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## COMMUNITY SERVICES

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**TO:** Greg Schwarze, Chairman and Committee Members  
Human Services Committee

**FROM:** Mary A. Keating, Director,  
Department of Community Services

**DATE:** January 8, 2024

**SUBJECT:** DuPage County Community Development Projects #CD19-07 and CD22-07  
– Advance Resource Recovery Corporation, formerly known as Serenity  
House Foundation, Inc. - Subordination Requests

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**On 01/02/2024, the Community Development Commission Executive Committee approved the following recommendation.**

**Action Requested:** The Community Development Commission Executive Committee recommends the approval of a subordination of loans for CD19-07 and CD22-07. Further, CDC staff supports Serenity House Foundation Inc.'s policy appeal and recommends waiver of the County's "Subordination Policy – Rental & Public Facility," specifically pertaining to a fixed-rate mortgage and non-permissible balloon payment for Project CD19-07 and CD22-07.

**Details:** DuPage County Community Development Commission (CDC) awarded Community Development Block Grant (CDBG) funding for improvements to the Women's Extended Residential Care (WERC) located at 891 S. Rohlwing Road, Addison, IL. CDC Project #CD19-07 was awarded \$52,000 in CDBG funds for rehabilitation of the WERC kitchen facility. CDC Project #CD22-07 was awarded \$400,000 in CDBG funds for expansion of the WERC facility.

Serenity House Foundation, Inc., now known as Advance Resource Recovery Corporation (ARRC), has requested the approval of a subordination of two loans and a waiver of the County's "Subordination Policy – Rental & Public Facility," specifically pertaining to the fixed-rate mortgage requirement as well as the non-permissible balloon payments. ARRC has refinanced into a new loan in the amount of \$250,000 with St. Charles Bank & Trust Company (SCBT). SCBT has estimated the property value at \$6.5M. SCBT's loan terms include a 6.95% interest rate fixed over five years with a 10-year amortization period, resulting in a balloon payment.

CDC Staff has reviewed the most recent ARRC's audit and SCBT's underwriting of the new loan and determined the County's risk is low. The County's \$52,000 loan will have satisfied the regulatory compliance period prior to the fixed rate expiring.