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# America's Progressive Developers, San Francisco Edition: Patrick Kennedy

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Policy



A model of Kennedy's MicroPAD unit. PANORAMIC INTERESTS

*[This is installment #6 in the monthly cross-country Forbes series profiling [America's Progressive Developers](#). Here are the articles on [Miami](#), [Charlottesville](#), [New](#)*



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and Berkeley, with open drug use and fights blaring out from the encampments that rest along sidewalks and below underpasses. A recent U.N. official, after visiting the Bay Area, said that in some ways, the city's treatment of the homeless is worse than what she saw in the slums of India.

But now, after seemingly endless politicization of the issue, San Francisco is baby-stepping towards a solution: prefab modular micro housing. And one developer - Patrick Kennedy, of [Panoramic Interests](#) - is helping drive the change.

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For several years, Kennedy has proposed that San Francisco adopt MicroPADs as a homelessness-reduction strategy. These are 160-square-foot, fully-furnished container units that come with their own kitchens and baths. They can be stacked on one another while resting together as a unified project atop parking lots or parking decks. Their steel bodies help them insulate against vermin, and control the room climate, much better than San Francisco's disproportionately old housing stock.

Panoramic has [already built](#) these modular units throughout the Bay Area, mostly for students and professional class tenants, rather than the homeless. The company groups them together into high-density, mixed-use projects that have zero parking, and are near transit lines.

Kennedy insists, though, that they can be built en masse for the homeless. They [cost](#) \$200,000 to construct - about half the price of a traditional affordable housing unit - and can be completed in 9 months, rather than the standard few years. Under the term proposed for the city by Kennedy, Panoramic would build the modular units at comparable expense, and lease them to the city for \$1,000/month. The city would then staff the buildings with social services as it saw fit, but wouldn't otherwise worry about building maintenance.



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Kennedy says that the traditional - or "stick-by-stick" - affordable housing approach will not solve the problem, because it's too expensive. Among its added expenses are the materials; the regulations that the city must follow (namely prevailing wage laws); and the syndication and bureaucracy that goes into affordable housing finance. MicroPADs are cheaper because they circumvent these processes.

"We have proposed something to San Francisco that their own departments acknowledge would be thirty to forty percent less expensive than [what] they can build themselves," said Kennedy.

So why has San Francisco not dropped everything it's doing, and significantly rolled out these MicroPADs? Residents and homeless alike can thank the city's entrenched political

When I interviewed Kennedy last March, inside his office in the Mission District, he cited two political factors. The minor one is residents who don't want homeless housing facilities in their neighborhoods. This is a common impediment to getting permanent supportive housing built in other cities, too.

But the far larger factor is union resistance.

"Certain elements of organized labor – and it's not a unified front – have adamantly opposed the use of modular construction," says Kennedy.

This is because modular housing produces the efficiencies listed above - namely, less required labor, and thus less work for the unions. Organized labor also dislikes that these MicroPADs are manufactured abroad.

"We'd rather they be constructed here instead of China so they don't undercut wages and conditions," said Michael Theriault, secretary-treasurer of the San Francisco Building and Construction Trades Council, in 2016 to the San Francisco Chronicle. "And we want them built under local building code and inspected by local inspectors."



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procurement process will inevitably drag on. At the end of the day, the project will add fraction of the units needed for San Francisco's homeless population.

But if the city were actually serious about solving the issue, it would have ignored union pressures, and embraced Kennedy's ideas years ago.

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