



Planning and Development Committee Meeting Agenda

City Hall, Second Floor
425 E. State Street
Rockford, IL 61104
www.rockfordil.gov

**Monday, February 9, 2026
5:30 PM**

The following represents, in general, the chronological order of proceedings at the City Council/Committee Meetings: Call to Order, Invocation, Pledge of Allegiance, Public Speaking and City Council/Committee Agendas.

Meeting will be live streamed on Channel 17 and via this link:
<https://rockfordil.legistar.com/Calendar.aspx>.

I. CALL TO ORDER

II. COMMITTEE REPORTS

1. Approval of the Preliminary Conditional Set-Aside Letter, which would lead to a Rental Development Agreement with the owner of RockRiver I Apartments. The funding source is the HOME Investment Partnerships Program (HOME) and the Community Development Block Grant (CDBG). [26-00141](#)

III. ADJOURNMENT

THE CITY OF ROCKFORD INTENDS TO COMPLY WITH THE INTENT AND SPIRIT OF THE AMERICANS WITH DISABILITIES ACT. IF A SIGN LANGUAGE INTERPRETER, PERSONAL P.A. SYSTEM, OR OTHER SPECIAL ACCOMMODATIONS ARE NEEDED, PLEASE CALL THE LEGAL DEPARTMENT AT (779) 348-7391 AT LEAST 48 HOURS IN ADVANCE, SO WE CAN BE PREPARED TO ASSIST YOU.



Sarah Leys
Director
Community and Economic
Development Department

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

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
Development Name	Riverwoods Apartments	RockRiver I Apartments	Required to change name due to trademark issue.
Owner	RiverWoods IHDA LP	RockRiver I, LLC	
Lead Developer	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.
Property Manager	Realty & Mortgage	Housing Opportunity Development Corporation (HODC)	
HOME Request	\$800,000	\$1,000,000	Although originally applied for \$1M in 2025, the City only had \$800,000 available at the time.
Number of Units	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.
Total Anticipated Cost	\$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.

COMMITTEE REPORT

TO THE CITY COUNCIL OF THE CITY OF ROCKFORD:

Council Members:

The Committee on Planning and Development, to whom was referred the matter of the approval of the Preliminary Conditional Set-Aside Letter, which would lead to a Rental Development Agreement with the owner of RockRiver I Apartments. The funding source is the HOME Investment Partnerships Program (HOME) and the Community Development Block Grant (CDBG), hereby begs leave to report **recommending approval** of the request as recommended.

Janessa Wilkins (Chair)

Tim Durkee (Vice Chair)

Karen Hoffman

Jaime Salgado

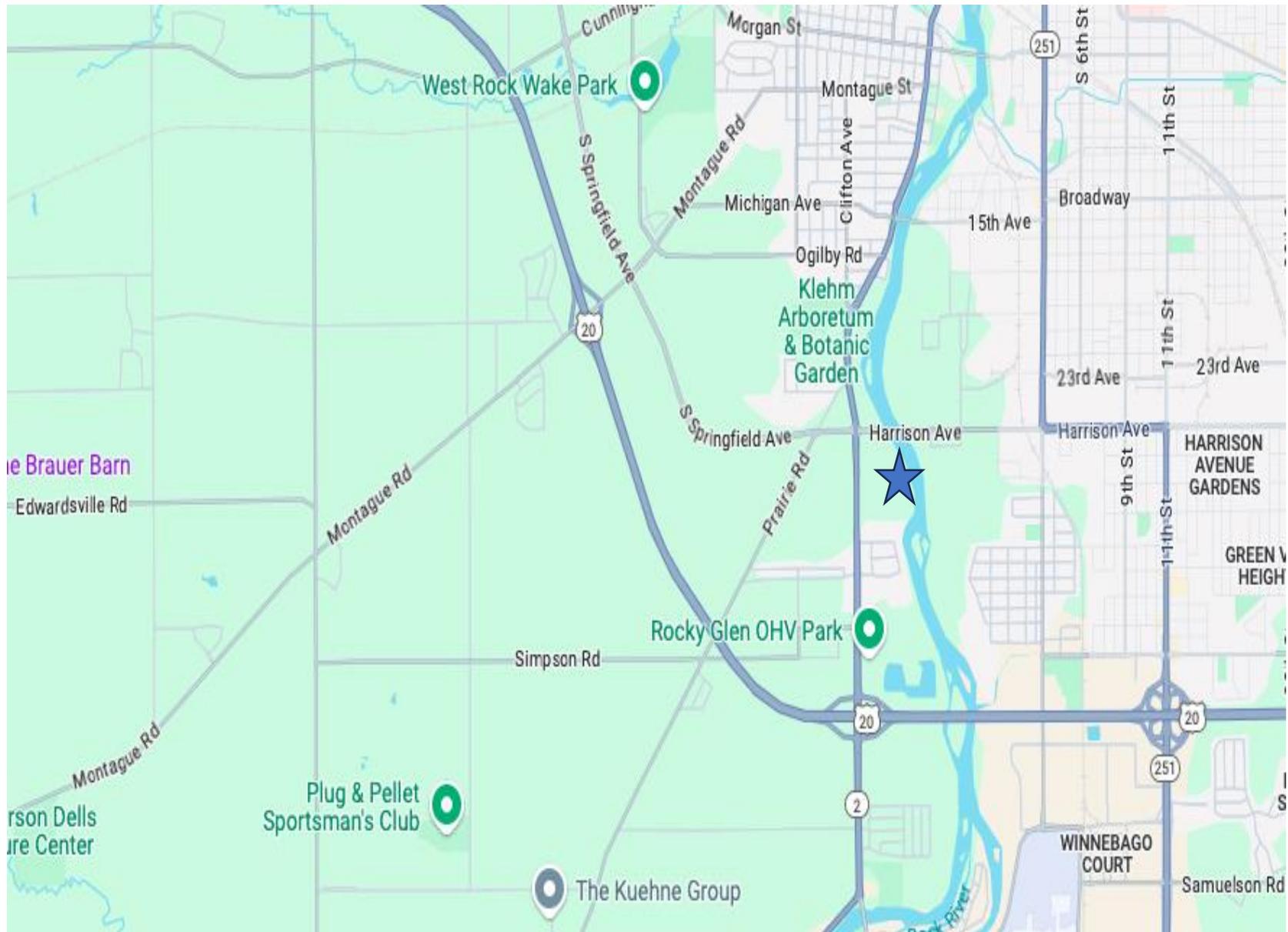
Gina Meeks

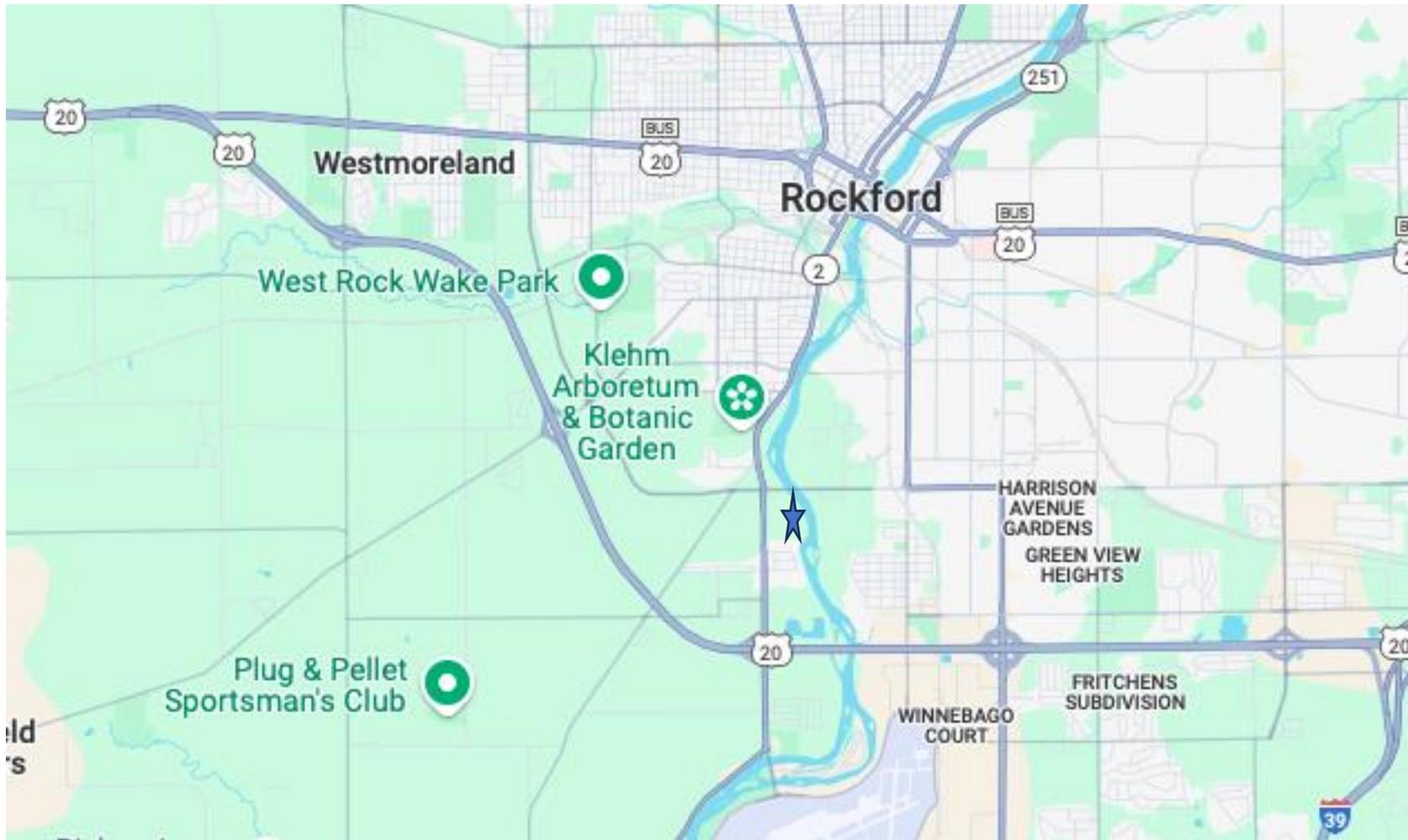
Committee Action Taken: February 9, 2026

Wilkins: Ayes:___ Nays:___ Absent:___
Durkee: Ayes:___ Nays:___ Absent:___
Hoffman: Ayes:___ Nays:___ Absent:___
Salgado: Ayes:___ Nays:___ Absent:___
Meeks: Ayes:___ Nays:___ Absent:___











*Sarah Leys
Director
Community and Economic
Development Department*

February 18, 2026

RockRiver I, LLC.
c/o Housing Opportunity Development Corporation
Attn: Richard Koenig
5340 Lincoln Ave
Skokie, IL 60077

Conditional Preliminary Set-aside Letter

RE: RockRiver I Apartments at S Main St and Harrison Ave

The City of Rockford, through the Department of Community and Economic Development (City), is considering a conditional preliminary set-aside of no more than \$1,000,000 in HOME Investment Partnerships Program (HOME) and \$1,000,000 in Community Development Block Grant (CDBG) Federal Entitlement Funds, should it be determined that the development, including all of the owners, and all of the businesses that make up the development team, meet the City's policies, including all associated local, state and federal regulations and statutes. The City's HOME and CDBG funds shall pay for eligible HOME and CDBG costs. Generally, the HOME and CDBG entitlement funds fill the gap in resources necessary to complete the development. Should the amount of the gap in this development change as it evolves so may the amount of the City's award. This preliminary set-aside is conditional upon the following actions and requirements:

1. The developer must submit a complete application package, as determined by the City, for City staff review and approval.
2. Prior to the HOME award, City staff, acting as Responsible Entity, must complete an Environmental Review. No choice limiting actions are allowed, and all mitigation measures identified in the environmental review must be addressed. Physical or choice limiting actions include, but are not limited to, entering into contracts for property acquisition, demolition, movement, rehabilitation, conversion, repair or construction. A violation of this provision may result in the denial of the federal entitlement funds.
3. Submitted documentation must demonstrate that federal, local and state regulations will be met. This includes, but is not limited to, the following, as amended:
 - a. HOME regulations at 24 CFR Part 92
 - b. CDBG regulations at 24 CFR Part 570
 - c. Build America, Buy America (BABA) Act, 2 CFR Part 184
 - d. Section 3 of the Housing and Urban Development Act of 1968, as amended (12 USC 1701 U)
 - e. Davis Bacon is applicable if there are 12 or more HOME-assisted units, 8 or more CDBG units, or if any other resources require Davis Bacon. If Davis Bacon is not applicable, Prevailing Wage is.
 - f. Conflict of Interest 24 CFR Part 92.356
 - g. Federal Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, codified at 2 CFR Part 200 ("Super Circular" or "Omni



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- Circular”) as updated from time to time
- h. Other Federal requirements and nondiscrimination 24 CFR Part 92.350
 - i. Copeland “Anti-Kickback” Act (18 USCS 874)
 - j. Violence Against Women Act (VAWA) 24 CFR Part 92.359
 - k. Anti-Lobbying laws
 - l. Part 5 definition of Income 24 CFR Part 5
 - m. Any additional federal, local, and state regulations implemented prior to the award (execution of development agreement awarding the federal dollars)

The City of Rockford City Council approves the Conditional Preliminary Set-aside to provide up to \$1,000,000 in HOME Investment Partnerships Program (HOME) and \$1,000,000 in Community Development Block Grant (CDBG) federal entitlement funds to fill the funding gap necessary to provide affordable housing units at RockRiver I Apartments. This set-aside is good for one (1) year from the date of the letter and is contingent on City staff underwriting the City’s application for federal entitlement funding, in its entirety, per the City’s policy, including all associated federal, local, and state regulations and statutes. City staff shall have the right to unilaterally withdraw the set-aside of federal entitlement funds if City staff determines, in City staff’s discretion, it is no longer in the best interest of the City to award the federal entitlement funds as outlined in this Conditional Preliminary Set-aside Letter. The City’s obligation to pay the developer the HUD federal entitlement funds under any agreement is a limited obligation payable solely by reimbursement approval by HUD and shall not be a general obligation of the City or secured by the full faith and credit of the City. The City shall make HOME funds available up to \$1,000,000 and CDBG funds available up to \$1,000,000, without delay, upon satisfaction, in City staff’s discretion, of all requirements and conditions in this Conditional Preliminary Set-aside Letter. This Conditional Preliminary Set-aside Letter was approved by City Council on February 17, 2026. A copy of the Resolution is attached.

Sincerely,

Sarah Leys
Director
Community & Economic Development Department