



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

RESPONSE REQUIRED

October 26, 2023

Francisco Morales
110 Oakwood Drive
Suite 420
Winston-Salem, NC 27103

Conditional Approval

Project ID #: P-12411-23
Facility: The Landings at Topsail Shores
Project Description: Develop a new 40-bed ACH facility by relocating no more than 40 ACH beds from Onslow House
County: Onslow
FID #: 230628

Approved Capital Expenditure: \$10,744,633
Conditions of Approval: See Attachment A
Approved Timetable: See Attachment B
Last Date to Appeal: November 27, 2023
Required State Agency Findings: Enclosed

Dear Mr. Morales:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) has conditionally approved the above referenced certificate of need application. The conditional approval is valid only for the approved capital expenditure shown above. If the capital cost will exceed the approved capital expenditure amount by more than 115%, the applicant must first obtain a new certificate of need.

Response to the conditions in Attachment A should be attached to an email addressed to the Project Analyst and the Co-signer no later than 35 days from the date of the decision. The certificate of need will not be issued if the response to the conditions in Attachment A has not been received by the Agency.

The timetable for completion of the project is the timetable outlined in the certificate of need application, unless an adjustment has been made by the Agency because the review period was extended. The approved timetable for this project is found in Attachment B.

The applicant shall not begin developing this project until after the certificate of need has been issued and the certificate of need will not be issued until the applicant has documented that all conditions that must be met prior to issuance of the certificate of need have been met.

The Certificate of Need law provides that any affected person has thirty (30) days after the date of the decision to file a petition for a contested case on this approval. Further, if you are aggrieved by any of the

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 2704 Mail Service Center, Raleigh, NC 27699-2704
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

conditions you may file a petition for a contested case hearing in accordance with G.S.150B, Article 3. This petition must be filed with the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, North Carolina 27699-6714 within thirty (30) days of the date of this decision. Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to the OAH Clerk's Office (919-431-3000).

G.S. 150B-23 provides that a party filing a petition must also serve a copy of the petition on all parties to the petition. Therefore, if you file a petition for a contested case hearing, you must serve a copy of the petition on the Department of Health and Human Services by mailing a copy of your petition to:

Julie Cronin
Department of Health and Human Services,
Office of Legal Affairs,
Adams Building – Room 154
2001 Mail Service Center
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Agency.

The certificate of need will not be issued before the completion of thirty-day appeal period which ends on the date shown above. If a contested case petition is filed with OAH within the thirty-day appeal period, the certificate will not be issued until the appeal is resolved.

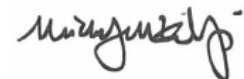
If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the certificate of need is issued. Please contact this office if any clarification of this decision is required.

Please refer to the Project ID # and Facility ID # (FID) in all correspondence.

Sincerely,



Crystal Kearney
Project Analyst
Crystal.kearney@dhhs.nc.gov



Michael J. McKillip
Team Leader
Mike.mckillip@dhhs.nc.gov

Enclosures:

Attachment A: Conditions of Approval
Attachment B: Approved Timetable
Required State Agency Findings

cc: Adult Care Licensure Section, DHSR

Attachment A
Conditions of Approval

1. Onslow Opco, LLC and Onslow Propco, LLC, (hereinafter collectively the certificate holder) shall materially comply with all representations made in the certificate of need application.
2. The certificate holder shall develop a new 40-bed ACH facility in Sneads Ferry (Onslow County) by relocating 40 ACH beds from Onslow House in Jacksonville (Onslow County).
3. Upon completion of the project, The Landings at Topsail Shores shall be licensed for no more than 40 ACH beds and Onslow House shall be licensed for no more than 80 ACH beds.
4. The certificate holder shall certify the percentage of the total number of licensed adult care home beds in the facility for recipients of State/County Special Assistance with Medicaid commensurate with representations made in the application.
5. Progress Reports:
 - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic progress reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.
 - b. The certificate holder shall complete all sections of the Progress Report Form.
 - c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.
 - d. The first progress report shall be due on May 1, 2024.
6. The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need application.
7. The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.

**Attachment B
Approved Timetable**

Milestone		Date <i>mm/dd/yyyy</i>
1	Financing Obtained	09/01/2029
2	Drawings Completed	09/01/2029
3	Land Acquired	06/01/2029
4	Construction / Renovation Contract(s) Executed	09/01/2029
5	25% of Construction / Renovation Completed (25% of the cost is in place)	02/01/2030
6	50% of Construction / Renovation Completed	07/01/2030
7	75% of Construction / Renovation Completed	12/01/2030
8	Construction / Renovation Completed	05/01/2031
9	Equipment Ordered	04/01/2031
10	Equipment Installed	06/01/2031
11	Equipment Operational	07/15/2031
13	Licensure Obtained	09/01/2031
14	Services Offered	09/01/2031
15	Medicare and / or Medicaid Certification Obtained	09/01/2031