

# THE VANCOUVER SUN

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## **From slum to safe haven**

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When two Christian entrepreneurs bought a run-down hotel on East Hastings last year to improve some of the one-room homes of the people who live in Vancouver's poorest neighbourhood, they also acquired the hotel pub.

Co-owner Hart Molthagen, an opponent of a Las Vegas-style gambling casino when he chaired Tourism Vancouver in the late 1980s, decided he no longer wanted a B.C. Lottery Corp.-owned keno machine in the pub.

But the new owners of the Dodson Hotel and Pub didn't turn the beer taps off.

Although Molthagen says he recognizes that alcohol addiction is a major problem in the Downtown Eastside, he's not ready to close down a pub where the residents of single-room-occupancy hotels go to socialize.

The pub is their living room, he says.

Molthagen recalls the day he saw a Dodson Hotel tenant enter the pub with a plastic zip-lock bag of vegetables. The man ordered a beer and nibbled on his carrot sticks.

"What's that all about?" Molthagen asks. "He just wants the social side of things. He wants to interact with someone."

That "living room" opens at 9 a.m., like many other pubs in the area. Those who want to avoid the unpleasant symptoms of alcohol withdrawal start coming in soon afterwards.

At 10:30 a.m. on a recent weekday morning, a dozen people are already drinking beer. More are smoking cigarettes in Ye Olde Smokehouse, a walled-off smoking room.

One of the morning patrons is Nova Scotia-born Audrey Boyce, 42.

Boyce, friends know her as Kitty, belts out Shania Twain songs at the Dodson Pub most Wednesdays, on karaoke nights.

Boyce has been living in the century-old Dodson Hotel since August. She left another Downtown Eastside rooming house because she says the hotel staff acted like the "Gestapo", treating all their tenants with contempt, whether they had jobs or were drug addicts.

"Nobody likes to be told 'you can't touch that stove'," she says. "No one likes to be told don't do this or that. The first thing they're going to be told is -- excuse the language -- 'f' you. It has the reverse effect."

Providing safe, clean, affordable and supportive housing are the stated goals of the hotel owners -- Molthagen, 54, of North Vancouver, and fellow developer David Ash, 44, of Langley.

The two men say they are trying to use their money and business skills to create decent housing for low-income residents.

Residents of the Dodson say the new owners don't push religion on them or make moral judgments about their lifestyles. Boyce says the management allows residents to do what they want in the privacy of their rooms, as long as problems don't spill out into the hallways. But once a tenant's problem becomes everyone's problem -- when a tenant gets violent, for instance, hotel staff get involved.

"I feel safe here," Boyce says. "They care what happens. I've never been happier in the tragedy of my life."

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The story of how Molthagen and Ash came to own a Downtown Eastside hotel is not as grim as the biographies of the impoverished people who live there, but it's a fascinating one.

In the late 1980s, Molthagen married his second wife, left the job he had with a trust company and joined his wife and her family in the hotel business. His in-laws then owned O'Doul's Hotel on Robson. Molthagen became the hotel's general manager.

The family sold O'Doul's in 1989 for \$23 million. Hart and Anita Molthagen had everything they needed from the material world: a waterfront home in Lions Bay, a yacht and a Mercedes.

Hart Molthagen says a book -- Rich Christians in an Age of Hunger, by Ronald J. Sider -- challenged him to live more simply.

"I decided I didn't want to make money to increase my standard of living," he says. "I just needed a certain amount and wanted to give back the rest."

The Molthagens moved to a smaller house in West Vancouver, then downsized again and moved to North Vancouver. Molthagen began to volunteer at his church's shelter program, then began looking at the housing needs of Downtown Eastside residents.

In 2000, Molthagen bought two adjacent single-room-occupancy hotels -- the New Zealand Hotel and Gees Royal Rooms -- on Main Street, just across from Vancouver provincial court.

"I had no idea what I was doing," he says. "I just knew I wanted to do something in housing. I'd be lying if I told you I had a business plan or strategy."

According to the Downtown Eastside Residents Association, the adjacent hotels were then among the city's most notorious. Alcoholics controlled one floor; crack cocaine addicts, a second floor; prostitutes, a third.

After spending \$1.15 million to buy the properties, Molthagen invested another \$500,000 in renovations. All the washrooms, furniture and doors were replaced. All the walls were repainted. New flooring went in. When possible, tenants were paid to do the work.

Halfway through the complete renovation of 77 rooms, Molthagen found himself being portrayed in the news media as a slum landlord. In December 2000, The Vancouver Sun quoted a city police report which put the two hotels on a list of the 10 worst hotels in the city.

Molthagen said it took about a year for him to turn the hotels around. They were given a new name: Jubilee Rooms.

In 2002, a man who claimed he was a former pastor from Langley arrived at the Jubilee, asking for a room. The Jubilee's manager was suspicious. He phoned Molthagen, who was just as skeptical about the stranger's motives.

"When I hear about a pastor wanting to get into the building, I thought: Oh yeah, you just want to proselytize and work on a nice little congregation."

Gordon Wiebe, who is now 47, had spent the last quarter century as a pastor with the Pentecostal Assemblies of Canada, working as a missionary in Kenya and Tanzania and in inner city Winnipeg, before coming to Langley.

Wiebe says the Christian Life Assembly Pentecostal Church in Langley spent \$400,000 annually on social services, including programs that provide food, clothing and shelter for homeless people in the suburbs. But Wiebe says he came to the realization that the church was an institution which didn't meet all humanitarian needs, including needs in the Downtown Eastside.

With the blessing of his wife and children, Wiebe began spending about four days a week in the Vancouver neighbourhood. Wiebe says he didn't have a plan or agenda. He wanted to understand the community first, before trying to help its residents.

At one point Molthagen invited Wiebe to attend his downtown Vancouver church, whose pastor had also been a missionary in East Africa and was fluent in Swahili. Wiebe says he only realized afterwards that Molthagen wanted to check out his credentials, because the pastor walked up to Wiebe and immediately began speaking in Swahili -- a language Wiebe knew.

Molthagen, who had already decided to look for a retired minister who would be willing to live in the Jubilee, asked Wiebe to move in.

Wiebe, citing the works of urban icon Jane Jacobs and emergence theorist Steven Johnson, wanted Jubilee residents to be a "self-organizing" community that found its own solutions to its problems. He didn't want to impose top-down edicts.

Because fearful residents tended to stay in their rooms, Wiebe needed to find ways to draw them out. Wiebe asked one of the staff to start asking tenants: "What did you dream last night?"

Wiebe says the tenants felt validated because staff seemed to be interested in their lives.

"It suddenly became a fashion in the Jubilee for tenants to ask each other what they dreamed," he says.

When tenants were asked how they would improve the hotel's environment, one man suggested an egg and coffee in the morning. Soon, coffee, eggs and toast were put out each morning in the small lobby, and more socializing took place. Then some tenants started asking for cleaner bathrooms. A survey of tenants showed the tenants wanted to do the work themselves and get paid for their labour. The Jubilee hired the tenant who was considered the most likely to fail at that job -- and he became a reliable janitor.

"Even if the tenant used the money to buy drugs, it was still better than stealing or organized crime," Wiebe says.

After one year, rental revenues at the Jubilee were large enough to pay the mortgage Molthagen took on to acquire the property. He began looking for another to buy. Last March, Molthagen and David Ash bought the 67-room Dodson for \$1.5 million. A photograph of Ash's mother appeared with a front-page story in The Vancouver Sun last November, after Ash spent \$1.1 million on an East Cordova housing project for mentally-ill and drug-addicted women. The project is named The Vivian, in honour of Ash's late mother, Vivian Grace Ash, who had a long history of mental illness and homelessness.

Wiebe says the old Dodson had four rooms set aside for prostitutes who rented rooms by the hour, but it wasn't as crime-ridden as the old Jubilee. He says the Dodson always had a large number of aboriginals as guests and pub patrons -- including aboriginals who still respected native elders.

"The Dodson had a way of surviving before we ever arrived," Wiebe says.

But all Downtown Eastside residents seem to know individuals who didn't survive.

Ben Isaac, an aboriginal man who works at the hotel's front desk, says he has dressed the bodies of aboriginal people who have died in the neighbourhood before sending their remains back to rural aboriginal communities in coffins. Isaac says he has tried to return to his own community at Alert Bay, but the people at the Dodson are now "family" and he wants to remain there.

He says the old Dodson was "a lot more hectic, a lot more troubling, a lot more pain. Now, it's a lot more secure and safe."

Slowly, with the help of tenant labour, the new management is renovating the rooms. And last July, Wiebe and his wife Catherine sold their five-bedroom house in Langley and moved into a comfy new bachelor suite-sized apartment in the Dodson. Wiebe dismisses the notion that he and his wife made a big sacrifice. Wiebe says they know they can move to another area whenever they want to, and will never have to sleep outside in the cold -- unlike their new neighbours.

A Christian website calls Molthagen and Ash "Christian social entrepreneurs."

Molthagen says he doesn't know what that kind of label means, but he's hoping that other business people will invest in the neighbourhood's rundown hotels and create more safe and affordable housing.

Although the \$325-a-month that adults on social assistance get for housing ends up paying the mortgage at the Dodson and the Jubilee, there are no other public subsidies going to the two hotels. Molthagen says rental revenues at the Dodson aren't yet large enough to pay for its mortgage payments.

The co-owners say profits aren't their primary motivation.

Ash says he is an entrepreneur and Christian who is attempting to take a purely benevolent view in investing. Although he respects the work that non-profit social agencies are doing -- the Triage society is managing The Vivian -- Ash says some non-profits are not efficient.

"I looked at the non-profit model and thought that, as an entrepreneur, private enterprise could probably deliver this service more efficiently," Ash says.

Whatever the label -- "Christian social entrepreneurs," "benevolent businessmen" or just plain "developers" -- tenants at the Dodson say life in the hotel is better under the new management.

Kitty Joyce notes the Wiebe family even invited tenants to witness the wedding of their daughter at the Dodson Pub in October.

"It was very, very special," Joyce says. "They could have had the wedding anywhere they wanted, but they did it here."

Joyce says the tenants are grateful for what the new owners have done, but have trouble expressing that gratitude. Just before Christmas, she asked her fellow tenants to sign a large Christmas card addressed to the Wiebes. Many didn't want to.

"I understood," she says. "When something here seems too good to be true, it usually is. They're not going to allow themselves to think it's wonderful, just to be crushed one more time."

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Illustration:

- Color Photo: Bill Keay, Vancouver Sun / Ben Isaac, a hotel resident and employee, relaxes with a game of pool at the Dodson Hotel and Pub in the Downtown Eastside.
- Color Photo: Bill Keay, Vancouver Sun / Hotel owner Hart Molthagen (left) and Gordon Wiebe make a difference in the neighbourhood.
- Photo: Ian Lindsay, Vancouver Sun / The Dodson Hotel and Pub, once described by police as one of the '10 worst hotels' in the city, is now safe, clean and affordable, thanks to developers Hart Molthagen and David Ash.

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