Valley Manor Redevelopment Update November 2025

Valley Manor has served the community for 48 years and is the largest employer in the Madawaska Valley, contributing more than $6.5 million per year to the local economy and supporting 130 staff. The demand for long-term care in our region continues to grow as the population ages, with wait lists currently exceeding 100 individuals and expected to increase. Ontario Health Team projections indicate the population over age 75 in our region will increase significantly by 2027.

Our redevelopment plan—relocating with **96 LTC beds** beside St. Francis Memorial Hospital—will strengthen shared service models and support future health hub integration, keeping care close to home for residents of Barry's Bay and surrounding areas.

Over the past year, Valley Manor has continued to work towards advancing our redevelopment project through extensive advocacy efforts and strategic partnerships. Working closely with AdvantAge Ontario and other rural not-for-profit long-term care (LTC) homes within Ontario, we have focused on achieving a more equitable provincial funding model—one that recognizes the financial realities of rural communities and addresses the compounded pressures of rising construction costs and interest rates.

Advocacy Efforts to Date

Valley Manor, and the previously mentioned collaboration team of not-for-profit homes, has been actively advocating for provincial policy changes, including:

- A dedicated rural/northern funding model for LTC homes
- Zero-interest construction financing through the Ontario Infrastructure Bank
- A permanent increase to the Construction Funding Subsidy (CFS) to $45/bed
- Local fundraising requirement exemptions for rural not-for-profits
- An increase to the base CFS per diem

These measures would have a meaningful impact on the feasibility of rural redevelopment projects like ours.

Provincial Funding Improvements

In the spring 2025, the Provincial Budget introduced enhanced capital funding to support the completion of LTC redevelopment projects across Ontario. By July 2025, the Ministry of Long-Term Care released new policies and procedures to align with this funding model, including:

- Revised geographic allocations
- Enhanced financial support for rural and northern communities

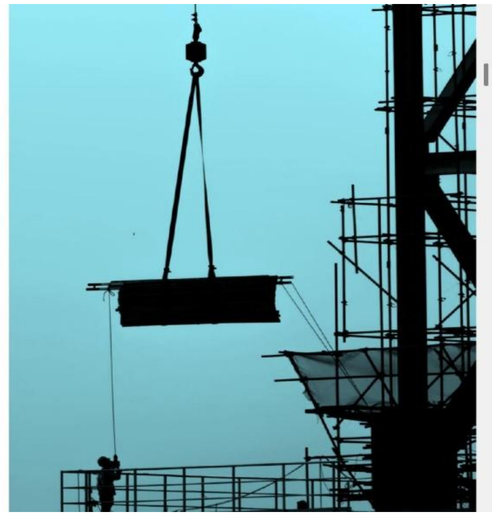
These changes represent positive movement for Valley Manor and other rural homes working to advance stalled projects.

July 2025- New Capital Funding Program

Overview

The Capital Funding Program (CFP) will:

- introduce a new way to fund operators to build new and/or redevelop existing LTC beds.
- provide opportunities to build in 'hard-to-build' areas, including the GTHA and Northern Ontario, where construction and land costs are high.
- shift to a flexible percentage-based funding model.
- addresses feedback from the sector, including expanding cost eligibility criteria



New funding formula is based on 4 new demographic areas

CFP Funding

Funding Maximum

The table below shows the maximum amount of CFP funding that projects could receive:

	Greater Toronto and Hamilton Area	North-Urban	North-Remote	Southern Ontario (rest of the province)
	Toronto, Durham, Peel, York, Halton and Hamilton Census Divisions	Greater Sudbury, Thunder Bay, Sault Ste. Marie, and North Bay.	North-East and North-West Ontario Health Regions outside North-Urban market segment	East, West and Central OH Regions outside GTHA market segment
Maximum total eligible project cost per bed	$750,000	$450,000	$550,000	$436,000
Maximum CFP funding per bed (85%)	**$637,500**	**$382,500**	**$467,500**	**$370,600**

Maximum gross floor area

Projects will be funded up to a max gross floor area equal to 800 sq ft per new / redeveloped bed.

Project costs exceeding 800 sq ft per bed will be excluded from CFP funding and will be the operator's responsibility.

New Geographic Funding Model

The updated capital funding program categorizes homes into four demographic groups. Although Valley Manor is located just 19.3 km south of Ontario's rural northern border, the Ministry continues to classify us within the Southern funding category—the lowest of the four funding tiers.

This single classification results in a $9.3 million funding loss, increasing our borrowing requirements and negatively affecting our debt capacity. Advocacy continues to request that Valley Manor be reclassified into the Northern category to reflect our true rural context and financial needs.

19.3 km = $9.3 million

Funding Per diem by bed based on geographic location

Segment	Max. CF / Bed	Max. Per Diem	
GTHA	637,500	77.70	
North-Remote	467,500	56.98	44,880,000
North-Urban	382,500	46.62	
Southern ON	370,600	45.17	35,577,600
			$9,302,400 difference
Bed Count	CF / Bed	Grant / Progress Pmts.	CF via Per Diem
96 beds	467,500	163,625	303,875
		35%	65%
		Grant / Progress Pmts.	15,708,000
		PV Target	29,172,000
		Discount Rate	4.650%
		Implied Per Diem	56.98
		Annual Payment	1,997,819

Financial Roadblocks

Despite progress, several barriers remain:

- The Ontario Financing Authority does not provide loans to LTC homes not partnered with a hospital.
- Our request for designation as a municipal home was not approved by Renfrew County Council.
- Our small community does not have the fundraising capacity to meet the **$5.5 million** local share requirement.
- The Ministry’s classification of Valley Manor as “Southern” significantly reduces the capital subsidy available to the project.

Current Status & Next Steps — Moving Forward Together

Valley Manor remains active in the Ministry's redevelopment queue and continues to collaborate with:

- The Ministry of Long-Term Care
- Project managers
- Funding organizations
- Community partners, including St. Francis Memorial Hospital and the Municipality

We are currently exploring all available options to move the project forward, including further advocacy for reconsideration of our geographic designation. To strengthen our collective advocacy, Valley Manor is seeking municipal support to escalate the request for reconsideration of our geographic designation.

Working in unity will help ensure that decision-makers clearly understand the unique challenges and needs of our rural community. All of the previously mentioned collaborations reflect our ongoing commitment to meeting community needs and ensuring that healthcare remains close to home in Barry's Bay.