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## Low-income housing projects stall

John O'Connor | The Guam Daily Post May 16, 2018



HOUSING: The Villa Del Mar low-income housing tax credit project groundbreaking ceremony is held Nov. 21, 2017, in Toto. Post file photo



Sam Mabini

Two low-income housing projects have stalled due to ongoing H-2B labor issues, according to Michael Duenas, executive director of the Guam Housing and Urban Renewal Authority.

Construction work has slowed considerably on the third phase of the Summer Town Estates development in Dededo, while there has been no significant construction activity at the 50-unit Villa del Mar development in Toto, Duenas added.

The managing members of the projects are Core Tech Development LLC and Ironwood Guam Development LLC,

"We're still waiting from the USCIS ... whether they're abiding with the court order or not, and if it's no, we're entering a different area now."

**– Sam Mabini,  
director,  
Guam  
Department of  
Labor**

respectively. Core Tech Development and The Guam Daily Post are affiliates.

The projects cost about \$13 million each.

The housing projects are made possible with the companies' tax credits through the federal low-income housing tax credit program, overseen by the U.S. Department of Housing and Urban Development.

HUD is aware of the constraints H-2B denials have on Guam construction, Duenas said. Officials are seeing the rental market tightening as a result but, for the short term, GHURA is discussing ways with HUD to adjust the Section 8 program to help families find affordable rental units.

Meanwhile, an \$810,000 project to rehabilitate baseball fields in Umatac and Sinajana is now on hold as GHURA finds a new contractor.

Duenas said an initial contractor had to cancel its agreement with GHURA, citing problems with losing skilled workers to larger companies recruiting for military projects. An award to another contractor is expected later this month.

### **Only military project petitions**

More than 600 H-2B petitions were granted by the U.S. Citizenship and Immigration Services last month, but only for military construction-related projects.

A rider in the fiscal year 2018 National Defense Authorization Act, introduced by Del. Madeleine Bordallo, allows for up to 4,000 H-2B laborers to enter Guam per year for military projects.

Meanwhile, the number of temporary workers on the ground dropped to zero in April, according to Greg Massey, administrator for the Guam Department of Labor Alien Labor Processing

Certificate Division. It may be July before the workers who received the most recent H-2B visa approvals arrive on Guam, he added.

Public Auditor Doris Flores Brooks touched on the ongoing drought of H-2B visa workers during a Tax Commission meeting on May 8, in which members discussed how to stimulate economic development on island.

"I keep hearing a number of projects that have been delayed. ... The H-2B visa is having a very detrimental effect on the construction industry ... and I think we as a government really need to do more to stop the denial rates," Brooks said.

Guam Labor Director Sam Mabini, also at the tax commission meeting, said there were one or two companies that have petitioned workers for non-military projects and are still waiting to hear from USCIS on whether approval was granted.

Federal authorities are being challenged at the District Court of Guam over ongoing H-2B visa denials.

The court issued a preliminary injunction against USCIS on Jan. 23, ordering the agency to reverse previous denials of H-2B worker petitions and to stop the blanket denial of future petitions, at least temporarily, until the merits of the case have been decided.

"We're still waiting from the USCIS ... whether they're abiding with the court order or not, and if it's no, we're entering a different area now," Mabini added.

### **New H-2B provisions**

As Guam companies wait to see if the rate of visa authorizations will improve, Bordallo has successfully included another rider in the House version of the fiscal 2019 NDAA. The provision extends Guam's exemption from the national H-2B visa cap until 2020,

allows for approval of health care H-2B workers and permits H-2B workers to re-enter Guam as returning workers without counting against the cap.

"The bill builds on the progress I made in last year's defense bill to address Guam's labor challenges," Bordallo stated in a press release. "This is another step in the right direction to ease Guam's labor challenges and is part of my efforts to provide broad relief to our civilian community."

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**John O'Connor**

Reporting on utilities, education and other topics.