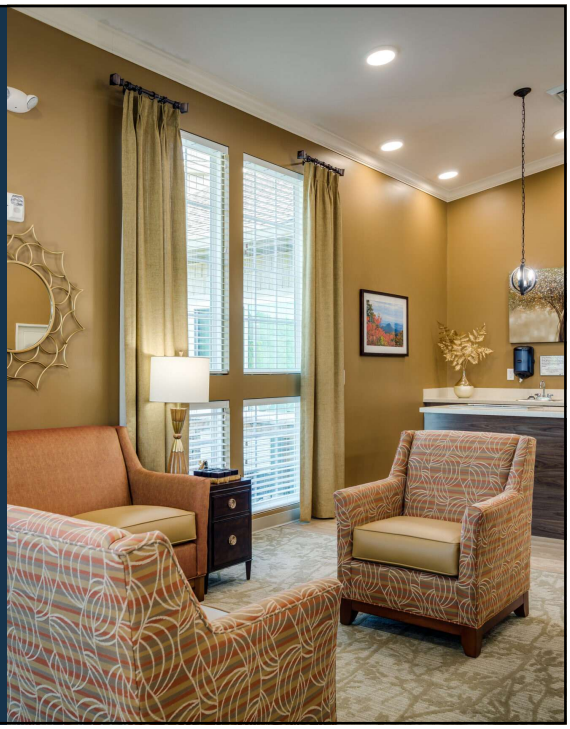
The Berkeley

Piedmont Affordable Senior Housing Foundation

Burke County Board of Commissioners
October 2026



1

Piedmont Affordable Senior Housing Foundation, Inc. ("PASHF")

Requestor:

Piedmont Affordable Senior Housing Foundation is a North Carolina nonprofit corporation. PASHF is buying six (6) senior living communities across North Carolina. One of them, The Berkeley, located at 330 Juniper Street, Morganton, North Carolina 28655, is in Burke County. The Berkeley is an assisted living and memory care community, serving older adults.

How is PASHF Paying for the Purchase:

PASHF is borrowing money to help pay for these communities. It plans to borrow the money through bonds. A bond works much like a loan: investors provide money up front, and PASHF pays it back over time, with interest, similar to a mortgage.

Because PASHF is a nonprofit that serves seniors, federal tax law allows the interest on these bonds to be exempt from federal income tax. That tax break lowers PASHF's borrowing costs, which helps keep the communities financially healthy and helps keep care affordable for residents.

2

The Berkeley in Burke County

Local Fact	Current Information
Location	330 Juniper Street, Morganton
Real Property Owner	FP Real Estate Investments LLC
Estimated Real Property Value	$8,351,311
County Property Tax Paid, Tax Year 2026	$45,886.26

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3

What is TEFRA?

Congress created the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) to limit the use of tax-exempt bonds.

TEFRA ensures that only projects with substantial public benefit can be financed this way. These are commonly used for senior care centers, charter schools, etc. throughout the State and the nation. These types of resolutions are common and the County (or other NC entities) for non-profit 501(c)(3) entities to access tax exempt funds for their projects.

Before a tax-exempt bond issue can proceed, it must get public approval. Approval is typically given after a public hearing where residents are given at least seven (7) days. The hearing allows the public to comment, and the approval must occur within one year before the first bond issue under the plan. Because Congress can't assess local needs, the approval process ensures local government has the opportunity to review and decide.

Without TEFRA approval, the bonds cannot be tax-exempt, which affects borrowing costs and eligibility for certain financing programs.

4

The IRS explains that bonds issued under § 145 can receive tax-exempt treatment under § 103 when the applicable requirements are met. Internal Revenue Service The public approval procedure appears in § 147(f) and **Treasury Regulation § 1.147(f)-1**.

Tax-Exempt Financing: IRC Framework

IRC section	Role
§ 103(a)	Provides the federal income-tax exclusion for interest on qualifying state and local bonds.
§ 145(a)	Defines the qualified nonprofit bonds proposed for this transaction, subject to ownership, use, and other requirements.
§ 147(f)	Establishes the TEFRA public hearing and elected-government approval requirement, which is why Burke County's participation is requested.

The Berkeley / Burke County Board of Commissioners

5

NC Personal Care Services Alignment Demonstration

Proposed Section 1115 waiver under enacted S.L. 2025-64 (HB 546)

CMS APPROVAL REQUIRED

Public comment: Sept. 10–Nov. 9, 2026, closing at 5 p.m. Eastern

Eligibility and scope	Proposed demonstration
Who qualifies	Medicare beneficiaries living in or seeking admission to licensed adult care homes or special care units
Income limits	Above the Special Assistance limit, up to 180% of poverty for adult care homes or 200% for special care units
Other requirements	Assessed need for PCS, other Special Assistance requirements and Medicaid nonfinancial eligibility rules
Covered benefit	Personal care services only, such as help with bathing, dressing, eating, mobility and toileting
Program scale	Estimated 6,000 people statewide at full implementation, with about an 11-month phase-in
Delivery and duration	Five years statewide through NC Medicaid Direct, the fee-for-service system

Coverage boundaries

Residents pay room and board. The waiver provides PCS only, rather than full Medicaid.
Medicare stays primary. Existing PCS rules and rates remain unchanged.
No added premiums, copays or deductibles. Current Medicaid benefits stay unchanged.

Source: NC Medicaid, proposed PCS Alignment Demonstration, September 2026

6

Parker Poe
Attorneys & Counselors at Law

WARD AND SMITH, P.A.
ATTORNEYS AT LAW

7

County Fiscal Considerations

Bond Repayment

The County will have no repayment liability or loan guarantee.

Does not impact County bond rating.

County affords no endorsement of Foundation's ability to pay bonds.

Property Tax

The Foundation has communicated an intent to file for local property tax exemption – which will be reviewed and processed in accordance to N.C.G.S. 105. But not a guarantee or automatic.

10

8

Foundation By Laws - 40% Medicaid commitment

40%

Reported minimum Medicaid participation

Bylaws and governing authority needed

2

Current Medicaid residents
Total resident census needed

08

9

Board of Commissioners:

The public benefit determination

Will lower financing costs help more lower-income seniors obtain affordable housing and care at The Berkeley?

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10

Other Counties & Municipalities :

Currently the following NC Counties/Municipalities have approved working with PASHF:

Cabarrus County: Unanimously Approved
Town of Mills River: Unanimously Approved

05

11