Buildup bind: H2-B workers face housing shortage

BY WAYNE CHARGUALAF
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“There is a shortage right now, at least as far as I can tell,” Greg S. Massey, division administrator for the Guam Department of Labor’s Alien Labor Processing and Certification Division, said.

Traditionally, H2-B and other temporary workers were housed in centralized housing facilities — essentially barracks. A number of such facilities were built in anticipation of the military buildup. However, as the buildup became delayed and its timeline became more unpredictable, construction and development firms were hesitant to invest in such facilities. The sudden shortage of H2-B workers due to a drastic increase in H2-B visa denials in 2015 exacerbated the problem. The number of workers became so few that firms began housing workers they did have in conventional apartments.

Although Guam still faces a shortage of H2-B workers overall, the island has seen an influx of such workers since the 2018 National Defense Authorization Act allowed a large number of H2-B visas to be approved for projects related to the military buildup. Now, construction and development firms are contending with the challenge of how to house them.

“If you’re going to bring in five guys, then getting an apartment is feasible — it’s actually better,” Massey said. “If you’re going to bring in 100 guys, how do you find 20 apartments?”

An example of temporary worker housing is the Core Tech International facility in Ukodo. The facility is also a microcosm of the temporary worker housing shortage issue.

Built in 2010, the facility was originally owned by the Korean company Younex Enterprises Corp. Where most temporary workers housing is built and owned by individual construction firms, the concept of the Younex facility — which consists of 20 two-story buildings that can accommodate 56 workers each — was for it to be a workforce village that would be available for rent to multiple firms.

When the military buildup failed to materialize on time and the Korean economy crashed, the workforce village was one of the assets Younex was looking to fulfill the facility’s original business model as an all-inclusive workers village.

“Core Tech has enough capacity in terms of workforce housing for what we need,” Conchita D. Bathan, CEO of Core Tech, said. “We are open to provide workforce housing facility to other contractors at our Ukodo facility.”

Local consultant and developer Daniel D. Swavely said he believes the answer to many of Guam’s difficulties with temporary worker housing can be resolved by introducing a new type of land zoning. Guam Public Law 31-72 restricts all new construction for temporary worker housing to M1 — light industrial — zoning.

“This preclusion to M1 zones is hurting us,” Swavely said. “We don’t have enough M1 zones to handle all this housing on top of all the other bona fide M1 uses, and number two, we don’t have enough M1 zone properties that are served by sewer.”
“Right now, you have to pick an M1 zone and then you have to go through this process to put the facility there — we should marry those two requirements,” Swavely said. “A new zone specifically for temporary workers housing would take legislation, but that’s not a big deal — you could write that in 20 minutes. Also, we can embed in that zoning legislation all the things that are now required of a workers housing facility.”

Massey said that although there are ways the government can facilitate or incentivize a solution, the answer will ultimately come from the businesses themselves.

“It’s going to have to be a private sector thing,” he said. “Employers ultimately are responsible for their workforce housing, whether it’s through a vendor or building their own facility. But I think someone is going to have to decide to go into business doing workforce housing, to develop a business model. It’s a way to participate in the buildup.”

PL 31-72 requires all M1 zoned properties that are to be used for temporary worker housing be serviced by “an adequate sanitary sewer system.”

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