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H-2B lawsuit gains backing from realtors

John O'Connor | The Guam Daily Post 6 hrs ago



LABOR FORCE: Construction was ongoing on a new medical center on Route 3 in Dededo on Feb. 6. The local construction industry challenge meeting labor needs for building homes and commercial and government projects following the increased denials of petition for foreign workers on H-2B visas. David Castro/The Guam Daily Post

The Guam Association of Realtors has placed its support behind a lawsuit in federal court seeking relief for businesses hurting from the lack of skilled construction workers on H-2B visas on the island.

According to former GAR President Deanna Palmer, the association has pledged about \$5,000 to

assist with legal fees in the case.

The association's board of directors made the decision earlier this month to support the lawsuit, filed by certain construction businesses.

Backing from Guam's real estate industry arrives at the onset of what may be a looming shortage of units in Guam's housing market.

Guam began experiencing unprecedented denials of H-2B visa petitions at the beginning of last year. Local contractors use temporary foreign labor to augment their work forces, particularly in times of large-scale construction projects, such as the case with the military buildup-related construction.

The lack of H-2B approvals prompted the Guam Contractors Association and several contractors to file suit against federal labor officials in October 2016. Guam had about 1,500 workers in March 2017 but visa expirations have reduced that to just around 260 by the end of February.

Local labor officials, both in government and in the private sector, believe that number could dwindle to around 40 within the year.

Fewer temporary workers have led to higher costs for some contractors as the labor shortage has caused completion of projects to be delayed and the cost of labor rises because of demand. It has affected some local public projects as well, according to Post files.

With local contractors allocating their remaining labor resources on larger projects, there isn't enough interest in smaller, low-cost housing development to keep up with demand, according to Palmer.

There's a lot of interest on island for housing rentals that hover around \$650 a month, and from homebuyers, whose affordability falls within the \$175,000 to \$200,000 range, but there's little to no inventory left, she added.

Costs are beginning to rise as a result, increasing to around 7 to 10 percent. Strong tourism numbers while a boon for the island, also help drive up rental prices, Palmer added.

If the H-2B issue is not resolved by next year, then Palmer said prices may be so expensive that available homes become largely unaffordable, or the lack of new construction could crash the market and send prices falling. Either way, the prospects don't bode well for Guam's economic outlook.

Palmer said economists often look to new housing construction data as a sign of economic health and the lack of new development on Guam would reflect negatively for the island.

New Legislation

Local leaders have attempted dialogue multiple times with federal officials to resolve temporary labor issues for the island. Guam Delegate Madeleine Bordallo had attempted to include legislation in the fiscal year 2017 National Defense Authorization Act that would provide some relief for Guam, but was seen as immigration reform by some congressional Republicans, and was ultimately scrapped from the bill.

Bordallo has not shied away from offering a legislative solution, however, as the delegate told The Guam Daily Post that a permanent legislative fix may be needed to solve the island's challenges. Members of a visiting congressional delegation made similar statements in February.

"I am again working with DoD and (U.S. Citizenship and Immigration Services) on legislative language on this issue," Bordallo said. "However, to be included in the annual defense authorization bill, this must be limited in scope. As such, I am developing broader legislation to provide this permanent legislative fix that I mentioned above."

Lack of interest

When Rob Bishop, chairman of the House's Natural Resources Committee, came to Guam as part of the Congressional delegation, he stated that the H-2B issues throughout the nation had more to do with border security than visa concerns and that visas would be a relatively simple issue to resolve, in his opinion.

If the heart of the issue lies within U.S. borders, then Gov. Eddie Calvo has suggested a temporary solution: seeking U.S. workers from Puerto Rico to augment Guam's local work force.

Bordallo called it an "innovative" proposal that she hoped to discuss more with the governor.

The Puerto Rican labor office has been made aware of job opportunities in Guam, according to Guam Department of Labor Director Sam Mabini. However, no inquiries have yet been received.

Palmer said Guam is still too far away for U.S. workers to seriously consider, even those from Puerto Rico.

Rico. U.S. workers, in many cases, are also unionized and are already engaged in construction projects closer to their respective homes to think of working thousands of miles away, and with less pay, she added.

Meanwhile, GCA is working with military officials to determine what the cost will be for local contractors if the H-2B issue is not resolved soon. The District Court is expected to decide on some temporary relief for local contractors in May or June, according to GCA President James Martinez. , earlier attempt at settlement between the parties in that case did not push through.

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