

Affordable housing planned for Living Cully Plaza

The Hacienda CDC development represents a complete transformation of the former Sugar Shack

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Hacienda CDC, a nonprofit affordable housing developer, has announced it will build 150 units of affordable housing in the housing-starved Cully neighborhood – all on a site better known for a notorious strip club.

On Oct. 27, more than 100 residents of the Cully neighborhood gathered inside the former Sugar Shack building, now called Living Cully Plaza, during an open house that shared early architecture designs of the project and asked residents their opinions about what they'd like to see in the design.

"I'm excited to see the transformation," said Rose Ojeda, Hacienda's director of housing development.

Two years ago, the neighborhood formed Living Cully Plaza LLC, a coalition of Habitat for Humanity, Verde and Hacienda

CDC. When it purchased the property in 2015, it was considered a victory for the neighborhood.

Most significantly for the Cully community, the building – which once housed the notorious Sugar Shack, described as an "adult super center" with three strip clubs, a restaurant, an adult video store and a lingerie shop – will be demolished for the new development. The club operated in the neighborhood from 1997 until May 2015, when a federal investigation closed it down after its owners were indicted on prostitution and federal tax evasion charges.

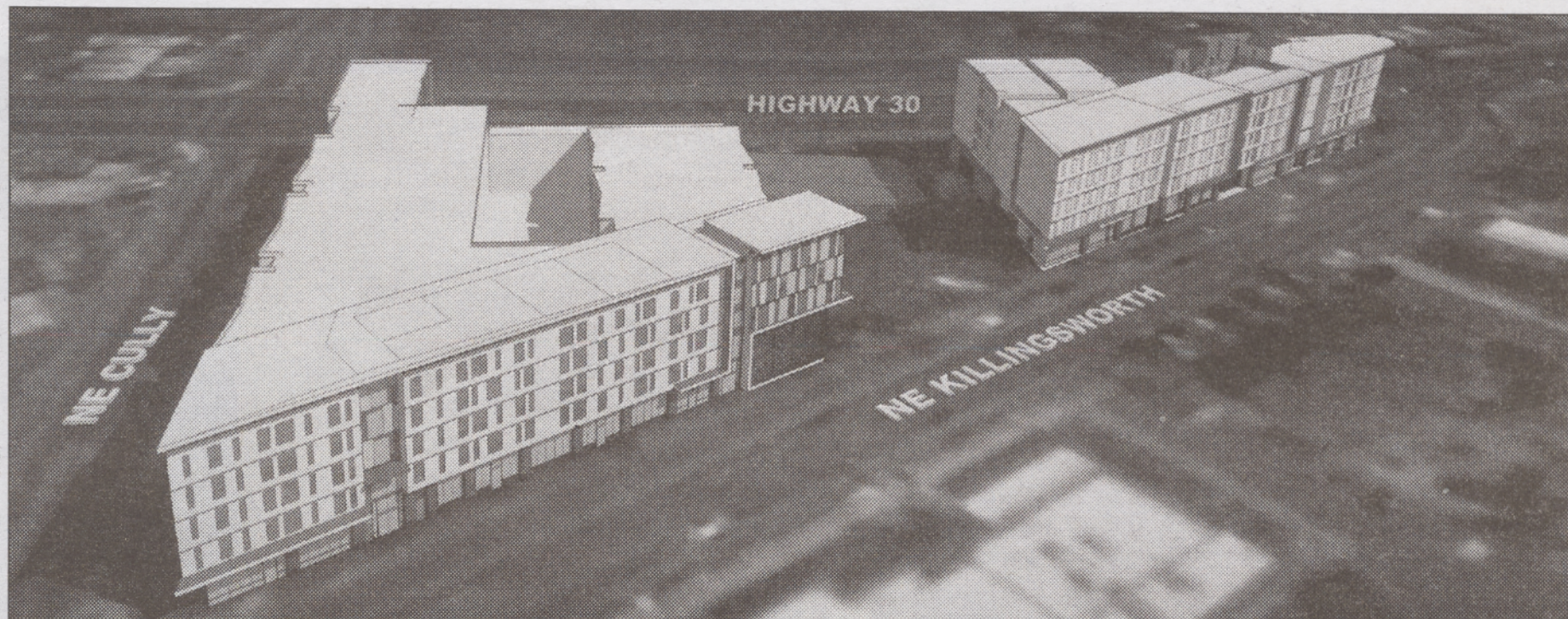
Even though the building was renamed Living Cully Plaza and Living Cully's members and Cully residents have gone to great lengths to transform the space, the building's lecherous past lingers in the dark red carpet, the body-length mirrors now covered in dust, and the narrow hallways that lead to small rooms and darkness.

"This place was horrible," said David Sweet, a member of the Cully Association of Neighbors. "You look at the way women were demeaned here. Just being in here and seeing these rooms, it makes my heart hurt."

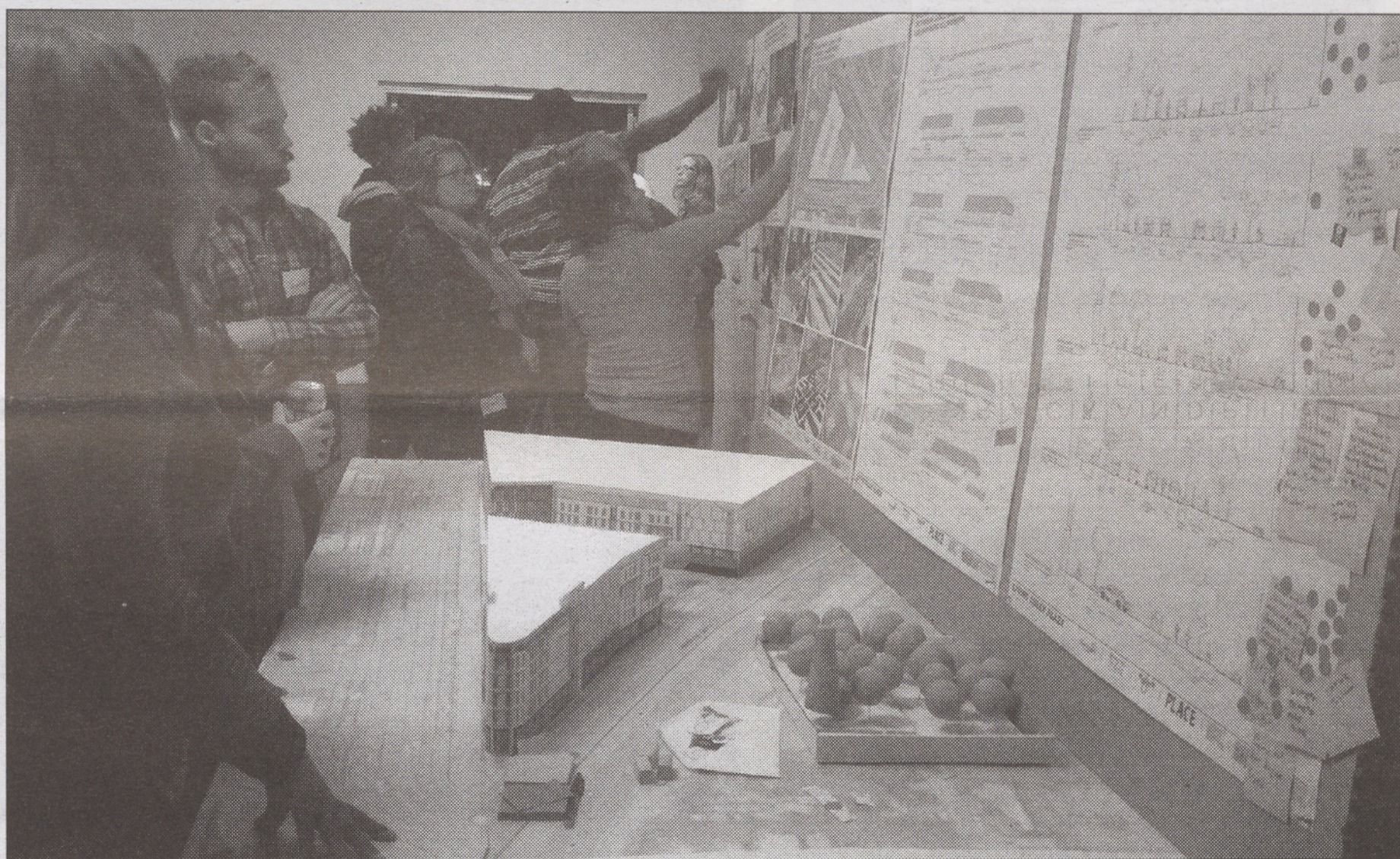
Living Cully wrestled with what to do with it and considered selling or leasing the property to a developer. But the property's future now rests solely in the hands of a neighborhood developer, and there are high hopes that it will become a thriving center of Cully's community.

The property is large – a 96,000 square-foot lot, bounded by Northeast Cully Boulevard, Northeast Killingsworth Street and Columbia Boulevard/Highway 30, with a parking lot of 120 spaces and the L-shaped, two-story building that takes up 26,000 square feet. Hacienda CDC bought the property from Living Cully earlier this year.

Living Cully was facing a refinancing deadline with the nonprofit lender Craft3, which lent Living Cully \$2.3 million to buy the property in 2015 with the agreement



An architectural drawing of the proposed development on the site of the former Sugar Shack. Hacienda CDC now owns the property and intends to build 150 units of affordable housing, as well as commercial space.



PHOTOS BY AMANDA WALDROUPE

that the loan be paid back this year.

When Living Cully purchased the property, the coalition settled on three options, including selling the building with certain deed restrictions, thus ensuring that the property would not become another strip club. A second option was maintaining ownership and fully redeveloping the site to meet the needs of the Cully community. At the time, Living Cully's partners considered that the most daunting, given the cost involved and the risk that the nonprofits would be taking on.

So, for the last two years, Living Cully pursued a third option, leasing the building to a retail or commercial business that would pay for the renovations and occupy the building, providing jobs and services to Cully residents.

The most promising lead Living Cully developed was with Laughing Planet, the Portland food chain. Those talks fell through when it became obvious that the cost of renovations was too high.

As Living Cully got closer to the refinancing deadline with Craft3, "we decided to go ahead and switch course," Ojeda said.

Hacienda secured loans through Prosper Portland, formerly known as the Portland Development Commission, and Raza Development Fund, the country's largest Latino community development lender.

Designs for the site, developed with Salazar Architect Inc., show two multi-story buildings that will include 150 units of affordable housing and commercial space on the first floor.

The apartments will be one-, two- or three-bedroom units, reflecting the fact that many Cully residents are part of young and intergenerational families.

The most important aspect of the design is a plaza in the center of the block between the two buildings. Alex Salazar, the architect who designed the building, said that the plaza will serve a practical purpose, enabling residents and passersby to cross the block without needing to walk around the street.

"It's such a long block," he said. "It's a triangle site, which also presents some challenges."

Living Cully members also hope the plaza

Community members gather inside Living Cully Plaza on Oct. 27 to discuss the design for a new affordable-housing complex and to share opinions about what they'd like it to include.

"We don't need things that bring rich people in the neighborhood. We need things that serve the people in the neighborhood and maintain our diversity."

DAVID SWEET,
CULLY ASSOCIATION OF
NEIGHBORS MEMBER