



## MEMORANDUM

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Date: September 3, 2025

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso  
City Manager

From: Christina Bervaldi  
Director of Finance

Subject: **FILE ID 25-4379 Request for Monroe County Land Authority Funds**

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### **Introduction**

Respectfully request that the Mayor and Commission request the Monroe County Land Authority (MCLA) allocate funding, in the amount of \$1,382,856.00, for the purpose of construction costs to convert the 3rd floor of Poinciana Gardens, located at 1664 Dunlap Drive, from Assisted Living Facility (ALF) units to independent living rest home units.

### **Background**

In 2013 at the request of the City of Key West through Resolution 13-256, the Key West Housing Authority constructed an Assisted Living Facility on Key West Housing Authority property located at 1664 Dunlap Drive, Key West, Florida to provide a vital community housing need for the residents of Key West.

Although KWHHA developed the project, the intent was for KWHHA to contract out the day-to-day operations and administration of the facility to a management company that had the knowledge and expertise to run an Assisted Living Facility. In February 2020, after failed contracts with two separate management companies due to low occupancy resulting in large financial losses, **KWHHA** took over the administration and day-to-day operations of Poinciana Gardens.

In February of 2020 the City passed Resolution 20-031 requesting the Monroe County Board of Commissioners to work cooperatively with the KWHHA to ensure the continued operations of Poinciana Gardens Assisted Living Facility.

In August of 2021 the City passed Resolution 21-174 that created the original Poinciana Garden Funding Interlocal Agreement between the County, City and KWHs that provided funding to KWHs for FY 2022 through 2024 for continued operations of the facility. The ILA committed financial support from the County and City up to \$400,000 for FY2022, \$300,000 for the FY 2023 and up to \$200,000 for FY2024.

In October of 2024, both the County and the City advised the KWHs that their Interlocal Agreements would end on September 30, 2025, and they would not be renewed for another term.

Ongoing operational and financial challenges, including the termination of subsidies from the City of Key West and Monroe County, coupled with evolving resident needs and insufficient community demand for assisted living services, have prompted the KWHs to evaluate alternative uses for the assisted living units and supported living units. Preliminary analysis indicates that converting the assisted living and supported living units to independent living rest home units for active seniors would allow for more efficient operations, broaden housing opportunities for seniors, and better utilize Poinciana Gardens.

On August 13, 2025, the City, the KWHs, Monroe County, and the Monroe County Land Authority (MCLA) met regarding the challenges facing the Poinciana Gardens facility and have determined to partner to convert the third-floor assisted living units located in Poinciana Gardens at 1664 Dunlap Drive in Key West to independent living rest home units.

As part of this partnership, the City desires to request the MCLA to disburse \$1,382,856 of Local Government Contribution Land Authority funds to the KWHs for the construction costs to convert the 3rd floor ALF units at the Poinciana Gardens Facility, to independent living rest home units.

### **Procurement**

Approval of the requested disbursement would reduce the available funds balance of the Monroe County Comprehensive Plan Land Authority (MCLA) monies that are allocated to properties within the City of Key West.

### **Recommendation**

Respectfully request that the Mayor and Commission request the Monroe County Land Authority (MCLA) allocate funding, in the amount of \$1,382,856.00, for the purpose of construction costs to convert the 3rd floor of Poinciana Gardens, located at 1664 Dunlap Drive, from Assisted Living Facility (ALF) units to independent living rest home units.