



State of New Jersey
DEPARTMENT OF HEALTH

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Commissioner

January 14, 2025

VIA ELECTRONIC & FIRST CLASS MAIL

Justin Marchigiano
Marmont Cedar Grove LLC
1201 Pompton Avenue
Cedar Grove, New Jersey 07009-1103

Re: Cedar Grove ALF
1201 Pompton Avenue
Cedar Grove, New Jersey 07009-1103
New Assisted Living Residence
CN ER# 2023-12341-07;01
Total Project Cost: \$ 16,272,448
Expiration Date: January 14, 2029

Dear Mr. Marchigiano:

Please be advised that the Department of Health (Department) is approving the Expedited Review Certificate of Need application submitted by Marmont Cedar Grove LLC pursuant to N.J.A.C. 8:33-5.1(a)(4), to establish an Assisted Living Residence (ALR) in Essex County. In this project, Marmont Cedar Grove LLC, a for-profit entity, has proposed to construct an Assisted Living Residence, known as Cedar Grove ALF, with 79 licensed beds, 23 of which will be designated for those with memory care needs.

The Department has considered the applicable regulations for the services subject to expedited review (i.e., N.J.A.C. 8:33-5.3 and 8:33H-1.16). The Department finds that Marmont Cedar Grove LLC has provided an appropriate project description. The project description includes information that there is a total projected project cost of \$16,272,448, which includes land costs, development fees, architect fees, and construction contracts. Marmont Cedar Grove LLC stated that this new ALR will be located at a site with an Independent Living component. Marmont Cedar Grove LLC reported that the total expenses for the facility would be \$5,695,794 and the revenue would be \$5,238,636, resulting in a loss of \$457,158 in the first year. However, estimates of costs and revenues for the second year reflect that the facility will realize a profit by the end of that year. The source of funds was listed as a commercial loan. Based on Marmont Cedar Grove LLC's projected utilization statistics, the new ALR would attain 71% occupancy in the first year and 93% by the end of

the second year. There is no specialized equipment involved in this project as this is an ALR facility providing supportive services to a largely independent population.

The justification for the proposed project (N.J.A.C. 8:33-5.3(a)(1)) as reported by the Applicant, is that the population data for Essex County shows an increase in residents who are 65 years and over going forward. Given this steady increase in the 65 and over population in this location, there will be a greater demand for supportive care options, other than nursing home care. The establishment of this ALR will have a positive impact on the service area by creating more care options for residents. The building is designed to provide a home-like environment, including kitchenettes within each resident room/unit. There will also be a designated and secure area within this facility specially designed for those with memory care needs, including clear signage, measures to prevent wandering outside the facility, trained staff, activities designed for those with cognitive impairments, and a secure outdoor courtyard.

The Applicant will assure that all residents of the area, particularly the medically underserved, will have access to services (N.J.A.C. 8:33-5.3(a)(2)), and confirmed that this residence will be operated in compliance with the regulatory requirement for admission of Medicaid residents.

Documentation that the Applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:33-5.3(a)(3)(i)) was submitted. The review of the architectural plans for the new building is underway; the Department will send a final letter with the results of this review. Marmont Cedar Grove LLC has confirmed that their architect plans are designed following the Assisted Living Residence physical plant regulations. Related to the Applicant demonstrating a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-5.3(a)(3)(ii)), the Applicant has reported that they do not own, manage or operate any other licensed healthcare facilities in New Jersey or out-of-state. Marmont Cedar Grove LLC has confirmed that they have reviewed and will comply with all the ALR regulatory requirements found in N.J.A.C. 8:36. In addition, they plan to select an experienced ALR operator to provide management services for the facility start-up and operations to assure compliance with those regulatory requirements.

As a condition of this approval, a double-bedded room can only be occupied by married couples or civil union partners, relatives, individuals related by blood or adoption, or those who have consented in writing as part of the admission agreement to the living arrangement. The admission agreement should note that the resident is aware he or she may share a single toilet/bath in the unit and acknowledges there are higher health risks associated with shared occupancy and cohabitation. Under no circumstances shall any resident be coerced or compelled to agree to a double-bedded room.

Please be advised that this approval is limited to the proposal as presented and reviewed. The application, related correspondence and any completeness questions and responses are incorporated and made a part of this approval. An additional review by the Department may be necessary if there is any change in scope as defined in N.J.A.C. 8:33-3.9. However, in accordance with N.J.A.C. 8:33-3.9(a)1-3, a change of cost of an approved certificate of need is exempt from certificate of need review but subject to the following:

1. The applicant shall file a signed certification as to the final total project cost expended for the project at the time of the application for license for the beds/services with the Certificate of Need and Healthcare Facility Licensure Program.
2. Where the actual total project cost exceeds the certificate of need approved total project cost and is greater than \$1,000,000, the applicant shall remit the additional certificate of need application fee due to the Certificate of Need and Healthcare Facility Licensure Program. The required additional fee shall be 0.25 percent of the total project cost in excess of the certificate of need approved total project cost.
3. The Department will not issue a license for the beds/services until the additional fee is remitted in full.

The Department, in approving this application, has relied solely on the facts and information presented. The Department has not undertaken an independent investigation of such information. If material facts have not been disclosed or have been misrepresented, the Department may take administrative regulatory action to rescind the approval or refer the matter to the Office of the Attorney General.

Any approval granted by the Department relates to certificate of need and/or licensing requirements only and does not imply acceptance by a reimbursing entity. This document is not intended as an approval of any arrangement affecting reimbursement or any remuneration involving claims for health care services.

This approval is not intended to preempt in any way any municipality's authority to regulate land use within its borders and shall not be used by the applicant to represent that the Department has made any findings or determination relative to the use of any specific property.

Please be advised that services may not commence until a license has been issued by the Certificate of Need and Healthcare Facility Licensure Program to operate this facility. A survey by Department staff will be required prior to commencing services.

The Department looks forward to working with the applicant to provide a high quality of care to the Assisted Living residents. If you have any questions concerning this Certificate of Need approval, please do not hesitate to contact Michael J. Kennedy, Executive Director, Division of Certificate of Need and Licensing at Michael.Kennedy@doh.nj.gov.

Sincerely,



Jeff Brown
Deputy Commissioner
Health Systems
New Jersey Department of Health

cc: Brian Rath, Esq., Buchanan Ingersoll & Rooney PC
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