
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

SCHEDULE 14D-9

**SOLICITATION/RECOMMENDATION STATEMENT
PURSUANT TO SECTION 14(d)(4) OF THE SECURITIES EXCHANGE ACT OF 1934**

NorthStar Healthcare Income, Inc.

(Name of Subject Company)

NorthStar Healthcare Income, Inc.

(Name of Persons Filing Statement)

Common stock, \$0.01 par value per share
(Title of Class of Securities)

N/A
(CUSIP Number of Class of Securities)

Kendall K. Young
Chief Executive Officer
575 Lexington Avenue, 14th Floor,
New York, NY 10022
(929) 777-3135

**(Name, address and telephone number of person authorized
to receive notices and communications on behalf of the persons filing statement)**

- Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.
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INTRODUCTION

This Solicitation/Recommendation Statement on Schedule 14D-9 (this “Schedule 14D-9”) relates to a cash tender offer (the “Offer”) by Comrit Investments 1, Limited Partnership, a Cayman Islands Exempted Limited Partnership (the “Offeror”), to purchase from the stockholders of NorthStar Healthcare Income, Inc., a Maryland corporation (the “Company”), up to 3,000,000 outstanding shares of the Company’s common stock, par value \$0.01 per share (“Common Stock”), upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 15, 2024 (the “Offer to Purchase”) and the related Assignment Form, as set forth in Comrit’s Tender Offer Statement on Schedule TO filed with the Securities and Exchange Commission (the “SEC”) on October 15, 2024 (the “Schedule TO”). Unless the Offer is extended by the Offeror, the Offer will expire at 11:59 p.m., Eastern Time, on December 11, 2024.

Item 1. Subject Company Information.

The Company’s name and the address and telephone number of its principal executive office is as follows:

NorthStar Healthcare Income, Inc.
575 Lexington Avenue, 14th Floor
New York, New York 10022
(929) 777-3135

This Schedule 14D-9 relates to the Common Stock. As of September 30, 2024, there were 185,712,103 shares of Common Stock issued and outstanding.

Item 2. Identity and Background of Filing Person.

The Company is the person filing this Schedule 14D-9. The Company’s name and the address and telephone number of its principal executive office are set forth in Item 1 above, which information is incorporated herein by reference.

This Schedule 14D-9 relates to the Offer, pursuant to which the Offeror has offered to purchase up to 3,000,000 shares of Common Stock at a price equal to \$1.05 per share of Common Stock, subject to certain terms and conditions of the Schedule TO. Unless the Offer is extended by the Offeror, the Offer will expire at 11:59 p.m., Eastern Time, on December 11, 2024.

According to the Schedule TO, the business address for the Offeror is 9 Ahad Ha’am Street, Tel Aviv, Israel 6129101, and the business telephone number is 972-3-519-9936.

Item 3. Past Contacts, Transactions, Negotiations and Agreements.

To the knowledge of the Company, as of the date of this Schedule 14D-9, there are no material agreements, arrangements or understandings or any actual or potential conflicts of interest between the Company or its affiliates and the Offeror and its executive officers, directors or affiliates.

In addition, to the knowledge of the Company, there are no material agreements, arrangements or understandings or any actual or potential conflicts of interest between the Company or its affiliates and the executive officers, directors or affiliates of the Company, except as may be discussed in the Company’s prior filings with the SEC, which can be found in the sections entitled: (i) Note 6, Related Party Arrangements, to the Consolidated Financial Statements contained in “Item 8. Financial Statements and Supplementary Data” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on March 22, 2024 (the “Form 10-K”); (ii) Note 6, Related Party Arrangements, to the Consolidated Financial Statements contained in “Part I, Item 1. Financial Statements” in the Company’s Quarterly Report on Form 10-Q for the periods ended March 31, 2024 and June 30, 2024, filed with the SEC on May 9, 2024 and August 12, 2024, respectively (collectively, the “Form 10-Qs”); and (iii) “Certain Relationships and Related Transactions” in the Company’s Definitive Proxy Statement on Schedule 14A, filed with the SEC on April 15, 2024 (the “Proxy Statement”), all of which information is incorporated herein by reference. The Form 10-K and Proxy Statement were previously made available to all of the stockholders, and the Form 10-K and Proxy Statement are available for free on the SEC’s website at www.sec.gov.

Item 4. The Solicitation or Recommendation.

(a) *Recommendation.*

The Company's board of directors (the "Board"), in consultation with the Company's advisors, has reviewed the terms of the Offer. Based on its review, the Board has unanimously determined that the Offer is not advisable and is not in the best interests of the Company's stockholders. ACCORDINGLY, THE BOARD UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS REJECT THE OFFER AND NOT TENDER THEIR SHARES FOR PURCHASE BY THE OFFEROR PURSUANT TO THE TERMS OF THE OFFER.

The information set forth in the letter to the Company's stockholders, dated October 17, 2024 (the "Letter to Stockholders"), a copy of which is filed as Exhibit (a)(1) to this Schedule 14D-9, is incorporated herein by reference.

(b) *Reasons for the Recommendation.*

The information set forth in the Letter to Stockholders, a copy of which is filed as Exhibit (a)(1) to this Schedule 14D-9, is incorporated herein by reference.

(c) *Intent to Tender.*

The Company's directors and executive officers are entitled to participate in the Offer on the same basis as the Company's other stockholders. However, after reasonable inquiry and to the best knowledge of the Company, none of the directors or executive officers of the Company intends to tender or sell shares of Common Stock held of record or beneficially by such person for purchase pursuant to the Offer.

Further, after reasonable inquiry and to the best knowledge of the Company, none of the Company's subsidiaries or other affiliates currently intends to tender or sell shares of Common Stock held of record or beneficially by such person for purchase pursuant to the Offer.

Item 5. Person/Assets, Retained, Employed, Compensated or Used.

To the knowledge of the Company, neither the Company nor any person acting on its behalf has directly or indirectly employed, retained or agreed to compensate any person to make solicitations or recommendations to the Company's stockholders concerning the Offer.

Item 6. Interest in Securities of the Subject Company.

Based on the Company's records and reporting policies and on information provided to the Company by its directors, executive officers, affiliates and subsidiaries, during the 60 days prior to the filing of this Schedule 14D-9, no transactions with respect to the Common Stock have been effected by the Company, its executive officers, directors, affiliates or subsidiaries.

Item 7. Purposes of the Transaction and Plans or Proposals.

The Company has not undertaken and is not engaged in any negotiations in response to the Offer that relate to or would result in: (i) a tender offer or other acquisition of the Company's securities by the Company, any of its subsidiaries or any other person; (ii) an extraordinary transaction, such as a merger, reorganization or liquidation involving the Company or any of its subsidiaries; (iii) a purchase, sale or transfer of a material amount of assets of the Company or any of its subsidiaries; or (iv) any material change in the present distribution or dividend rate or policy, or indebtedness or capitalization of the Company.

Additionally, there is no transaction, board resolution, agreement in principle, or signed contract in response to the Offer which relates to or would result in one or more of the foregoing matters.

Item 8. Additional Information.

To the knowledge of the Company, there are no agreements or understandings, whether written or unwritten, between any executive officer and the Company or the Offeror concerning any type of compensation, whether present, deferred or contingent, that is based upon or otherwise relates to the Offer.

Cautionary Note Regarding Forward-Looking Statements.

Certain statements included in this Schedule 14D-9 that are not historical facts (including any statements concerning investment objectives, other plans and objectives of management for future operations or economic performance, or

assumptions or forecasts related thereto) are forward-looking statements. These statements are only predictions. The Company cautions that forward-looking statements are not guarantees. Actual events could differ materially from those expressed or implied in any forward-looking statements. Forward-looking statements are typically identified by the use of terms such as “may,” “should,” “expect,” “could,” “intend,” “plan,” “anticipate,” “estimate,” “believe,” “continue,” “predict,” “potential” or the negative of such terms and other comparable terms. The forward-looking statements included herein are based upon the Company’s current expectations, plans, estimates, assumptions and beliefs, which involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the Company’s control. Although the Company believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, the Company’s actual results and performance could differ materially from those set forth in the forward-looking statements. Such forward-looking statements are subject to certain risks, uncertainties and assumptions, including those detailed under “Part I, Item 1A. Risk Factors” in the Form 10-K. Except as otherwise required by the federal securities laws, the Company undertakes no obligation to publicly update or revise any forward-looking statements made after the date hereof, whether as a result of new information, future events, changed circumstances or any other reason.

Item 9. Exhibits.

<u>Exhibit</u>	<u>Description</u>
(a)(1)	Letter to Stockholders, dated October 17, 2024*
(e)(1)	Excerpts from the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on March 22, 2024**
(e)(2)	Excerpts from the Company’s Quarterly Report on Form 10-Q for the period ended March 31, 2024, filed with the SEC on May 9, 2024**
(e)(3)	Excerpts from the Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2024, filed with the SEC on August 12, 2024**
(e)(4)	Excerpts from the Company's Definitive Proxy Statement on Schedule 14A, filed with the SEC on April 15, 2024**

* Filed herewith

** Those sections of the Form 10-K and Proxy Statement specified in Item 3 hereto are incorporated herein by reference.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

NorthStar Healthcare Income, Inc.

Date: October 17, 2024

By: /s/ Nicholas R. Balzo
Nicholas R. Balzo
Chief Financial Officer and Treasurer



575 Lexington Avenue, 14TH Floor, New York, NY 10022
P 877.940.8777 | F 303.648.5142 | NorthStarHealthcareREIT.com

October 17, 2024

Dear Stockholder:

We are writing to you on behalf of the board of directors (the "Board") of NorthStar Healthcare Income, Inc. ("NorthStar Healthcare") about an unsolicited tender offer being made for your shares of NorthStar Healthcare's common stock by Comrit Investments 1, Limited Partnership ("Comrit"), an unaffiliated third party.

Comrit has notified NorthStar Healthcare that it has made an unsolicited tender offer to all of our stockholders (the "Offer"). You may have already received Comrit's Offer materials. Comrit is offering to purchase up to an aggregate of 3,000,000 shares of NorthStar Healthcare's common stock at a price of \$1.05 per share (the "Offer Price").

NorthStar Healthcare is required by the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, to inform you of its position, if any, with respect to the Offer. In evaluating the terms of the Offer, the Board has: (1) consulted with members of NorthStar Healthcare's management and such legal and other advisors as deemed appropriate by the Board; (2) reviewed the terms and conditions of the Offer; (3) considered other information relating to NorthStar Healthcare's business, financial condition and portfolio of assets; and (4) taken into account that Comrit is making the Offer for investment purposes with the intention of making a profit from any tendered shares.

Based on its evaluation, the Board does not recommend or endorse the Offer and has unanimously determined that the Offer is not in the best interests of NorthStar Healthcare's stockholders.

The following are the material factors considered by the Board in evaluating the Offer:

1. The Offer Price is substantially below NorthStar Healthcare's estimated net asset value per share of \$2.96 as of June 30, 2024 (the "Estimated Value"), which was approved and established by the Board on October 15, 2024 with the assistance of a third-party independent valuation and consulting firm. The Estimated Value is based on the estimated value of NorthStar Healthcare's total assets, less total liabilities, or approximately \$550.5 million, divided by the total number of shares outstanding, or 185,712,103, in each case as of June 30, 2024. The Estimated Value is based upon a number of estimates and assumptions that may later prove to be inaccurate or incomplete. In addition, the Estimated Value is as of a specific date and is expected to fluctuate over time. Refer to NorthStar Healthcare's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 17, 2024 for more information about the determination of the Estimated Value.
2. The Board believes the Offer represents an opportunistic attempt by Comrit to purchase shares to make a profit. Comrit has stated that the Offer is being made "for investment purposes and with the intention of making a profit from the ownership of the [s]hares" and admits that in establishing the purchase price of \$1.05 per share, it was "motivated to establish the lowest price which might be acceptable" to NorthStar Healthcare's stockholders. Comrit further acknowledges that the Offer Price has not been the subject of any fairness opinion, and Comrit has made no representation regarding the fairness of the Offer Price.
3. The Board acknowledges there is no established trading market for NorthStar Healthcare's common stock. In addition, NorthStar Healthcare's share repurchase program, which enabled stockholders to sell their shares in limited circumstances, has been suspended since April 30, 2020. The Board further acknowledges that NorthStar Healthcare is not paying recurring distributions, and the Board has instead stated that it will evaluate special distributions in connection with asset sales and other realization events on a case-by-case basis.
4. As of September 30, 2024, after giving effect to the recently completed disposition, NorthStar Healthcare has more than \$300 million of available cash. As a result, NorthStar Healthcare has disclosed that it intends to evaluate over the coming months how best to use available cash to further its primary objective, which is to maximize value and generate liquidity for stockholders. In doing so, NorthStar Healthcare is taking into consideration, among other factors, current and projected liquidity needs, near-term debt maturities, leverage strategy, the potential impact on any liquidity event that may be pursued in the future and potential additional special distributions to stockholders.
5. NorthStar Healthcare's strategy, to pursue dispositions that will achieve a desired return and generate value for stockholders, is significantly impacted by market conditions. With the recent interest rate cuts in September 2024,

and the positive market dynamics for the seniors housing industry specifically, NorthStar Healthcare is optimistic that it will begin to see increased transaction activity and more robust capital markets. As a result, the Board is focused on the evaluation of market conditions, performance and disposition opportunities with the goal of providing liquidity to stockholders without compromising on value. However, the Board cannot make any assurances regarding the timing of providing liquidity to stockholders or the value of the shares that may be realizable in connection with a liquidity event.

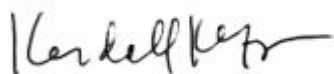
Each stockholder must make his or her own independent decision regarding whether to tender or refrain from tendering his or her shares. We recommend you carefully consider all aspects of the Offer in light of your own circumstances, including (i) your investment objectives, (ii) your financial circumstances, including your tolerance for risk and need for immediate liquidity that cannot be satisfied by other means, (iii) other financial opportunities available to you, (iv) your own tax position and tax consequences and (v) other factors you determine are relevant to your decision. You should carefully review all of the Offer documents sent to you by Comrit, as well as NorthStar Healthcare's publicly available annual, quarterly and other reports, and consult with your own financial, tax and other advisors in evaluating the Offer before deciding whether to tender your shares of NorthStar Healthcare's common stock.

If you wish to reject the Offer and retain your shares, no action is necessary. If you have already agreed to tender your shares pursuant to the Offer, you may withdraw your acceptance of the Offer by notifying Comrit at any time prior to the termination of the Offer, which does not initially expire until December 11, 2024. As provided by Comrit in the Offer, stockholders who tender their shares pursuant to the Offer would thus give up their rights to distributions, if any, December 11, 2024 (or such other date to which the Offer may be extended).

PLEASE CONSULT WITH YOUR TAX ADVISOR ABOUT THE IMPACT OF A SALE OF YOUR SHARES AND ITS IMPACT ON YOUR PERSONAL SITUATION.

Should you have any questions or need further information about your options, please feel free to contact NorthStar Healthcare at 575 Lexington Avenue, 14th Floor, New York, NY 10022, Attn: Investor Relations (telephone: 877-940-8777).

Sincerely,



Kendall K. Young

Chief Executive Officer and President