



State of New Jersey
DEPARTMENT OF HEALTH

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Governor

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Lt. Governor

DR. RAYNARD E. WASHINGTON
Commissioner

July 10, 2026

VIA ELECTRONIC & FIRST-CLASS MAIL

Anthony M. Melillo
Peapack Senior Living, Inc.
P.O. Box 509
Gladstone, New Jersey 07934

Re: Peapack Senior Living
Pending License # 25564
Certificate of Need Application –
Expedited Review # 2025-08389-18;01
Establish A New Assisted Living
Residence
Total Project Cost: \$57,180,000
Expiration Date: July 10, 2031

Dear Mr. Melillo:

Please be advised that the Department of Health (Department) is approving the Expedited Review Certificate of Need (ERCN) application submitted by Peapack Senior Living, Inc. (Applicant), on July 31, 2025, pursuant to N.J.A.C. 8:33-5.1(a)(4), for the establishment of a new 115-bed Assisted Living Residence (ALR) to be located in Somerset County at 400 Essex Boulevard, Peapack, New Jersey 07977. This application is being approved at the total project cost as noted above.

The proposed Assisted Living Residence (ALR) will consist of a newly constructed facility containing 115 licensed assisted living beds distributed across 96 residential units. Of the total licensed beds, 32 will be designated for a secured program specifically developed to serve residents diagnosed with dementia.

The Department has considered the applicable regulations for the services subject to expedited review, specifically N.J.A.C. 8:33-5.3 and N.J.A.C. 8:33H-1.16. The Department finds that Peapack Senior Living Inc., the proposed licensed operator, has provided a suitable project description. The project description includes information that there is a total project cost of \$57,180,000, which includes architectural, engineering, development, construction, and renovation expenses. Peapack Senior Living Inc.

reported that in the first three years of operation, the projected total expenses for the facility would be \$20,795,264, and the revenue would be \$34,186,070, resulting in an operating profit of \$13,390,807. The source of funds was listed as financing and equity-based sources. Based on Peapack Senior Living Inc.'s projected utilization statistics, the new ALR would attain a 30.6% occupancy rate by the end of the first year of operation. There is no specialized equipment involved in this project, as this is an assisted living residence providing supportive services, including a Memory care/Dementia care program, in single and double occupancy units.

The justification for the proposed project (N.J.A.C. 8:33-5.3(a)(1)), as reported by the Applicant, referred to the growing unmet demand for independent living, assisted living, and memory care services in the region. Supporting documentation, including a Comprehensive Market Study, demonstrates shortages in affordable independent living and secured dementia care units. The market area population of 200,263 is expected to grow steadily, while the senior population – age 65 and older, currently estimated at 37,368, is projected to increase by 15% by 2028. This aging population is driving increased demand for supportive housing and specialized care services, particularly for seniors with cognitive impairments and chronic health conditions. Existing senior housing inventory includes 558 assisted living beds and 255 memory care beds, both operating at occupancy levels above 83%, indicating limited excess capacity.

The Applicant will ensure 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 confirm that this residence will be operated in compliance with the regulatory requirement for admission of Medicaid residents. The applicant states that the Facility will strengthen local care networks by expanding access to affordable housing and care options, including services for Medicaid-eligible and moderate-income seniors through Medicaid MLTSS participation. Additionally, Peapack Senior Living Inc. has confirmed its review and commitment to full compliance with all assisted living residence regulations set forth in N.J.A.C. 8:36.

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 floor plans for the new building is underway; the Department will send a final determination letter with the results of this review.

Pursuant to N.J.S.A. 26:2H-12.16 and N.J.A.C. 8:36-5.1(h), a new facility that is licensed to operate as an Assisted Living Residence shall have a Medicaid occupancy level of 10 percent within three years of licensure. The 10 percent Medicaid occupancy level shall be met through conversion of residents who enter the facility as private paying persons and subsequently become eligible for Medicaid, or through direct admission of Medicaid-eligible persons. The 10 percent Medicaid occupancy level shall be continuously maintained by a facility once the three-year licensure period has elapsed. The Department will monitor compliance to ensure that this threshold is met and

maintained throughout the duration of licensure. Please be advised that this condition shall also apply to all new operators/owners upon the approval of transfer of ownership transactions by the Department.

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.

An additional review by the Department may be necessary if there is any change in scope, as defined at 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 in 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 cost expended for the project at the time of the application for licensure 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 beds/services until the additional fee is remitted in full.

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. In approving this application, the Department has relied solely on the facts and information presented to us. We have 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 the 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 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, Esq., Executive Director, Certificate of Need and Healthcare Facility Licensure Program via email at Michael.Kennedy@doh.nj.gov.

Sincerely,



Neil Eicher
Deputy Commissioner
Health Systems

- c:
- K. Hansen, DOH (Electronic mail)
 - A. McCray Reid, DOH (Electronic mail)
 - L. Alexopoulos, DOH (Electronic mail)
 - A. Ventura, DOH (Electronic mail)
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 - M. Ahmed, DOH (Electronic mail)
 - C. Principe, Schenck, Price, Smith & King, LLP (Electronic mail)
 - J. Ursin, Schenck, Price, Smith & King, LLP (Electronic mail)