

Pioneering Senior Living Alternatives™

March 27, 2012

Mr. Craig Smith, Chief  
Certificate of Need Section  
2704 Mail Service Center  
Raleigh, North Carolina 27699-2704

Re: Certificate of Need Applications-40 Adult Care Home Bed Need Determination  
J-8772-12 Arbor Ridge at Chatham, LLC  
J-8773-12 Coventry House of Siler City, LLC and Siler City Health Investors, LLC

Dear Mr. Smith:

In accordance with G.S. 131E-185, please accept the following as written comments relative to the above certificate of need applications.

We have reviewed the application submitted on behalf of Coventry House of Siler City, LLC and Siler City Health Investors, LLC. Rather than comment specifically on any potential deficiencies of this application relative to specific Certificate of Need application review criteria, we have chosen to address the review criterion that most distinguishes our application from that of Coventry House of Siler City. We have confidence that the Certificate of Need analyst and the detailed review process undertaken by the Certificate of Need section will reveal any significant deficiencies in either application, notwithstanding any written comments that are made.

### Criterion 3

“The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.”

Arbor Ridge at Chatham, LLC is proposing to locate its adult care home at 72 Marvin Edwards Lane, Chapel Hill, NC. This location is in a fast growing and heavily populated area of Chatham County. There are no adult care homes in Chatham County within 10 miles of this location other than those within CCRCs and the yet to be constructed 40 beds for which Arbor Ridge at Chatham was granted a Certificate of Need in November, 2011. Neither of the CCRCs (Carolina Meadows and the Arbor at Galloway Ridge) accept Special Assistance residents, or residents from outside the CCRC community. As such, there is minimal access to adult care home beds to the general population and medically underserved in this area of the county.

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We generated demographic data through Nielsen/Claritas that identified residents within 10 miles of 72 Marvin Edwards Lane yet still within Chatham County. Although the proposed location is acknowledged to be close to the Orange County line, it is important to recognize the demographic data which we reference only identified residents in Chatham County within this 10 mile polygon. We also generated this same data for the location of Coventry House of Siler City.

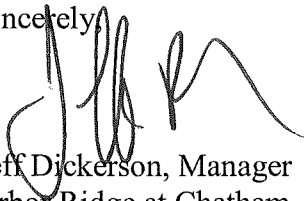
The demographics for the proposed site of Arbor Ridge at Chatham show that the 2016 population estimate for individuals age 65 and over, the population which is most likely to utilize the services of an adult care home, to be 6,230 within approximately 10 miles of the site, compared to a projected population of 3,610 for individuals over age 65 within 10 miles of Coventry House of Siler City.

There are currently 40 adult care home beds approved to be developed at the site of Arbor Ridge at Chatham, and no other beds in Chatham County within 10 miles of this location. There are currently 72 beds (Coventry House of Siler City and Careview Rest Home) within approximately 10 miles of Coventry House of Siler City. As such, there will be 6.42 beds per 1000 (once the approved 40 beds are constructed) people over age 65 within 10 miles of the proposed site of Arbor Ridge at Chatham based on 2016 population estimates, and 19.94 beds per 1000 people over age 65 within 10 miles of Coventry House of Siler City. With the current complement of beds, there will be three times as many beds per 1000 people over the age of 65 in the immediate geographic area of Coventry House of Siler City as there are in the immediate geographic area of the proposed location of Arbor Ridge at Chatham based on 2016 population estimates.

If the Arbor Ridge at Chatham application is approved, the distribution of beds in the county will be more closely aligned with the population. Approval of the Arbor Ridge at Chatham application will establish 12.84 beds per 1000 people over the age of 65 in Chatham County within 10 miles of the proposed site of Arbor Ridge at Chatham based on 2016 projected population data, while leaving 19.94 beds per 1000 people over the age of 65 within approximately 10 miles of Coventry House of Siler City.

It is evident the site chose by Arbor Ridge at Chatham will provide the best access to the citizens of Chatham County. We urge you to approve our application.

Sincerely,



Jeff Dickerson, Manager  
Arbor Ridge at Chatham, LLC  
Enclosure

**Arbor Ridge at Chatham  
Population Analysis  
10 Mile Radius Within Chatham County**

	<b>2011 Census Estimate</b>	<b>2016 Census Estimate</b>	<b>% Increase</b>
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**Total Population**

Subject Site-72 Marvin Edwards Lane	27,581	31,200	13.12%
Coventry House Siler City	22,342	24,418	9.29%

**Age 65 and Over**

Subject Site-72 Marvin Edwards Lane	4,858	6,230	28.24%
Coventry House Siler City	2,890	3,610	24.91%

<b>Adult Care Home Beds w/in 10 miles of Facility That Accept SA and Outside Residents</b>	<b>Current Number</b>	<b>Project Completion</b>	<b>Arbor Ridge Chatham Approved</b>
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Subject Site-72 Marvin Edwards Lane	40	80	80
Coventry House Siler City*	72	112	72

**Beds Per 1000 (Age 65 and over using 2016 Estimate)**

Subject Site-72 Marvin Edwards Lane	6.42	12.84	12.84
Coventry House Siler City*	19.94	31.02	19.94

\*Coventry House Siler City and Careview Rest Home