



Affidavit #1 of Gordon Wiebe  
sworn October 13, 2011

No. H111095  
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

IMOR CAPITAL CORP.

PETITIONER

AND

0847566 B.C. LTD., 0802508 B.C. LTD., 50 EAST CORDOVA HOLDINGS LTD.,  
0766996 B.C. LTD., 0847569 B.C. LTD., 0847571 B.C. LTD., 0766986 B.C. LTD.,  
DELIVERY DRUGS LTD., 610650 B.C. LTD., GEORGE WOLSEY and VIOLA  
HELEN WOLSEY

RESPONDENTS

**AFFIDAVIT**

I, GORDON WIEBE, of City of Vancouver, Province of British Columbia,

SWEAR:

1. I am the co-founder and chair of the Community Builders Benevolence Group ("CBG") and as such I have personal knowledge of the facts and matters hereinafter deposed to, save where the same are stated to be made upon information and belief, and where so stated, I verily believe them to be true.

**Community Builders**

2. CBG is a charitable organization founded in 1992 which provides supported housing to persons with mental health, addiction and physical health issues in and around the downtown eastside of Vancouver. In total, CBG operates 350 units in six buildings – Jubilee Rooms, Dodson Rooms, Vogue Rooms, Powell Rooms, Wonder Rooms and Palace Hotel.

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3. CBG operates solely in buildings that are owned by private investors or, in one case, a charitable organization. We fill a gap that is not met by housing run by government organizations such as BC Housing.

4. CBG has complete control of the operations of all of the properties it runs. We provide what we call “whole life housing” which, in addition to housing, provides people in need with access to all of the basic services they need, from laundry to medical care and addiction counseling.

5. The City of Vancouver classifies candidates for social housing as either low income, difficult to house or not ready for housing. Almost all of the people in CBG’s properties fall into the latter two categories – difficult to house or not ready for housing. When CBG first began providing supportive housing in 2002, only approximately 50% of our occupants fell into those two categories; the other 50% were classified as low income.

6. The complexion of the downtown eastside has rapidly changed since 2002. People seeking housing in the area have high needs due to extreme health issues and untreated illnesses. Our 10-component whole-life housing program – which is consistent across all of our buildings – is designed to meet the needs of this group.

7. For the last several years, CBG has obtained funding from Human Resources and Social Development Canada to fund our tenant support programs.

8. CBG has a good ongoing relationship with the City of Vancouver as well as Community Court workers from the Community Court which operates at the courthouse at 222 Main Street. The Community Court has approximately 2500 people within its program. These are mainly people with mental illness and/or addictions for whom incarceration is not appropriate.

9. We frequently get requests from the City of Vancouver and the Community Court for placement of people in need at one of our operations.

10. Tenants at CGB buildings pay on average \$425 per month in rent. For approximately 90% of tenants, CBG receives the rent each month directly from the provincial Ministry of Social Development.

**Wonder Rooms and Palace Hotel**

11. In mid-August, 2011, CBG reached agreement with George Wolsey and related companies (the "Owners") to take over the operation of Wonder Rooms and Palace Hotel – the fifth and sixth buildings under CBG's management. Attached and marked as **Exhibits "A"** and **"B"** are true copies of those agreements. The attached copies are unsigned but the agreements have been signed by all parties.

12. The Wonder Rooms is located at 50-52 East Cordova Street and has 39 housing units. The Palace Hotel is located at 35-37 West Hastings Street and has 32 units.

13. Pursuant to the agreements with the Owners, CBG is responsible for repairs and upgrades at the properties and all of the operating costs. We will also be paying the Owners a monthly amount per room on account of the Owner's mortgage, taxes and insurance. The amount to be paid is under negotiation and has not yet been determined.

14. We have presented to the City of Vancouver a schedule for repairs at the buildings. True copies of these schedules are attached and marked as **Exhibits "C"** and **"D"**.

15. I have discussed these schedules with City of Vancouver building officials, who have expressed their approval. I was advised that the schedule for repairs is faster than the City expected.

16. Most of the primary work required in the rooms at the buildings is complete. Some of the rooms were completely overhauled. All of the rooms will be ready for occupancy by November 1, 2011. Other ongoing work will carry on in November.

17. Currently, approximately 30 of the 32 rooms at the Palace Hotel and 34 of the 39 rooms at the Wonder Rooms are occupied. The remaining rooms are being upgraded and will be ready for occupancy within the next two weeks.

18. As of November 1, 2011, all of the 71 rooms in these two buildings will be occupied.
19. CBG does not keep waitlists for its buildings. We receive on average five requests for placement per day at each of our buildings. When vacancies arise, they fill immediately. I am confident this will be the case at the Wonder Rooms and the Palace Hotel.
20. We have already placed people from the Community Court program at the Wonder Rooms.
21. Previously, when CBG has taken over management of a property, crime rings – typically drug dealing and prostitution – are found to be operating in the building. This delays implementation of our programs because the criminal element has to be removed, in conjunction with the Vancouver Police Department.
22. When CBG took over operation of the Palace Hotel and Wonder Rooms, we found no organized criminal element. Staff felt safe in the buildings from the beginning. This has allowed us to implement our tenant support programs there more quickly than is typically the case.
23. Our tenant support programs have been partially implemented at the buildings and will soon be fully functioning.

### **Receivership**

24. When I learned that there was an issue of a receiver taking control of the Wonder Rooms and the Palace Hotel, I contacted the proposed receiver, Campbell Saunders Ltd. On Friday, October 7, 2011, I spoke with David Macdonald, whose business card identifies him as senior manager at Campbell Saunders Ltd.
25. Mr. Macdonald advised me that Campbell Saunders Ltd. would be taking over the building in two weeks and, “We will likely want the buildings empty because the new owners will probably want it that way.” Mr. Macdonald qualified that comment by saying that no decision had yet been made.

26. When I discussed with Mr. Macdonald the hardship that the tenants of these buildings would suffer if they were evicted, I found his attitude to be somewhat cavalier. He stated to me that the City of Vancouver would find another place for them.


27. I know that assertion to be untrue. There are simply not enough spaces for high-needs tenants such as those at the Palace Hotel and the Wonder Rooms. The City, the Community Court and other organizations constantly struggle to find places for such people. CBG is constantly receiving requests for placement that it is unable to fill.

28. In the new year, the First United shelter on Hastings and Powell Streets is scheduled to close. The City of Vancouver has asked CBG if it could accommodate some of the people from the First United shelter at the Wonder Rooms or Palace Hotel. Unfortunately, we will be fully occupied by then so we will not be able to do so.

29. I am very concerned about the prospect of a receiver manager taking over the Wonder Rooms and Palace Hotel. The tenants of these buildings have high needs and are very hard to house. They are just now having the repairs done to the buildings and receiving the support services that CBG offers.

30. Even with two months notice, eviction would bring considerable hardship for these 64 tenants and add to the extreme shortage of appropriate housing that is available for this population group.

SWORN BEFORE ME at Vancouver, )  
British Columbia, on the 13<sup>th</sup> day of )  
October, 2011. )  
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A commissioner for taking affidavits )  
for British Columbia )

  
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GORDON WIEBE

**RONALD A. HATCH**  
*Barrister & Solicitor*  
SUITE 2550 - 555 WEST HASTINGS STREET  
VANCOUVER, B.C.  
V6B 4N5