



Sarah Leys  
Director  
Community and Economic  
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## MEMORANDUM

TO: Alderman Janessa Wilkins, Chairman  
Planning & Development Committee

FROM: Andrea Hinrichs, Housing and Program Manager  
Community & Economic Development Department *Andrea Hinrichs*

DATE: February 4, 2026

RE: Conditional Preliminary Set-Aside Letter for Federal HOME and CDBG funds requested by RockRiver I LLC, for a new senior housing development

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The City of Rockford Community & Economic Development Department (City) requests approval of a Conditional Preliminary Set-Aside Letter (Letter) for Federal HOME and CDBG funds requested by RockRiver I, LLC for a new senior housing development, RockRiver I Apartments, to be located at the corner of S Main St and Harrison Ave. This Letter would lead to a Rental Development Agreement with RockRiver I, LLC, should all the conditions of the Letter be met.

This Letter replaces another Letter originally approved on 2/18/25 as 2025-29-O. Purpose for new letter:

- The original Letter expires February 2026.
- There were changes to the development since the last Letter was approved.
  - See "Chart of Changes".
  - Although there were changes to the original project, the purpose of the project remained the same, 100% affordable housing for independent seniors (55+).
- The Letter demonstrates local support and strengthens the Illinois Housing Development Authority (IHDA) 9% Low Income Housing Tax Credit (LIHTC) application (due 2/25/26) that RockRiver I, LLC is preparing to submit.

This development is consistent with the City's Consolidated plan, as it helps the City advance its efforts to support affordable housing by providing new, healthy, and quality affordable housing options.

The City would provide the following as gap financing:

- HOME Investment Partnerships Program (HOME) – up to \$1M
- Community Development Block Grant (CDBG) – up to \$1M

According to 24 CFR Part 92 (HOME regulations), the City cannot commit funds until all necessary financing has been secured, the underwriting and subsidy layering is complete, and the construction is scheduled to begin within 12 months. Therefore, a comprehensive review will take place, ensuring that all of the points in the Letter are met. Once this comprehensive review is complete, a Rental Development Agreement will be presented to City Council for approval.

Chart of Changes:

	City Council approved 2/18/25 as 2025-29-O	Pre-application submitted 2026	Comments
<b>Development Name</b>	Riverwoods Apartments	RockRiver I Apartments	Required to change name due to trademark issue.
<b>Owner</b>	RiverWoods IHDA LP	RockRiver I, LLC	
<b>Lead Developer</b>	Liberty Mortgage and Development Company	Housing Opportunity Development Corporation (HODC)	Liberty Mortgage is transferring development rights to HODC, an experienced nonprofit affordable housing developer and property manager.
<b>Property Manager</b>	Realty & Mortgage	Housing Opportunity Development Corporation (HODC)	
<b>HOME Request</b>	\$800,000	\$1,000,000	Although originally applied for \$1M in 2025, the City only had \$800,000 available at the time.
<b>Number of Units</b>	68 units (49 one bedroom & 19 two bedrooms)	56 units (49 one bedroom & 7 two bedrooms)	The project size was scaled to meet funding restrictions.
<b>Total Anticipated Cost</b>	\$23M	\$24M	Due to escalating construction costs caused by economic conditions, total development costs have increased.

**Additional Project Highlights:**

*Anticipated closing Date: 11/30/2026*

*Construction Period: 12/15/2026 through 1/15/2028*

*100% complete/full occupancy: 6/15/2028*

**Project Description:**

RockRiver I Apartments is the proposed new construction of 56 units of affordable housing for seniors 55+ located at the SE intersection of Harrison Avenue and South Main Street in Rockford. RockRiver I Apartments will contain 49 one-bedroom units and 7 two-bedroom units. RockRiver I Apartments will be phase 1 of a multi-phase community to be developed on an 18-acre parcel of land. This Phase 1 building will be a 3-story elevator building with underground and surface parking. A percentage of the apartments will be fully accessible and the balance of the apartments will be adaptable. The building will have apartments ranging from approximately 702 sq. ft. to approximately 1,048 sq. ft., plus patios or balconies for most apartments. The building will include common areas designed to host a variety of resident's needs, such as a community room, a fitness room, a craft/activity room, and a living room. The site is in a Qualified Census Tract (QCT) potentially generating additional tax credits.

**LIHTC Highlights**

IHDA administers the LIHTC program. As the LIHTC administrator, IHDA only approves projects that are determined feasible by thorough underwriting, and their LIHTC award amount is based on project feasibility. IHDA's LIHTC Qualified Allocation Plan (QAP) explains how they evaluate applications. Annual compliance with the program is required throughout the loan period.

Thank you for your consideration. Please contact me at 779-348-7437 with any questions.