Ridge Road site, the company suggested 39 apartments with a rooftop restaurant, and commercial uses with surface parking.

In the revised proposal, FSCDC lowers their requested TIF share from \$8 million to \$3 million, potentially leaving more funding available for the Village. The updated plan also adjusts the project completion timeline to 2029 for Chestnut Road and 2028 for Ridge Road, and increases the size of their amenity deck while keeping the overall number of residential units unchanged.

*Alternate Proposal: Southland Development Authority (SDA)*. The developer team for SDA originally proposed a six-story building with 85 apartments, plus residential and public parking. The proposal also includes commercial space, plus a plaza and surface parking for the Chestnut Road site. For the Ridge Road site, SDA proposes 22 apartments in a five-story building with commercial space, plus an outdoor plaza and surface parking.

The revised proposal increases the number of units at the Chestnut Road site from 85 to 101, bringing the total across both buildings to 123. The plan adds height at the Chestnut Road location, rising from six to seven stories, and reduces public parking from 57 spaces to 41. SDA would also reduce its tax increment financing (TIF) share from 100% to 85%, while plans for the Ridge Road site remain unchanged. SDA provided letters of consideration from other funding sources and an updated timeline that targets a 2026 groundbreaking and a fourth-quarter 2027 opening for both locations.

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## Summary

The project would become the largest investment in “transit-oriented development” in Homewood’s 133-year history. The Federal Transit Administration (FTA) defines transit-oriented development as “*The creation of compact, mixed-use communities near transit where people can enjoy easy access to jobs and services.*”

Transit-oriented development is designed to promote land uses that best complement the existing or proposed transit services in a community. This often means increasing residential density, because of higher land values and overall desirability near transit stations, given their unique access to efficient transit services and the premium that residents or employers are willing to pay for that access.

### *Commuter Hub*

Homewood is one of a limited number of suburbs in the Chicagoland region that has reliable high-frequency regional transit through the Metra Electric (ME) service. The Village also has access to multiple Pace bus lines and Amtrak services connecting Homewood to Chicago and downstate communities.

### *TOD Master Plan*

The Village approved a Downtown Transit-Oriented Development (TOD) Master Plan in 2024 to guide the Village’s approach to transit-oriented development in the downtown area. This plan was designed to provide recommendations and ideas for how to approach some of the most challenging aspects of creating successful transit-oriented development, including parking, open space access, housing affordability, urban design, and walkability.

As the Board reviews proposals for development on the Village’s two TOD redevelopment sites, three of these aspects have been mentioned as areas of concern: public parking, housing affordability, and green space. These three items are among the most common challenges communities face with when implementing successful transit-oriented development. Staff provided information on each of these in the section below.

## **Public Parking**

### *Parking Study*

The Village commissioned a parking study in 2019 to study the parking impacts of residential development on the Village Hall parking lot site, and the renovation of the Village Auditorium for events. The study measured parking demand (including potential future growth) and outlined key “action items” to relocate the Village Hall spaces (-117 spaces) and accommodate future growth of Auditorium traffic (+288 spaces needed). The study provide a list of “action items” to successfully manage parking demand around Village Hall with the removal of the Village Hall parking lot.

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### *Decentralized Parking Solutions*

The Village continues the implementation of the many of the action items recommended in the 2019 parking study, as summarized below:

- Acquiring the Harwood Avenue Metra parking lot from the South Suburban Mass Transit District (+120 spaces) – **Complete. This lot is now open for safe, free public parking on weeknights, weekends, and holidays.**
- Lease the St. John Neumann church parking lot for public parking/shared use (+45-90 spaces) – **In progress. The Village is nearing the completion of negotiations for up to 70 spaces.**
- Construct a parking deck on the Harwood Avenue Metra lot (+120 spaces) – **Exorbitant cost and may have significant technical constraints.**
- Convert Harwood Avenue into a one-way street and add angled public parking (+20 spaces) – **In progress. The Village is awaiting final approval from the Illinois Department of Transportation for the jurisdictional transfer to make this possible.**
- Convert Elm Road and Chestnut Road into one-way, adding angled public parking (+19 spaces) – **Under consideration by staff.**

**Between the spaces acquired and the ones being considered (above), and the other parking solutions in progress, the Village would add a total of 229 additional spaces.**

In addition to these parking solutions, the Village is exploring other options to add parking downtown. These include:

- Shared public parking agreement with Abundant Grace UCC (+40 spaces) – **In progress.**
- Shared public parking agreement with the building at 18106-18124 Martin Avenue (+10 spaces) – **In progress.**
- Exclusive use agreement with La Banque Hotel for Village Hall employee parking (+13 spaces) – **In progress.**

Once these agreements are in place, the Village will have added an **additional 63 spaces.**

**In TOTAL all these parking additions will create up to 292 new public and shared-use parking spaces.**

### *A New Approach to Downtown Parking*

While the Village continues to add parking to support new businesses and development, these parking locations are scattered throughout Downtown in a “decentralized” approach to increase downtown parking by using existing parking areas more efficiently. The Village only has eight public parking lots, however, there are over 70 private parking lots in the Downtown area. Much of this private parking remains unused during the downtown businesses’ peak parking demand times (weekday nights and weekends).

The 2019 parking study noted this underutilization and inefficiency in downtown parking. The Plan recommended exploring parking agreements or Village acquisition of the lots that would allow the Village

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to expand parking availability through the existing parking already located throughout the downtown. **The Village is pursuing a decentralized approach to parking to more efficiently use existing underutilized parking lots.**

The TOD Plan shares that even at peak capacity during Homewood’s highest attended events, only 68% of parking spaces are used. **The Downtown TOD Plan supports pursuing a “decentralized approach” of creating smaller Downtown public lots and more efficiently using parking already available in the downtown area.**

### *New Development Projects and Parking*

All three of the proposals under consideration include parking accommodations for their residents. Proposals by Far South CDC and Southland Development Authority include one (1) parking space per residential unit. Holladay Properties provides 1.2 spaces per residential unit. These totals reflect the data demonstrating that residents in transit-oriented development areas own fewer vehicles than those living outside of such areas, because many trips (especially commutes) can be replaced with a different mode of transit, such as walking, Uber, bicycling, or Metra.

### *Parking Solutions for Proposed Onsite Commercial Development*

Onsite residential parking is sufficient for all of the proposed developments. Parking for new proposed restaurants, retail or other commercial uses as part of these developments, can be effectively solved with the addition of street parking along Harwood Avenue, Chestnut Road, and Elm Road as well as the Harwood Avenue Commuter lot on weeknights, weekends, and holidays.

### *SDA Proposed Parking Structure*

The Southland Development Authority is the only development that proposes to construct 41 parking spaces for public use through the development of a single-floor parking deck. The former proposal included 57 spaces. These proposed public spaces were reduced (57 to 41) to add additional residential parking for the proposed building where a 7<sup>th</sup> story is being added with 16 additional residential units. The 41 spaces would be in addition to the 292 decentralized parking spaces created by the Village.

The cost of the proposed single-story parking garage is included in the project’s budget which is covered by the 85% TIF increment request – leaving 15% of the TIF for the Village.

### **Key Summary Points - Parking:**

- The Village is pursuing new solutions to create additional parking spaces in different areas of Downtown Homewood to accommodate the loss of the Village Hall parking lot. Many of these solutions were recommended in the 2019 parking study.
- Once these parking solutions have been completed by the Village, the Village will have added 292 spaces for public use (including on street and off street). Many of these new spaces will be in private parking lots that are available to the public during “peak hours” (weeknights, Saturdays) and reserved for private use during other times (shared-use parking).

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- Aside from costly new parking structures or lots being constructed, the Village will need to pursue a “decentralized approach” to continue to accommodate parking needs downtown.
- All proposals for the Downtown TOD projects include sufficient parking for residents.
- Any parking needs for the proposed businesses included in the proposals will be accommodated by nearby street parking, or parking provided in the Harwood Avenue Commuter lot.

### **Housing Affordability**

#### *Understanding Affordability in Homewood*

According to the Chicago Metropolitan Agency for Planning, approximately 79% of Homewood residents are homeowners, while 21% rent their homes. The percentage of people who rent in Homewood is substantially lower than both the broader Chicago metropolitan area (35%) and the whole of Cook County (46%).

Homewood’s housing stock is overwhelmingly single-family in character. Approximately 90.7% of all housing units are single-family homes (owner-occupied or rented) or individually owned condominiums. Only about 6% of housing units are located in rental apartment buildings with more than five units. As a result, Homewood has a very limited supply of traditional multi-family rental apartments.

#### *Rental Rates in Context*

The average rent for a one-bedroom apartment in Homewood is approximately \$1,400 per month. By comparison, the average one-bedroom rent across the Chicago metropolitan region is approximately \$1,850 per month, and within the City of Chicago this same one-bedroom averages approximately \$2,380 per month. On a unit-to-unit comparison, Homewood’s apartment rents are significantly lower than the regional average and can be considered comparatively affordable within the broader Chicagoland market.

However, when all rental properties are included (single-family homes and apartments), Homewood’s overall average rent is approximately \$2,885 per month, compared to \$2,454 regionally (Redfin). This higher overall average is largely due to the fact that most rental units in Homewood are single-family homes, which are typically larger and command higher rents than apartments. The limited supply of multi-family units skews the Village’s average rent upward.

#### *Cost Burden and Income*

To be considered affordable, housing costs should be roughly 30% or less of your annual household income. According to CMAP data, as of 2023, Homewood’s median household income was \$96,522 (\$8,044/month). At the median income level, monthly housing costs at or below \$2,413 would be considered affordable.

#### *Transit-Oriented Development (TOD) Market Context*

Transit-oriented developments (TODs) throughout the Chicago region command premium rents, particularly in newly constructed buildings near commuter rail stations. Comparable suburban downtowns such as Wheaton, Elmhurst, Lombard, Downers Grove, and Mount Prospect report average downtown rents ranging from approximately \$2,650 to \$3,300 per month, with many new-construction units

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exceeding \$3.00–\$3.50 per square foot. In several of these communities, rents have increased 5–10% annually.

This trend reflects growing demand for suburban, transit-accessible living, driven by shifting work patterns and preferences for walkable downtown environments.

### *Local Comparison (Homewood)*

The Hartford Building — Homewood’s most recent mixed-use, transit-oriented development — currently leases one-bedroom units for approximately \$1,900–\$2,100 per month (\$2.92–\$3.20 per square foot) and two-bedroom units for approximately \$2,200–\$2,500 per month (\$2.65–\$2.70 per square foot). While these rents are higher than other apartment rentals in Homewood, they remain slightly below comparable new-construction TOD projects in similar suburban downtowns.

Discussions with Optiv Properties, the current management company of the Hartford Building, revealed that rental demand remains extremely strong at the property at these prices. At current, there are no “available units” on the Hartford Building’s website. A representative of the Hartford Building’s management stated that most rental interest come from those already living in the local community (mostly Homewood and Flossmoor), and is largely comprised of “empty nesters” who are seeking to downsize and young adults who are moving out of their parents’ homes or graduating from college and living near family.

The Holladay Properties and Southland Development Authority proposals anticipate market-rate rents between \$2.60 and \$3.20 per square foot, generally consistent with the Hartford Building and slightly below many comparable regional TOD developments. The larger unit configuration in the Holladay proposal listed above \$4,000 per month has been removed from the building plan. Most units are anticipated to range between approximately \$2,100 (one-bedroom) and \$2,800 (two-bedroom).

The Village will require updated market study data from the selected developer as part of the entitlement review process.

### *Affordable and Attainable Housing in TOD*

Regional planning organizations encourage affordable housing development in transit-rich areas due to increased job access and reduced household transportation costs. The Chicago Metropolitan Agency for Planning ON TO 2050 Regional Plan supports affordable housing near transit. The Regional Transportation Authority promotes similar policies through its Transit-Friendly Communities framework. The Metropolitan Planning Council has estimated that households living in transit-oriented environments can reduce overall annual household costs by up to \$10,000.

### *Attainable Housing*

The Downtown TOD Plan identifies “attainable housing” as a key component of future development. While “affordable” housing typically involves income restrictions (such as units developed through the Low-Income Housing Tax Credit program), “attainable” housing refers to units priced for low- to

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moderate-income households who may not qualify for subsidies but still face market challenges. Of the three proposals, Far South CDC includes income-restricted affordable units through the Low-Income Housing Tax Credit (LIHTC) program, which requires rents to remain affordable (generally capped at 30% of income for qualifying households). Far South CDC would manage the property and ensure ongoing compliance with these affordability requirements.

The Holladay and SDA proposals are market-rate developments aligned with existing transit-oriented pricing in Homewood and the broader region.

### **Key Summary Points – Housing Affordability**

- When comparing similar unit types, Homewood’s average apartment rental rates are significantly lower than the regional average.
- Overall average rents in Homewood appear higher than some neighboring communities because the majority of the Village’s rental stock consists of single-family homes, which typically command higher rents than multi-family units.
- All three Transit-Oriented Development (TOD) redevelopment proposals include market-rate rents comparable to the Hartford Building, ranging from approximately \$2.60 to \$3.20 per square foot, with average rents between \$2.65 and \$2.85 per square foot.
- The proposed market-rate rents are similar to, or slightly below, rents in other regional transit-oriented developments featuring new construction.
- Regional planning partners and housing agencies support locating affordable housing near transit, citing improved quality of life outcomes and stronger long-term project performance.
- The Downtown TOD Plan recommends incorporating “attainable” housing opportunities as a key component of transit-oriented development to promote economic diversity and long-term community sustainability.

### **Open Space Availability**

As downtown development density increases, pressure on open and green space typically increases as well. In transit-oriented development (TOD) areas, the goal of clustering housing, employment, and services near transit can limit opportunities to incorporate large open spaces within individual projects.

However, open space remains a critical component of a successful downtown. Well-designed open spaces:

- create comfortable and attractive environments for pedestrians and transit riders.
- establish local destinations and a strong sense of place.
- expand capacity for community gatherings and events.
- contribute to environmental health and stormwater management.

### *Existing Downtown Open Space*

The Village’s primary downtown green space is Irwin Park, owned by the Homewood-Flossmoor Park District. Irwin Park is located approximately four blocks from the Village’s transit center and is within a five-minute walk of most downtown destinations.

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The Village also maintains Martin Square — a former segment of Martin Avenue — as a plaza and outdoor seating area that is often vacant, which also functions as an informal gathering space within the downtown core.

### *Downtown TOD Plan Guidance*

The Downtown TOD Plan identifies the provision of “inviting open spaces” as a key recommendation. The Plan encourages the:

- renovation and enhancement of existing spaces (e.g., Martin Square and Memorial Park).
- integration of open space elements into future Village-led projects (such as redevelopment of the water tower site).
- creation of a variety of flexible open space types to accommodate seasonal programming and diverse users.

Public input during the TOD planning process consistently emphasized the importance of accessible, functional downtown open space.

While the TOD Plan does not mandate that new private developments dedicate specific open space areas, it identifies open space as a guiding principle for successful downtown redevelopment. Additionally, the Village’s Planned Development process — required for all downtown projects — includes evaluation of open space and site design as part of the approval criteria.

### **Key Summary Points – Open Space**

- Open space and development intensity are often in tension in a downtown setting and must be carefully balanced.
- Open space supports placemaking, environmental health, pedestrian comfort, and expanded event capacity.
- The Downtown TOD Plan encourages the continued enhancement and diversification of downtown open spaces, including temporary or long-term open space use on vacant or redevelopment sites.

### **Next Steps**

Upon selection of a developer, the project will require review through the zoning entitlements processes. This includes two stages: agreements (redevelopment agreement, TIF incentives, purchase and sale agreements, etc.), and planning and zoning approvals. This project will be the largest of its type to be reviewed through the new Zoning Ordinance adopted in 2023, and a detailed summary on the more intensive planning and zoning review process for this project is included below.

### *Planning & Zoning public process*

As required by the Zoning Ordinance, this property must be approved as a planned development. Approval of development through the planned development process will be considered by the Village only in direct response to the provision of tangible benefits from the planned development to the Village or the neighborhood in which it would be located. These benefits would be in the form of *exceptional*

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*amenities; outstanding environmental, landscape, architectural, and/or site design; or the conservation of special manmade or natural features of the site.*

The Planned Development process is designed to provide multiple opportunities for public input and transparency prior to Village Board action. The Zoning Entitlement process (outlined below) collectively takes roughly two to three months to complete.

## **Planned Development Review**

### **1. Pre-Filing Process (Public Engagement Opportunities)**

Before submitting a formal application, the applicant meets with the Administrative Review Committee to understand Village plans, policies, and application requirements.

- ***Pre-filing administrative review committee meeting.*** Prior to submitting a formal application, the applicant must meet with the staff administrative review committee. The purpose is to help the applicant understand: Village plans and policies, including, but not limited to, the comprehensive plan and downtown master plan; the zoning ordinance; site development modifications; the standards by which the application will be evaluated; and the application requirements.
- ***Pre-filing Planning & Zoning Commission Introduction.*** The applicant presents the concept to the Planning & Zoning Commission for preliminary, non-binding feedback regarding the project's character, appropriateness, and intensity at a public meeting.
- ***Public Meeting.*** The applicant holds a public meeting to present the proposal, and gather input from nearby residents. A written summary of comments must be submitted with the formal application if a meeting is held.

### **2. Filing of Formal Application & Staff Review**

Once filed, the Director of Economic and Community Development reviews the application for completeness.

- If complete, the application is distributed to all Village departments for review.
- Staff prepares a written report summarizing compliance with applicable standards.
- Staff comments and completeness determinations are not binding recommendations.

### **3. Planning & Zoning Commission Public Hearing**

A public hearing is scheduled before the Planning & Zoning Commission.

- The Commission reviews the application, staff report, and public testimony.
- The Commission forwards a recommendation (approval, approval with conditions, or denial) to the Village Board.

### **4. Village Board Action**

The Village Board considers the Commission's recommendation and public record and may:

- approve the Planned Development (with or without conditions),
- deny the application, or
- postpone action and request additional information, including referral back to the Commission if necessary.

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## Site Plan Review

All new developments must go through the Site Plan Review process. This process includes the following steps, laid out in Section 44-07-09 of the Zoning Ordinance:

- 1. Staff Review:** Staff will host a pre-meeting with the developer to discuss the following: Village plans and policies, zoning requirements, engineering standards, potential modifications from zoning to be requested by the developer, and incorporation of terms from the draft redevelopment agreement into the planning process. This will coincide with the pre-meeting for the Planned Development.
- 2. Application:** The developer will apply for the Site Plan Review at the same time as the Planned Development and Appearance Review applications for the project.
- 3. Site Plan Review Committee:** The Site Plan Review Committee, made up of representatives from each Village department, will review detailed drawings and provide comments. The Committee will meet with the developer to discuss comments and revisions needed; this cycle may continue several times until the drawings have met Village requirements and are ready for review and approval.
- 4. Planning and Zoning Commission Hearings:** The Planning and Zoning Commission will review the Site Plan Review in a public hearing. Generally, this review is completed at the same hearing as the Planned Development review. The Planning and Zoning Commission has the authority to approve the Site Plan Review. The meeting is open to the public.

## Appearance Review

All new developments must go through the Appearance Review process. This process includes the following steps, laid out in Section 44-07-15 of the Zoning Ordinance (a new process):

- 1. Staff Review:** Staff will host a pre-meeting with the developer to discuss the following: design standards, zoning requirements, and incorporation of terms from the draft redevelopment agreement into the planning process. This will coincide with the pre-meeting for the Planned Development and Site Plan Review.
- 2. Application:** The developer submits an application for the Appearance Review.
- 3. Staff Review:** Staff reviews the proposal and provides comments, including on adherence to the Village Appearance Plan, zoning requirements, and best practices in community design.
- 4. Appearance Commission Meeting:** The Appearance Commission will review the Appearance Review in a public meeting. The Appearance Commission has the authority to approve the Appearance Review. The public may attend and participate in this meeting.