

REPORT TO CITY OF MANHATTAN BEACH REGARDING PUBLIC HEARING FOR CALIFORNIA PUBLIC FINANCE AUTHORITY REVENUE BONDS TO BE ISSUED TO FINANCE SUNRISE MANHATTAN BEACH SENIOR LIVING PROJECT

Charles Cardall, a partner in the law firm Orrick, Herrington & Sutcliffe LLC, as bond counsel to the California Public Finance Authority, held a public hearing at 9:00 A.M., on Wednesday, October 30, 2024. This report describes the comments made by the public at the hearing and certain other matters.

Background. The public hearing was required by and held in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”). Notice for the public hearing was published in the Metropolitan News-Enterprise on Wednesday, October 23, 2024. Attendance at the hearing was via a tollfree dial in conference line. Attached hereto is the proof of publication provided by the Metropolitan News-Enterprise and showing a copy of the notice.

The Tax and Equity Fiscal Responsibility Act of 1982 (“TEFRA”) added what is now Section 147(f) of the Code. The City Council is being asked to adopt a resolution that would approve the issuance of the bonds to be issued by the California Public Finance Authority (“CalPFA”) in an aggregate principal amount not to exceed \$145,000,000 (the “Bonds”). CalPFA will loan the proceeds of the Bonds to QSH/MB, LLC (the “Borrower”) to finance the construction, furnishing and equipping of a senior living rental housing facility located at 250, 350 and 400 North Sepulveda Boulevard, Manhattan Beach, California (the “Project”). The Borrower will be a limited liability company whose sole member is Quality Senior Housing Foundation, Inc., a nonprofit corporation described in Section 501(c)(3) of the Code. The Project will initially operated by Sunrise Senior Living Management, Inc.

The Bonds will not be a debt of the City, nor will they obligate the City in any way. The role of the City Council is limited to approving the issuance of the Bonds solely for purposes of Section 147(f) of the Code.

Hearing Report. The hearing was opened at 9:02 A.M. on Wednesday, October 30, 2024, with a short description of the purpose of the hearing. In attendance were a number of members of the financing team for the Bond transaction. No members of the public attended the hearing and therefore no comments were made at the hearing. The hearing was closed at 9:04 A.M. on Wednesday, October 30, 2024.