



Restorative

**RONDO**

Building Equity for All

*Past Prosperity  
Study*



PREPARED FOR RECONNECT RONDO  
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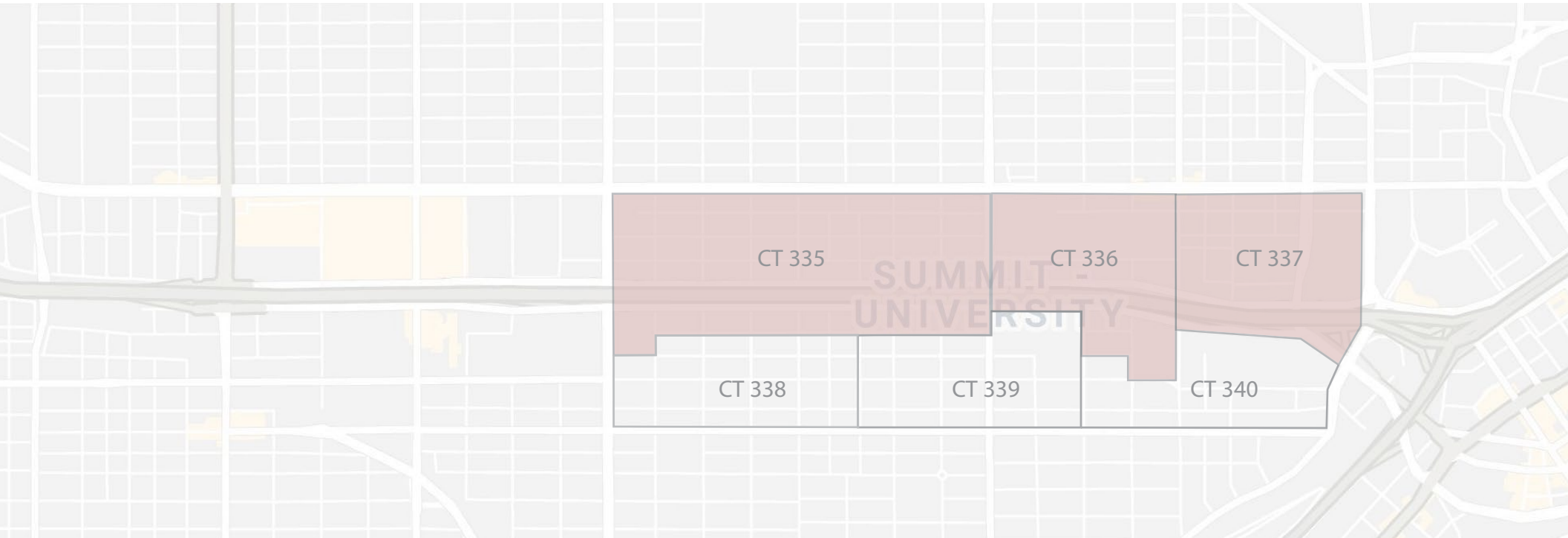
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# DEFINITIONS

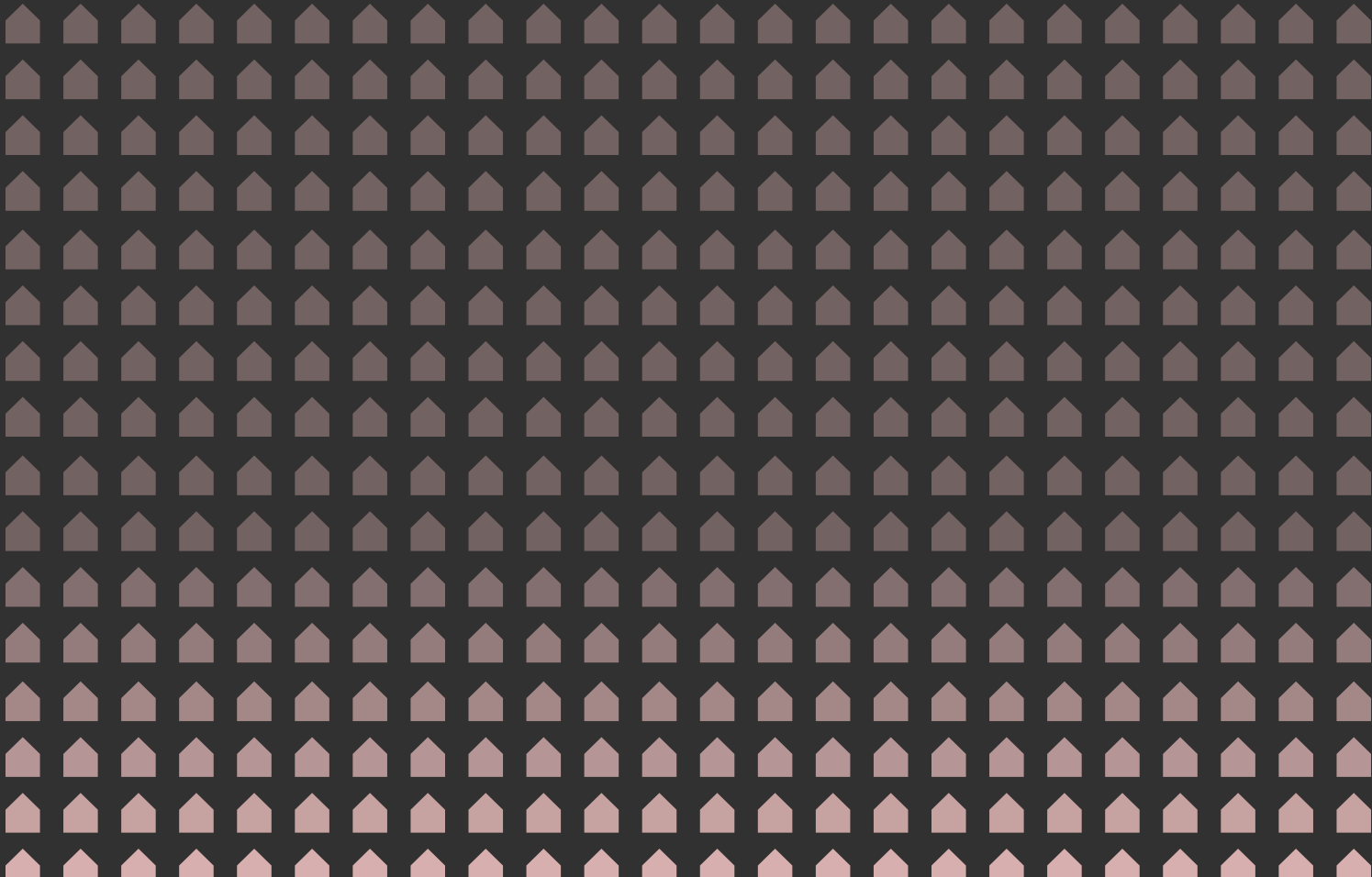
## *Geographic scope of this study*



The map shows the six census tracts that most closely align with the historic boundaries of Rondo. When we give data for “Rondo”, we are referring to these six census tracts. Since there is significant income difference and impacts of gentrification in the southern boundaries of CT 338, 339, and 340, we have at times opted to present data for CT 335, 336 and 337 only. This is referred to as “Rondo North” or “North of I-49” throughout the report.



*“It destroyed what was ... bringing black people to a point of ownership and feeling good about themselves. The debris, the cranes, the trucks, the dirt, the dust, everything—it was like a war zone ... it was slowly watching your roots being swallowed up by giant machinery, knowing that there was a possibility it’d never be again”<sup>1</sup>*





# INTRODUCTION

## *Notes from the authors*

In Rondo, over 700 homes were lost to I-94. Along the way, the ecosystem for the previously thriving local economy was destroyed with many businesses closing as a result.

In the process of laying I-94 through the district, no consideration was given to land use practices that could have made up for the foreseeable socio-economic devastation that would be caused by the highway. The only objective was to ‘build a highway,’ using federal incentives to get newly minted suburbanites in and out of the city. While at the time, this was a common practice, the resemblance of it has continued to this date in most cities in America, just in a different form. This is evidenced in the widespread gentrification that comes with economic growth and rising home values during the redevelopment of districts. While the financial outcomes from redevelopments are well calculated, the socioeconomic costs are not as well known.

At Rondo, the Intergenerational Wealth Gap that was caused by I-94 and poor land use and planning resulted in a loss of at least \$157 million by 2018. This is the amount of home equity that was lost by the Rondo community that could not be passed on to next generations. In the 1980s, when many of the original Rondo owners passed their houses on to their children, the equity that would have been passed had these houses not been razed (\$35M) would have gotten full degrees for 2,800 kids at the University of Minnesota or, alternatively, 300 students could have gotten a degree at Harvard.

For reference, according to the 1980s census, the Rondo houses could have paid for a full degree for every black child in Ramsey county that was between 10 and 24 years of age in 1984. This was a golden opportunity in American history that was missed and would not return again.

In comparison, today, as college tuition has risen much faster than income, the current home values of these 700 houses would only pay for 600 kids to get a degree at the UoM.

Historically, like most cities, St. Paul may not have had the metrics, tools,

capacity, or know-how to prevent the losses and missed opportunities at Rondo. Today, however, the city has been presented with another, once-in-a-generation opportunity. The current political environment calls for restorative development on virtually all fronts, presenting a unique opportunity for bold city leaders that would otherwise be held accountable to inaction. It is a unique opportunity to discuss and implement bold actions, with the biggest opportunity being the land bridge over I-94 in the Rondo neighborhood.

While the land bridge project is at risk of falling victim to the old siloed ways of doing business as usual, where the only objective is to build a land bridge, there remains an opportunity through integrated, restorative development in Rondo and beyond to make this more than a bridge.

Through an integrated circular economic development and land use approach, jobs and career pathways paying living wages could be generated in Rondo (see page 33). Currently, the income opportunity gap in Rondo North, compared to the average standard of living in the Minneapolis/St. Paul metro area, is nearly \$99 million per year. If we include Rondo south, this gap is at almost \$147 million. While this amount represents the income lost every year, it also represents an opportunity to develop Rondo as the city's first restorative district and serve as a model that can be replicated through the city and region. By investing in Rondo's residents and bringing them to par, the city could realize a \$147 million increase in its income tax-base every year. The city will also experience lower social costs and higher property tax revenues. In summary, the return on investment in Rondo's residents would beat any other investment by a long distance. Through restorative development, Rondo could be restored to its former glory and become a true American story of resilience and equity.

**Björgvin Sævarsson**

Founder and CEO, Yorth Group

# THE PAST

*A brief socio-economic journey through Rondo,  
1940-2018*



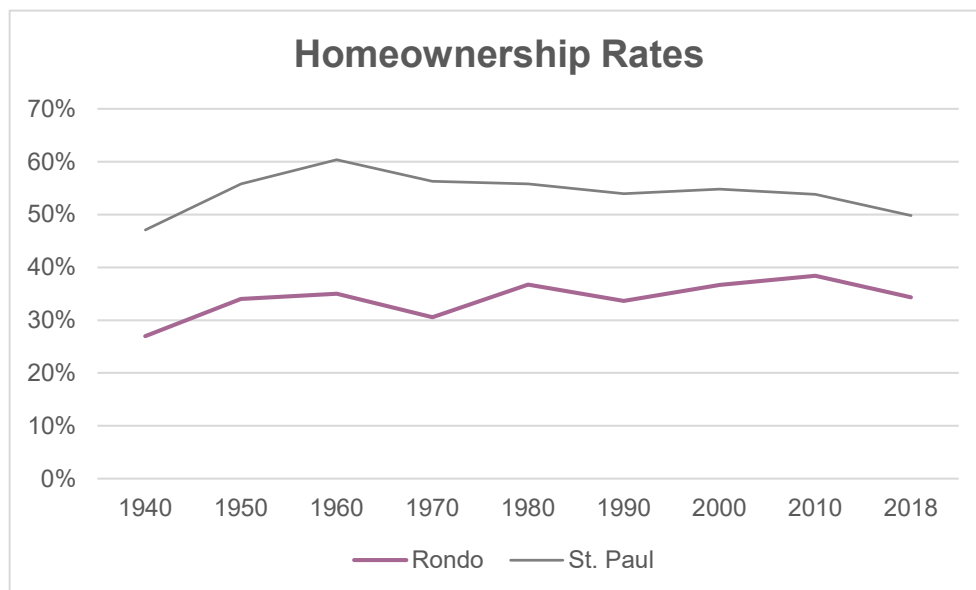
# THE PAST

## *A brief socio-economic journey through Rondo, 1940-2018*

The following pages are a classic economic reading of key economic indicators of Rondo's development since the 1940s. We focus on homeownership and the rising cost of living, since they provide the most striking insights as to the residents' ability to build equity over time and reflect a local event and a national trend respectively.

Owning a home is not just part of the American Dream, it is an important means of building equity and intergenerational wealth. Because high homeownership rates are thought to benefit a neighborhood in myriad ways, they are an important measure in assessing the health of a community.

By standard measures, not much has changed when it comes to homeownership in Rondo. The average homeownership rate for Rondo was 34% in 2018, the same that it was in the 1950s. Although the district trails the average rate of St. Paul throughout its history, no significant change of trajectory registers in the chart below.

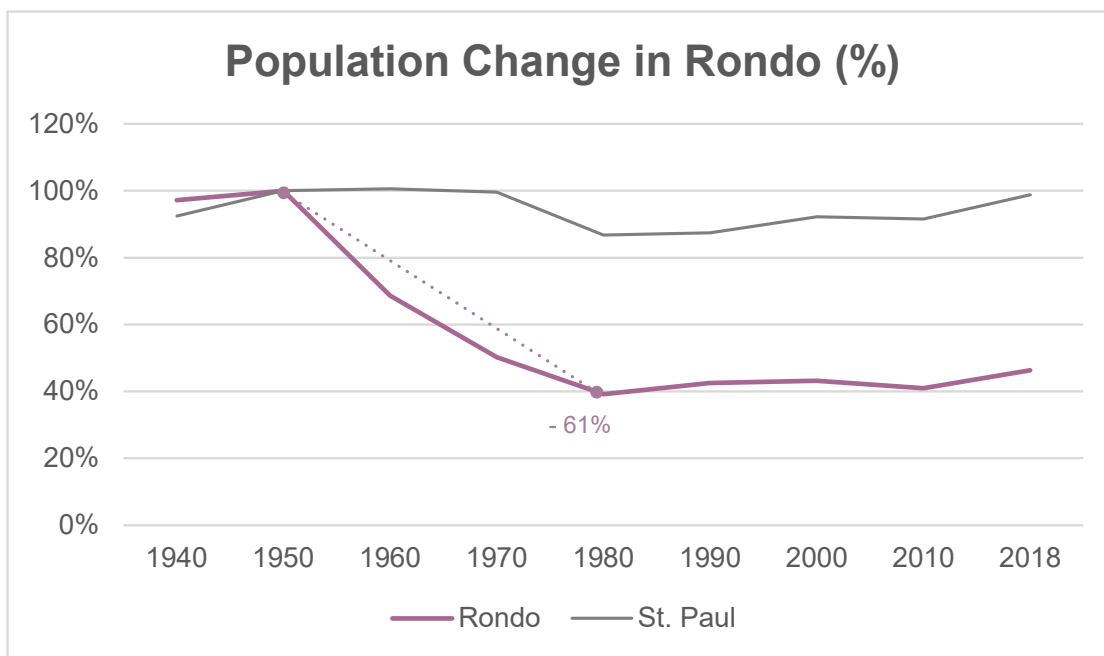


Source: U.S. Decennial Census, American Community Survey 5-Year Estimate

However, these statistics belie a deeper, much more significant development since the 1950s. Homeownership rates appear stable when measured relative to the district's current population, but they have been declining dramatically in absolute terms.

**Since 1950, Rondo has lost more than half of its population.**

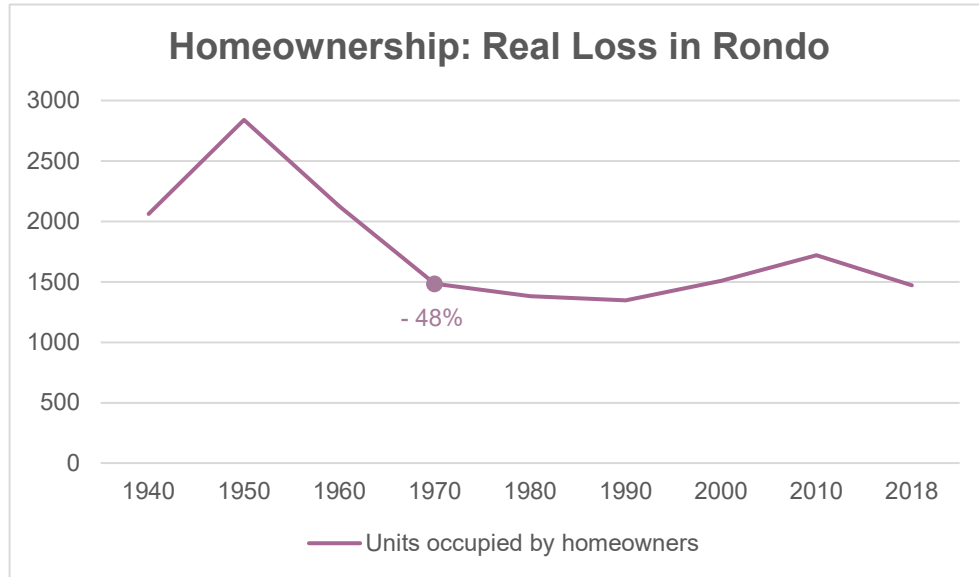
Since the last census taken before the construction of I-94, Rondo has lost more than half of its population, shrinking from 26,627 residents in 1950 to 12,347 residents in 2018. Most notably, the exodus entirely took place in the two decades following the construction of I-94, leading to a nearly two-thirds decline in the population by 1980. Since then, the population has stabilized at half the original size.



Source: U.S. Decennial Census, American Community Survey 5-Year Estimate

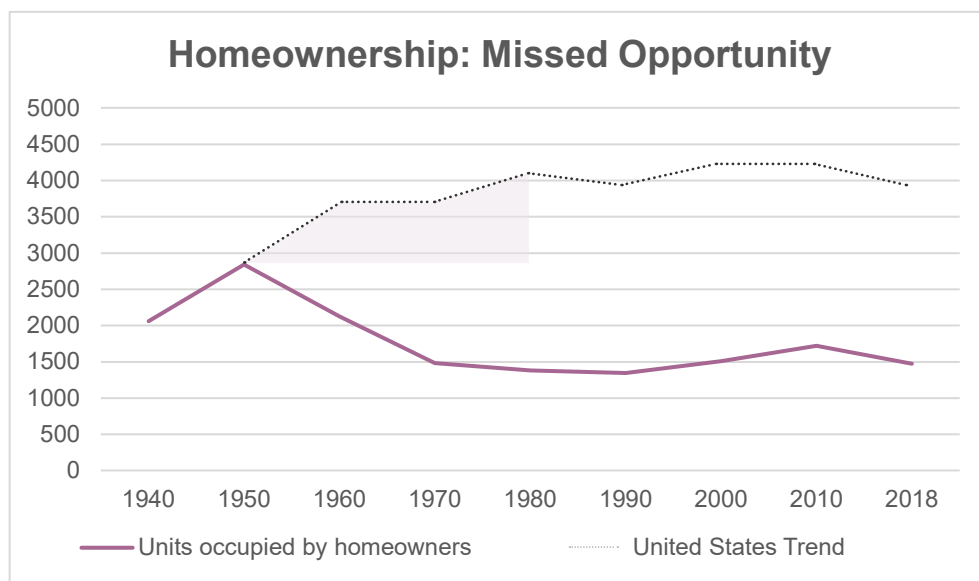
When looking at the absolute number of houses that were occupied by owners since 1950, a similar picture emerges. 2841 houses were occupied by owners, according to the last census before the construction of I-94. By 1960, the number had dipped by 25%, and by 1970, it had dipped by a total of 48%. In 2018, there were only 1472 units occupied by owners. In other words, the number of homes owned by residents was cut in half in the two decades after the construction of I-94, and never recovered.

**By 1970, Rondo had lost 48% of its homeowners.**



Source: U.S. Decennial Census, American Community Survey 5-Year Estimate

The historical view of absolute homeownership uncovers another important insight. From 1940 to 1950, homeownership increased by 37%, as 800 new units were obtained by new owners in a single decade. This is a significant increase during a time of opportunity, when people were able to afford homes even if they earned lower incomes. This increase hints at the trajectory that the neighborhood could have taken under different circumstances. How many homeowners would there be if Rondo had continued its initial upward trajectory to follow the trend in the United States, which saw another decade of affordable homes for all until homeownership started to flatten in the 1970s?



Source: U.S. Decennial Census, American Community Survey 5-Year Estimate

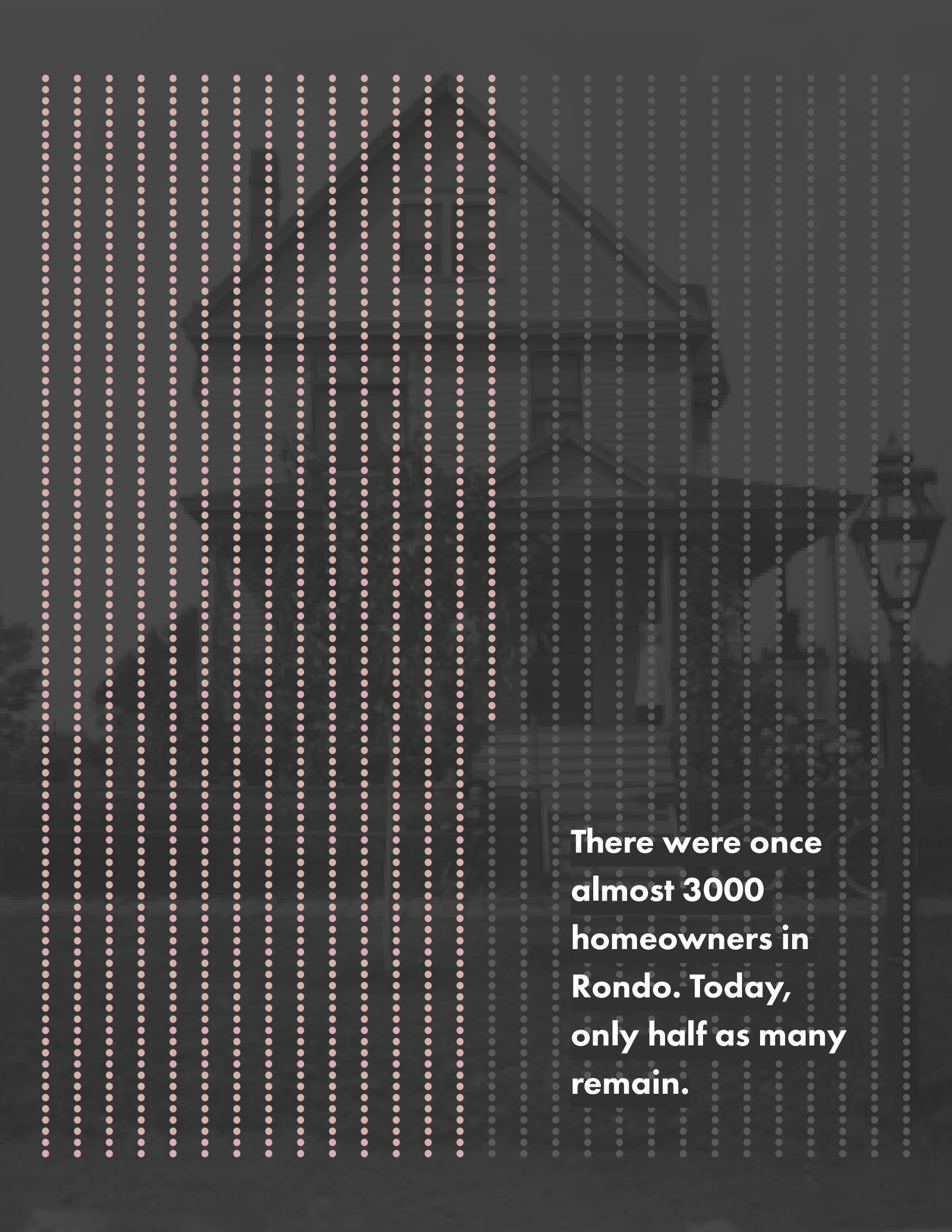
Affordability of Homes								
	1950	1960	1970	1980	1990	2000	2010	2018
CT 335	2.7	2.9	2.7	3.1	3.2	3.6	5.0	4.2
CT 336	2.5	2.3	3.7	11.1	9.3	4.3	13.1	8.8
CT 337	2.2	2.7	2.4	5.5	5.5	5.5	13.1	16.1
CT 338	2.7	2.7	2.5	2.4	2.2	2.2	5.1	4.2
CT 339	3.3	3.1	3.5	2.6	3.4	2.8	4.5	4.9
CT 340	2.4	2.4	2.9	3.4	4.2	2.4	4.1	3.3
St Paul	3.0	2.1	1.8	2.2	2.0	2.1	3.6	2.5

Source: U.S. Decennial Census, American Community Survey 5-Year Estimate

To illustrate the opportunity lost in the 1950s and 60s, consider the affordability index above. As a rule of thumb, many banks apply an annual income-to-home price ratio of 2.5 when approving a mortgage, meaning houses shouldn't cost more than 2.5 of a borrower's annual income. By this measure, in 1950, almost all census tracts within offered Rondo residents with median incomes an opportunity to buy homes. This continued into the 1960s for most tracts. Today, however, houses are generally unaffordable for the average residents in all census tracts of historic Rondo. In CT 335, 336 and 337, comprising the entire northside of Rondo, this has been the case since the 1980s, with houses now costing 8-16 times more than the median household income. The other census tracts appear more affordable, but they also comprise areas of gentrification and higher incomes.

**Today, the average Rondo resident cannot afford to buy a home anywhere in the neighborhood.**

The table above shows a striking picture of the difficulty of building equity in Rondo over the past 50 years, especially when compared to St. Paul as a whole, where median incomes have been high enough to enable homeownership, except in the aftermath of the 2008 recession.



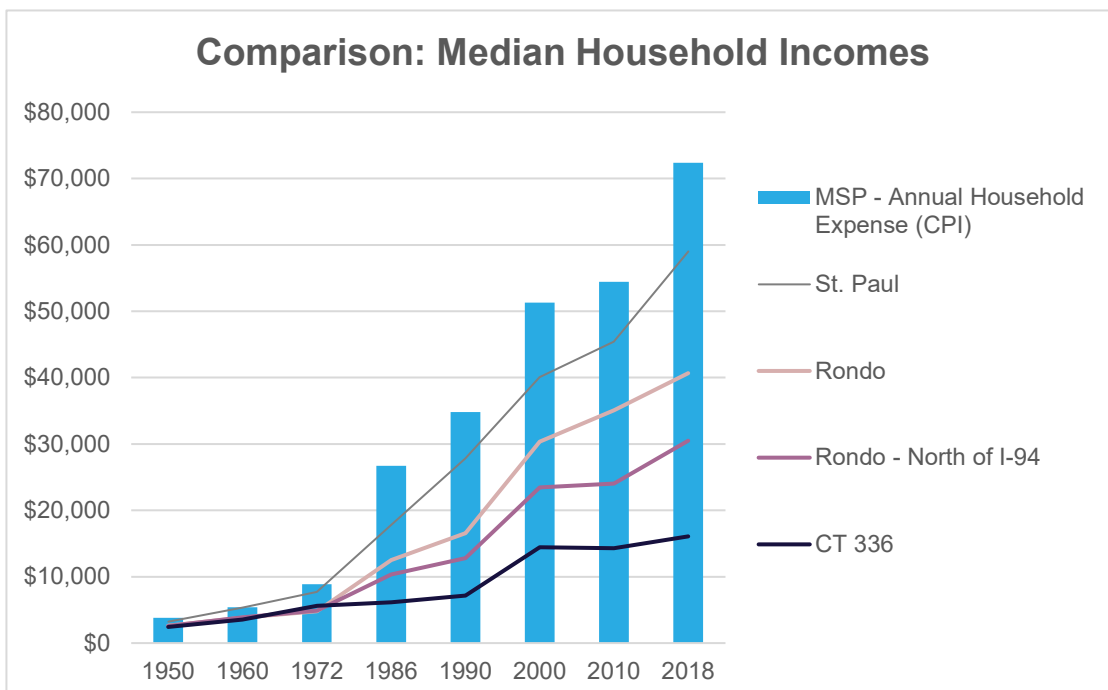
**There were once  
almost 3000  
homeowners in  
Rondo. Today,  
only half as many  
remain.**

As income inequality has risen in the United States since the 1970s, securing a ‘middle class’ existence has become ever more difficult to attain for many, if not most, Americans.

Since 1950, the cost of living as indicated by the Minneapolis/St. Paul Consumer Price Index (CPI) has increased three times faster than the median household in CT 336, Rondo’s poorest tract. As a result, it would now take 4.5 household incomes to achieve the mean standard of living in the Minneapolis-St. Paul area. For all tracts north of I-94, it would take 2.4 median household incomes.

**For Rondo north, the gap between annual incomes of all residents and standard cost of living is \$99 million. When zooming out to all Rondo census tracts, the gap increases to \$147 million annually.**

Rondo mirrors the extremes of an increasing national income equality trend starting in the 1970s. While it is not within the scope of this study to examine possible correlations between the construction of I-94 and incomes, the decision to route the highway through Rondo certainly had a lasting effect on the socio-economic resilience of the neighborhood. The chart points towards a common theme in this analysis: the 1950s and 1960s were a unique moment to build equity and lay the foundations for intergenerational wealth for people with the desire and ability to work. It was a time that did not return in the history of the United States—instead, we are now at a moment where even two incomes are often not enough to make ends meet for many families.



Source: U.S. Decennial Census, American Community Survey 5-Year Estimate, U.S. Bureau of Labor Statistics



“

William Kelso Finney,  
Rondo Resident

*The barbershops were always a block away. They weren't far away. You had all these little businesses. I mean, if you walked two blocks you walked a distance. That was all. Joe's store was on the corner. You walk another block you had Miller's Grocery Store. He had a few more things and then you had Field's Drug Store, which was about a half a block further than that. [...] the little TV repairman was in the block and across the street they had the ambulance service and you had the shoe repair that was down the block. Everybody was in the neighborhood. Rondo had everything you needed.<sup>2</sup>*



# THE PAST

*An examination of equity lost and equity gained over time from the perspective of a resident of Rondo, according to the census*

# EQUITY IN HISTORIC CONTEXT

Below is a discussion of key indices derived from census data to assess changes over time with regard to Rondo residents' ability to build equity in various domains. The table is also designed to show to what extent basic needs are met over time.

INDEX	1950	1960	1970	1980	1990	2000	2010	2020	Trend
1. Financial Security	-0.3	-0.3	-0.4	-0.5	-0.6	-0.5	-0.5	-0.5	-0.3
2. Homeownership	0.1	-0.1	-0.3	-0.4	-0.5	-0.4	-0.6	-0.6	-0.7
3. Food Security	-0.5*	-0.4*	-0.4	-0.5	-0.7	-0.4	-0.5	-0.5	0.0
4. Educational Security	0.8	0.8	0.7	0.6	0.3	0.2	-0.8	-0.9	-1.7
5. Energy Security	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0
6. Environmental Health	0.0	-0.4	-0.5	-0.6	-0.7	-0.9	-0.9	-1.0	-1.0

Equity gain

Equity loss

## 1. Financial Security

**What is measured:** Evolution of median household income (MHI) in Rondo (North of I-94) relative to median household income in St. Paul, and relative to the rise of the Consumer Price Index in Minneapolis/St. Paul.

**Key findings:** In 1950, median incomes in Rondo were 20% lower than those in St. Paul. Today, this disparity has increased, and incomes are now 50% lower than in St. Paul. Similarly, while residents were able to afford 70% of the median living standard (as expressed by the consumer expenses at the time), today, that number has fallen to 40%.

## 2. Homeownership

**What is measured:** This index is a composite of a) ratio of median home price to median household income, b) ratio of average gross rent to median household incomes, and c) evolution of homeownership in absolute terms.

**Key findings:** In 1950, homeownership was an opportunity to build equity for families and the community at large. Today, homes in Rondo have become unaffordable, leading to homeownership rates that are significantly lower than St. Paul's. (See previous chapters for more detail.)

## 3. Food Security

**What is measured:** Hunger and Food insecurity has not been systematically tracked in the United States until the 1990s. For this index, we calculated annual food expenses (from Minneapolis/St. Paul's Consumer Price Index) as part of Rondo's median annual income, and combined it with available poverty rates for each decade (starting in 1970).

**Key insights:** Since the 1950s, Rondo residents have had to spend a higher than average portion of their income on food. In 2018, the food insecurity index had recovered from its worst value in 1990, when poverty rates in Rondo were 45%. However, poverty rates in Rondo are still at 35% in 2018. That same year, if Rondo residents would have spent the same amount of money on groceries as the average household in the Minneapolis/St. Paul area, they would have spent 28% of their income on eating at home. (According to many household budget recommendations, food eaten at home should not exceed 10% ).



# EQUITY IN HISTORIC CONTEXT (CONTINUED)

INDEX	1950	1960	1970	1980	1990	2000	2010	2020	Trend
1. Financial Security	-0.3	-0.3	-0.4	-0.5	-0.6	-0.5	-0.5	-0.5	-0.3
2. Homeownership	0.1	-0.1	-0.3	-0.4	-0.5	-0.4	-0.6	-0.6	-0.7
3. Food Security	-0.5*	-0.4*	-0.4	-0.5	-0.7	-0.4	-0.5	-0.5	0.0
4. Educational Security	0.8	0.8	0.7	0.6	0.3	0.2	-0.8	-0.9	-1.7
5. Energy Security	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0
6. Environmental Health	0.0	-0.4	-0.5	-0.6	-0.7	-0.9	-0.9	-1.0	-1.0

Equity gain

Equity loss

## 4. Educational Security

**What is measured:** The cost of a 4-year degree at the University of Minnesota<sup>5</sup> as part of median annual household income in Rondo over time (tuition only, excluding room and board).

**Key findings:** Education presents the biggest loss in equity due to increasing income disparities and disproportional rise of college tuition. The median annual household income in Rondo in 1950 could have paid for 5 bachelor degrees at the University of Minnesota. Today, the relationship is inverse: it would now take two median annual incomes to pay for a degree, without even counting the annual costs of room and board.

## 6. Environmental Health

**What is measured:** This index accounts for the dramatic loss in walkability due to the separation of the neighborhood by the highway. It also tracks the effects of EPA-identified pollutants as a consequence of increased vehicle traffic since 1960.

**Key findings:** The construction of I-94 has not only dramatically decreased walkability and bikability in the neighborhood, but it also put residents at health risks to the proximity to ever-increasing traffic. Today, Rondo ranks in the 95th percentile in the state of Minnesota with regard to PM 2.5 and Diesel particular matter emissions.<sup>3</sup> It ranks in the **worst 5% of all neighborhoods in the United States with regard to traffic proximity and volume**, which the EPA calculates based on daily traffic count and proximity to roads. Perhaps not surprisingly, like other neighborhoods close to the highway, Rondo registers high rates of asthma, strokes, and chronic obstructive pulmonary disease with the area around University Avenue and Dale having the highest asthma rate in the city.<sup>4</sup>

## 5. Energy Security

**What is measured:** Reliability of electricity and gas supply as well as evolution of electricity and gas prices compared to median incomes.

**Key findings:** Utilities are available and reliable for all residents of Rondo. Prices have kept up with the evolution of incomes in the district over time. However, Rondo residents consistently pay a higher share of their income on utilities than the average (6% compared to 2%), and some struggle to pay for it at all.

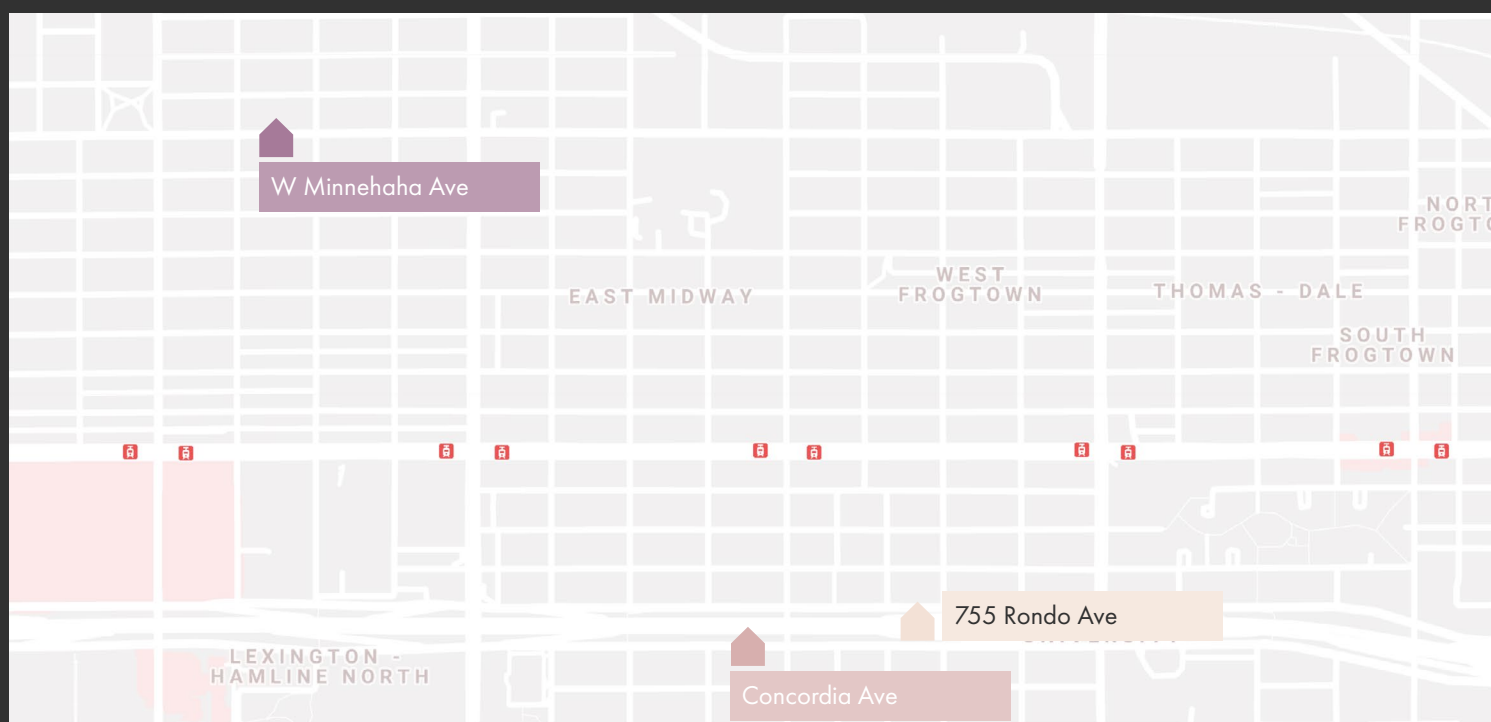
# THE PAST

*A tale of three houses, and what  
could have been*

# A TALE OF THREE HOUSES

## *How homes build intergenerational wealth*

Based on a property we knew was lost in 1958, we searched for two properties nearby that had a similar square footage and initial value. Tracing their history reveals an eerily similar path to building equity by a single parent and a bus driver.



**1958:**

To make way for the highway, the owner had to sell the house to the city. He received \$9350, of which \$4500 went to mortgage company.

Although the owner was able to buy another property nearby, this house was removed from the Rondo community as an affordable way to build equity.

**1986**

Original owner passes at age 97, daughter sells house for \$47,500 to a single parent

With monthly payments of only \$355, the owner raises multiple children

**2014**

Mortgage satisfied (4 years early)

**2020:**

Estimated Value \$157,000

**Total Equity Created**

~\$205,000 (for two families)

**1984**

Original owner passes, son sells for \$49,400

House sells two more times

**1996**

Current owner, a Metro bus driver, buys house for \$40,000

**2013**

Mortgage satisfied after facing foreclosure in 2003

**2020:**

Estimated Value \$175,100

**Total Equity Created**

~\$225,000 (for two families)





## Returning Equity Twice: Striking Similarities Between the Trajectories of Comparable Homes

We will never know what would have happened had 955 Rondo Avenue not been razed. But tracing the history of the two alternative homes, which were chosen at random with no other concern than comparable square footage and initial value, yielded surprising similarities. These similarities describe the trajectory that the destroyed Rondo homes would have likely been on.

- Both homes were passed on to children after the original owners' death in the mid-80s. In both cases, the children sold the homes, cashing in on the full equity of ~\$50,000.
- Both homes were purchased by new owners of presumably modest means. One was a single parent, another was a single person who worked as a bus driver for Metro Transit. Both owners paid affordable monthly rates of \$350 and \$400 until they paid off their mortgage in 2013 and 2014.
- This means that since 1958, these houses generated full equity twice, with each house building wealth for two households during times when homeownership was within reach even for lower-income earners. Today, it would be much more difficult for households with similar demographics to buy homes.



## Missed Opportunity for Intergenerational Wealth Building Based on the Trajectory of the Minnehaha Ave Property

### 1<sup>st</sup> round of full equity generation (1950s-1980s): 700 families, the original owners

Presumed Sale Price in 1980's based on comparable property: \$49,500       $700 \times \$49,500 =$       **\$34,580,000**

### 2<sup>nd</sup> round of full equity generation (1980s-2010s): 700 new families, the second owners:

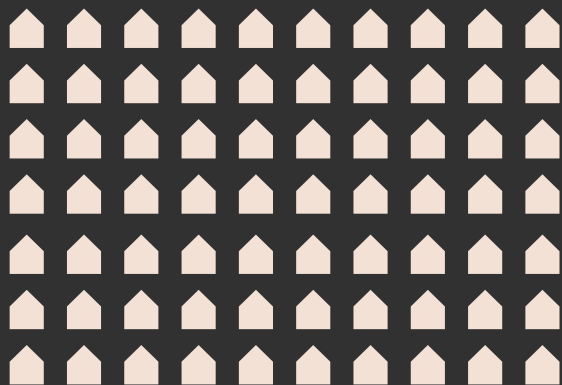
Presumed Value in 2020 based on comparable property: \$175,100	$700 \times \$175,100 =$	<b>\$122,570,000</b>
	<b>Total</b>	<b>\$157,150,000</b>

The above calculation illustrates the potential intergenerational equity loss of the 700 homes that were lost to the highway (and 460 additional plots). This reveals the order of magnitude of the financial implications for two different generations of Rondo residents. This calculation relies on a representative example of similar property. In reality, not every house in Rondo would have generated full equity twice (some houses may have stayed in the same family, for example). However, this shortcoming is compensated by the very conservative estimate of today's home values. The comparative house is valued at \$175,000, while most houses in Rondo today are worth over \$200,000, according to the Census Bureau.


# WHAT IF...

## *the Rondo homes had been passed on to the kids?*

The following is a thought experiment to illustrate the opportunity lost during a singular moment in history, where the two primary means to building personal equity—homeownership and education—were aligned to bring the American Dream within reach.




700 Homes x \$49,500  
= **\$34,580,000**

 = 10 houses

This inheritance could have paid for  
**4800 4-Year College Degrees**



 = 10 students

At the time, one house was worth 7 college degrees. According to the 1980 census, the 700 Rondo homes could have provided degrees for more than half of all 18-year olds in Ramsey County, or for every black child between the age of 10 and 24 years.

# THE PRESENT

*Rondo's performance, as seen from a  
restorative development perspective*

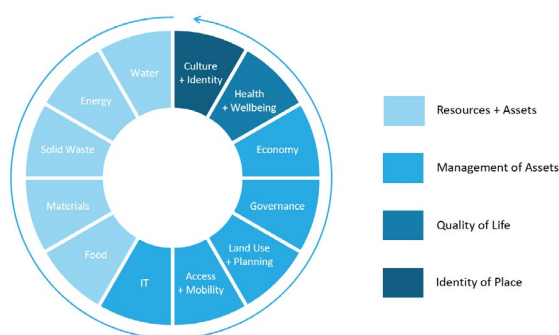
# THE MINDSHIFT

## *Restorative Development applies a new definition of success*

Restorative development requires a new definition of success. Instead of investing in solutions that are less bad and maintain a broken system, restorative development uses true cost accounting to measure system-level equity gain and loss as an indicator of performance.

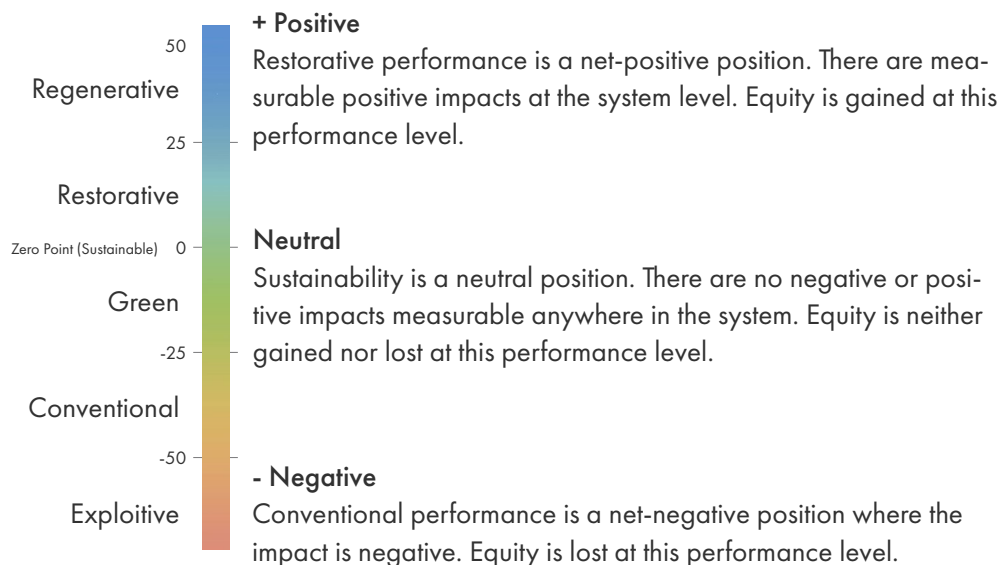
In restorative development, equity means 1) equitable access and use of resources by all people, and 2) that people in the city, and the city as a whole, have an equitable economic, social, and environmental stake in their communities.

To assess performance, Yorth uses its proprietary Restorative City Standard™. The Standard has 12 performance areas, each with goals and key performance indicators (KPIs). When these are managed systematically and synergistically, communities achieve a net positive value: restorative development.



As shown, the performance areas create a virtuous cycle of positive action. Effectively managing physical resources such as energy, water, and materials (light blue) creates a level of resilience and wellbeing that is naturally attractive. This fuels interest and investment that support better asset management. That improves the quality of life, which in turn reshapes community culture and identity (darkest blue).

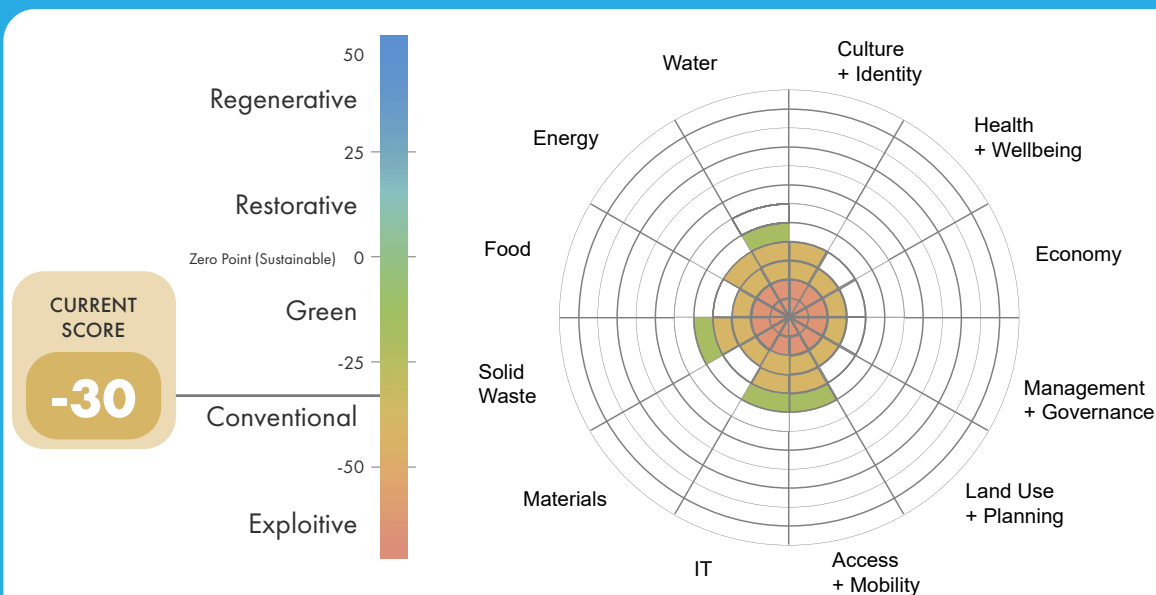
As shown below, the midpoint on the restorative development scale is the zero point, above which a development effort yields net positive equity, and below which it has net negative equity. No city currently scores in the positive space but some are implementing measures that are moving them in the right direction.



# DISTRICT PERFORMANCE

*Assessing Rondo's starting point towards a restorative district*

## District Performance Scorecard



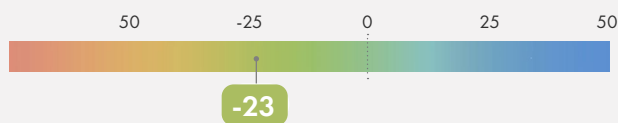
From a restorative point of view, Rondo mirrors many of the characteristics of other urban neighborhoods in the United States.

While infrastructure, such as water, energy, waste, and IT is adequate, it was not built to maximize resources through circular development. Instead, it is an aging structure that requires more and more funds to maintain. Rondo scores lowest in categories that reflect the stark disparities that exist between the district and the rest of the city, such as income inequality. This deeply affects residents' ability to keep up with the rising costs of living, as well as the economic potential of the district. This in turn, affects health and wellbeing, and the culture and identity in the district.

## 1. WATER

Rondo, like St. Paul and the Twin Cities region, enjoys an affordable, high quality water supply and wastewater infrastructure. The City of St. Paul and neighboring communities have responded to threats from pollution and climate change, resulting in stable quality of water for the Rondo neighborhood and others.

Despite water being affordable to average income earners in St. Paul, because of the extremely low income of some residents, paying for water services can be a burden.

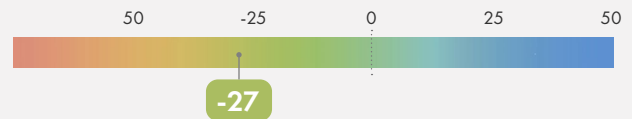


## 2. ENERGY

Despite a reliable energy system, energy resiliency in Rondo is low. Low income threatens energy security, as many residents need to make a choice between paying the energy bill and other necessities, such as food.

There is no local energy generation and no local storage. While this is the norm in St. Paul, this remains an opportunity for the Rondo neighborhood as a part of a larger circular economic resource strategy.

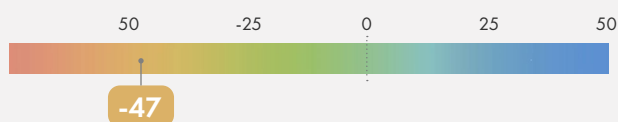
Air pollution from energy use in Rondo comes chiefly from gas and diesel-powered vehicle emissions on I-94 in close proximity to the neighborhood.



## 3. FOOD

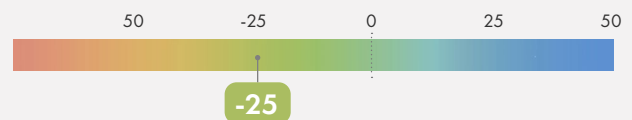
Rondo has some community gardens, farmers' markets, and local restaurants, but also a number of fast food establishments that may be a significant source of calories for some. For a majority of Rondo residents, access to healthy food is limited by affordability: they would have to spend 28% of their income to reach the same level of at home food consumption as the average Minneapolis/St. Paul household. Due to its high poverty rate, Rondo residents are likely to be significantly more food insecure than the St. Paul average.

Food waste is not yet separated in St. Paul, although plans for future composting use are in place.



## 4. SOLID WASTE

Low tipping fees in St. Paul stifles innovation in material management and makes any development outside of landfills and large capacity incinerators a seemingly expensive alternative. Because of this and other factors, local value creation from waste is generally not considered, even though it could produce a significant number of jobs and career pathways in neighborhoods such as Rondo.





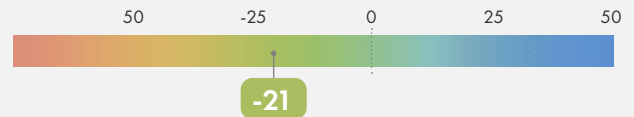
## 5. MATERIALS

St. Paul and the Twin City region does not implement circular economic material strategies, resulting in poor quality materials that are not suitable for efficient recycling and remanufacturing programs.



## 6. IT

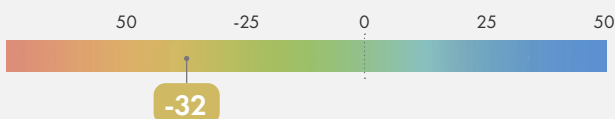
The community has access to high speed internet and cellular networks, but high pricing limits access by lower income earners. Smart city and artificial intelligence infrastructure has not been implemented in Rondo or in the region. During the COVID-19 pandemic, lack of access to high speed internet in low-income communities was exposed as some children could not connect efficiently to online school activities.



## 7. ACCESS + MOBILITY

Rondo is not an accessible district by most measures. High crime rates, poorly marked crosswalks, lack of safe passage over or under busy streets, and lack of bikeways are characteristic of the neighborhood. Getting to work, school, or other activities within Rondo without a car is not safe. The Rondo neighborhood measures as one the region's most affected by mental and physical health conditions, with poverty-related stress and air pollution from I-94 as likely key contributors.

While the City of St. Paul has mandated a minimum wage, many Rondo residents travel outside the city to



work for a minimum wage, because the city does not have enough companies that hire lower-skilled workers within its borders. Taking public transport to work takes a toll on time and resources for the already time- and resource-deprived community.

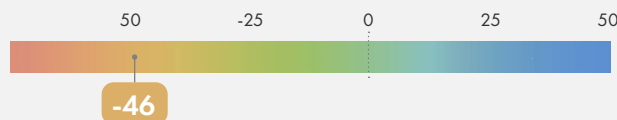
In general, Rondo residents do not have access to secure income and careers. The community north of I-94 earns 50% less than the St. Paul median income, and the 4-year college degree attainment rate is less than half of St. Paul's.

Artificial intelligence and automation in factories further threaten low-skilled workers, as those are the first jobs being lost to automation. With education becoming increasingly more expensive to pursue for low-income families, access to financial security, health and wellbeing continues to diminish.

## 8. LAND USE + PLANNING

While the construction of I-94 that split Rondo in two parts is at the core of all land use discussions, other factors also come into play in Rondo. Zoning for big-box retailers, most of whom paid a minimum wage, continued a downward spiral for Rondo residents who filled many of those positions. While the rest of the city's residents experienced a general increase in wages, minimum-wage earners in Rondo were held back, resulting in continued equity loss in the district, mainly in the form of home equity and access to education. The built environment in Rondo retains historical charm in some areas, but presents a difficult place to live. As in most cities in the United States, the mobility infrastructure is severely lacking.

Rondo residents suffer additional challenges that are rarely discussed in traditional planning:



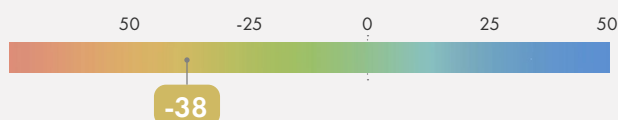
1) In terms of land use and planning, what does it mean to Rondo residents to have parks and green space, if they spend all hours of the day and evening working with no vacation time in the year? What does it mean to have schools and green spaces nearby if they are not safe to access because the mobility infrastructure is unsafe? Do parents feel their children are safe bicycling or walking to school and after-school activities?

2) In terms of economic development and equity building, what would affordable education mean to Rondo residents, if they can't afford to take time off from work to attend classes? Vice versa, what would time off from their work mean for residents, if they couldn't afford the cost of continuing education?

The Rondo residents who lived there before the development of I-94 have fond memories of a thriving district where people were proud and lived with dignity and freedom. Most post-I-94 generations likely do not know a life that is free from hopelessness and constant stress. While poor land use and planning practices were the reason for the devastation of the Rondo neighborhood, it is going to take a much more comprehensive and integrative effort to bring the district to par.

## 9. MANAGEMENT & GOVERNANCE

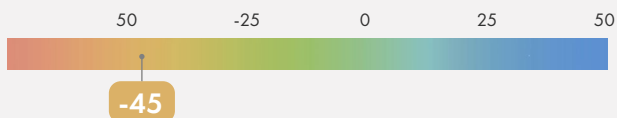
Minnesota and its major cities have long been a national model for good governance. However, like other cities in the US, St. Paul's governance model has been embedded in an inequitable definition of success, where income inequality has been allowed to widen even as the economy grew. Metrics have traditionally been biased towards monitoring growth over tracking equitable outcomes.



As a consequence, while St. Paul is a livable city for many, life is very different for non-whites and for low-income workers, a gap that is nowhere better exposed than in the Rondo neighborhood. The scores in this category reflect the historic disenfranchisement of minority groups in the political process. More recently, new generations of leadership have formulated a commitment to addressing racial inequity and inequalities, including goals and policies in St. Paul's comprehensive plan.

## 10. ECONOMY

The symbiotic relationship between local businesses and residents that contributed to a flourishing local economy in the Rondo of the 1940s and 1950s is long gone. This is partially precipitated by the I-94 construction and partially due to a general trend of local economic disintegration in the United States starting in the 1970s. Historically, while the predominantly black neighborhood had lower incomes than the rest of St. Paul or the region, Rondo residents were not poor. Rondo had a thriving local business landscape, a resilient and extraordinarily vibrant culture, and a good quality of life. Many residents could walk to work in the local businesses and life was affordable. Post I-94, key economic indicators point toward two factors that played a large role in the economic devastation of the district: 1) Compared to the rest of the city and region, income inequality continued to rise leading to an ever-increasing loss of purchasing power; and 2) the rise in the cost of living was most pronounced in areas that are essential to building equity, namely education, health care, and home prices.



## 11. HEALTH + WELLBEING

Pre I-94, environmental and mental health in Rondo was at par with other districts in St. Paul. Environmental health now ranks amongst the 95th percentile in the state for many pollutants. The districts north of I-94 trail St. Paul residents in the prevalence of chronic conditions, with high rates of diabetes (15%) and of high blood pressure (34%). In those areas, 17% of residents reported not feeling well for more than 14 days with regard to their mental health, compared to 12% in St. Paul. Life expectancy in parts of Rondo is only 67 years, compared to the 81-year average of the region.

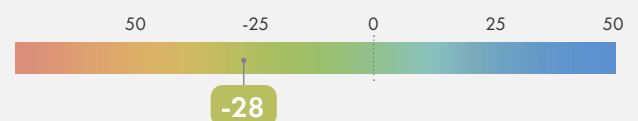
In the decades after I-94, social equity has also taken a steady decline with almost 40% of the black population in Rondo living in poverty, a significant increase from 18% in 1970, the earliest available data. Roughly a fifth of residents have no health insurance. Divorce rates have been significantly higher in Rondo since the beginning of the measurement, although 2018 indicated near parity with St. Paul for the first time.



## 12. CULTURE + IDENTITY

As if the highway construction put Rondo under a magnifying glass, the neighborhood reflects the extremes of America's socio-economic trends over the past decades. What once was an "urban village" of many creeds and races, where there was dignity in work and life, where middle-class existences were a dream that could be reached, many residents now experience a sense of hopelessness and despair. The Rondo spirit lives on strong, giving the district an arguably stronger sense of purpose and identity than

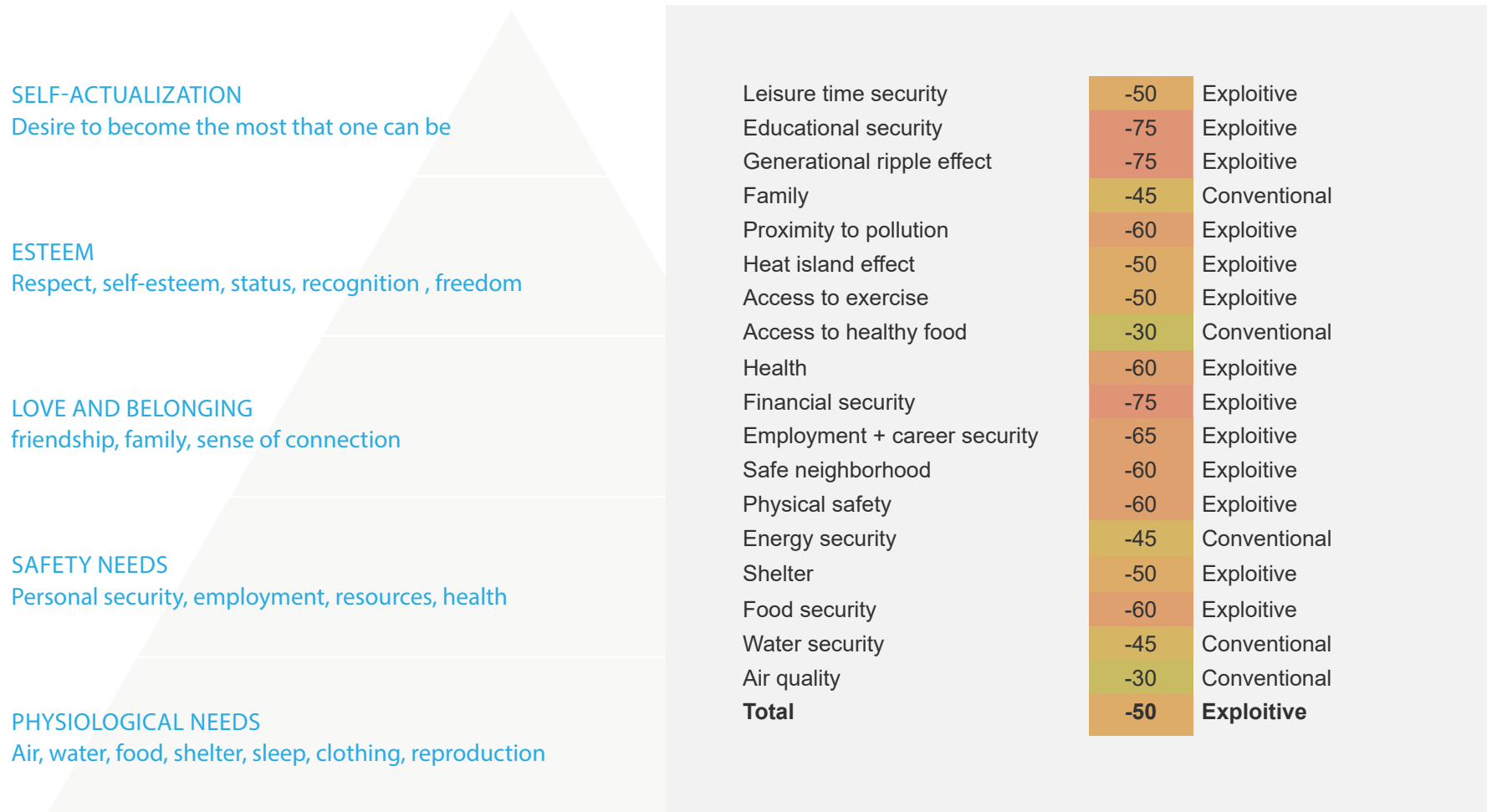
most neighborhoods. However, this spirit must content with formidable forces: the risk of gentrification and displacement is rearing its head, even as many of the district's vulnerable populations are at risk of increased socio-economic and psychological hardship as a result of America's current crises.



# SOCIAL HEALTH

## Rondo's 'mental' scorecard

This table summarizes potential triggers to stress that a community can control. A zero score is practically impossible in this category, since everybody experiences various stresses in their life. However, when there are multiple factors with a score below -24, people experience exponentially more stress (multiplier effect). Scores below -49 represent exploitive levels of stress. When chronic, they indicate a lived experience that resembles a constant state of trauma. These categories largely cover the bottom rungs of Maslow's hierarchy of needs, with the assumption that the higher rungs are outside of a community's control: rather they are solely within an individuals' control and require the lower parts of the pyramid to be met.



# THE FUTURE

*Big moves for a more equitable and inclusive district, model for the nation*

# RESTORATIVE DEVELOPMENT

## *Towards a new definition of success*

Restorative development and the principles of the circular economy challenge the conventional take-make-waste economic model while applying a new definition of success that will prove to be the key ingredient in the future of Rondo, St. Paul, and the region.

This approach requires important mind shifts to enable a wider sense of possibilities. They include:

- **Waste as materials.** When we have the concept of waste, we build infrastructures that get rid of the waste. The definition of success is getting rid of waste as quickly and cheaply as possible. Conversely, when we have the concept of materials, we build infrastructures that keep materials at the optimum quality for local value creation. The definition of success becomes how much environmental, social, and economic wellbeing is being generated through repeating cycles of materials management.
- **A poor neighborhood is not a liability.** Instead, true-cost accounting that takes into account the interconnections between economic, social, and environmental health exposes such a neighborhood as an asset that performs at a net-negative level. This is an indicator that this asset has been overlooked in terms of investment and maintenance and therefore operates “in the red” in terms of environmental, social, and economic performance. The restorative development approach seeks to bring this asset to a level that produces net-positive outcomes.
- **Wealth is not measured in terms of return on isolated investments.** Instead, restorative development measures and reports on holistic performance in true-cost and full-systems accounting, including community impact.
- **Restorative and circular development accounts for all externalities.** Success that is generated in silos and produce negative outcomes in other parts of the system are exposed and corrected.



# GUIDING PRINCIPLES

*What needs to be true for restorative development to succeed*

1.

## Whole Systems Optimization

Current ‘siloed’ development approaches optimize parts of a system at the expense of the whole. A restorative approach optimizes cities at a systems level, reducing costs and risks while maximizing value creation and stakeholder engagement.

2.

## Circular Resource Management

Resource loops are closed to eliminate waste and pollution and capture the enduring, cyclical value of all materials. All outputs in a restorative city are inputs for another part of the urban system.

3.

## Enhanced Integration

Through higher levels of integration and stacking functions, investments can generate multiple synergistic yields (outputs of value) across environmental, social, and economic areas.

4.

## Local Value Creation

All energy within a restorative system is derived from local, renewable sources. Water is reclaimed and treated on-site and available for various uses. Habitat and ecosystems are integrated into the public realm. Materials are reclaimed and reused within the local area.

5.

## Leapfrog Incrementalism

An incremental approach to innovation is well-intended but insufficient, leading to outcomes that are “less bad” while maintaining a broken system. Effective change must be disruptive, transformative, inclusive, and enriching.

6.

## Apply Salutogenesis

Instead of pathogenic, reactive responses that treat symptoms, a salutogenic approach focuses on factors that maximize the generation of health and wellbeing. In restorative development, stakeholders align to invest in the solution, not the problem.

# BUILDING SOCIAL EQUITY

## *Recommended Big Moves as Part of a Restorative Strategy*

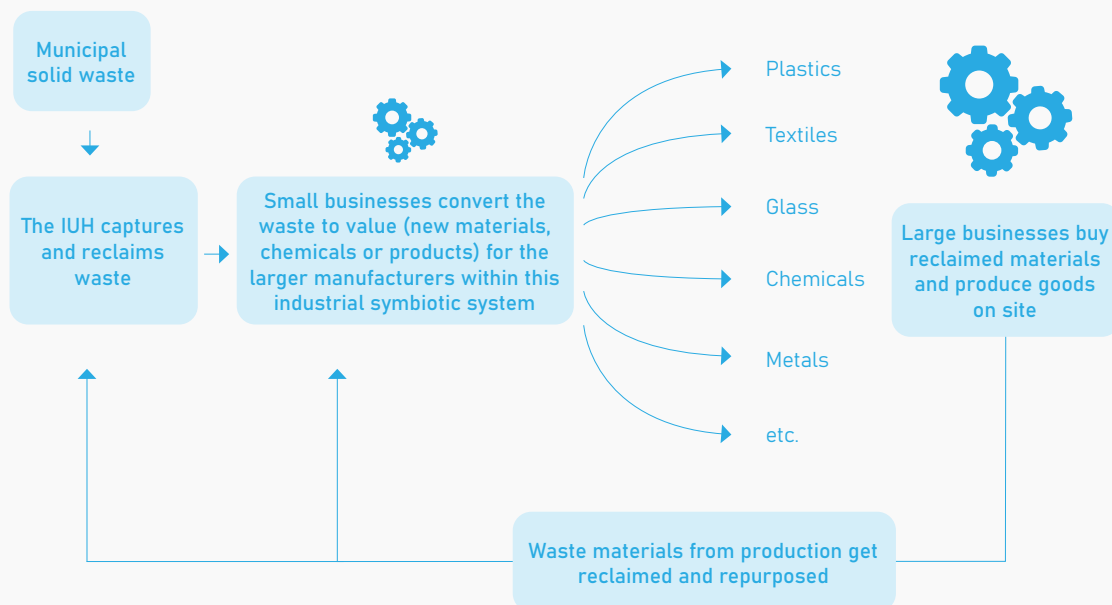
Rondo south of I-94 has experienced increased prosperity and rising home values as the affluence of the neighborhoods south of Selby Avenue has spilled north. Presumably, the land bridge would further spread the development of prosperity across the freeway and to the north side, bringing along both opportunity and risk.

Restorative development ensures the promise of economic prosperity is met with social equity in the form of skill training, education, and local job creation. As a part of a larger restorative economic strategy, the objective is to intentionally design and implement strategies that secure equity generation within Rondo, so that all Rondo residents can afford to live and work in the district, and over time, even own a home.

### 1. Create a catalyst for local jobs, career pathways, and local businesses through a circular economy hub in Rondo.

A community-owned Integrated Utility Hub (IUH) will convert waste to value, creating green jobs and career pathways through new and existing local businesses in Rondo. The ecosystem comprises renewable energy production, clean water generation, food production through urban agriculture and hydroponics, and a materials remanufacturing program (see visual below), among others.

#### INTEGRATED MATERIAL RECLAMATION, TREATMENT AND REMANUFACTURING PROGRAM



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2. Provide additional career pathways within the district, including education and training.

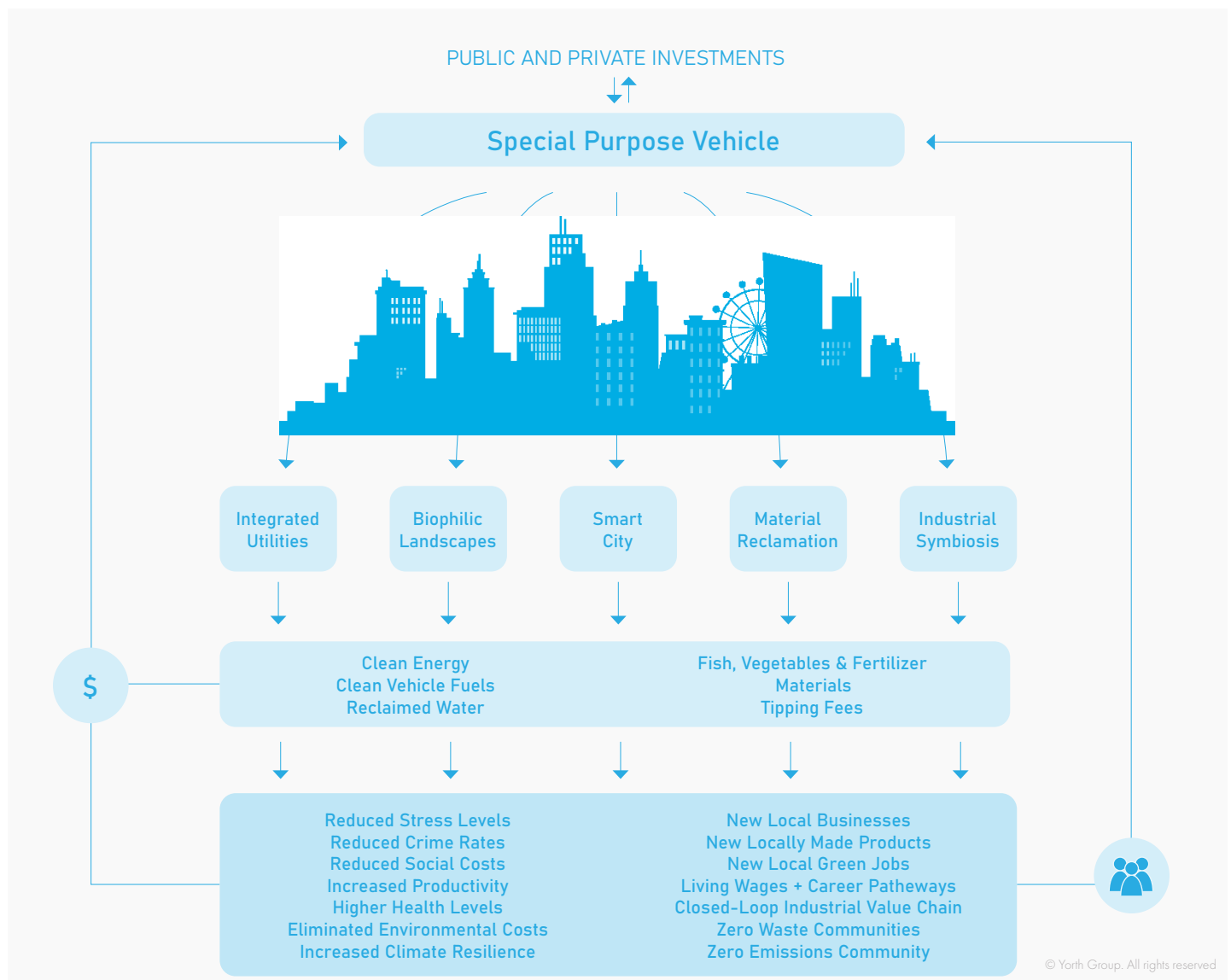
The siting of the IUH in Rondo can attract other employers to set up career pathways and a workforce in Rondo. To avoid gentrification, social equity must be at par with economic growth in the district: workforce education and training must be done in parallel with master plans under a larger socioeconomic strategy. Successful education and training programs result in a revived workforce that no longer functions as a net-negative asset within the economy but instead produces net-positive outcomes and equity. When coupled with successful local job creation, the return on investments (ROI) is in the tens of millions of dollars, each year, for Rondo alone.

3. Apply Regenerative Urbanism principles to restore community and wellbeing.

Beautiful and biophilic landscapes reduce stress while increasing wellbeing and positive engagement in communities. They can also make neighborhoods more attractive and climate-resilient. In addition to turning parts of the landbridge into a park that functions as a natural ecosystem, select residential streets in Rondo could be turned into places for pop-up parks, urban oases, pop-up cafes, art installations, and outdoor markets. This would further knit the community together and restore its historic “urban village” feel, while increasing walkability and bikability beyond the landbridge.

4. Leverage opportunities for circular economic financing.

While American cities are chronically underfunded, international financing opportunities exist for those who pioneer new approaches, such as district-level circular economic development. If the district chooses a bold approach, Rondo can bridge funding gaps with private capital.







**MAY  
RONDO  
RISE**



## Sources

Unless otherwise noted, all data is derived from:

U.S. Census Bureau, Decennial Census. Years: 1940-2010

U.S. Census Bureau, American Community Survey, 5-years estimates. Years: 2005-2018

U.S. Bureau of Labor Statistics, Consumer Price Index. Years: 1950-2018

## Endnotes

- 1 *Saint Paul African American Historic and Cultural Context, 1837 to 1975*. Nicole Foss, M.A., Kelly Wilder J.D., May 2017. Page 35
- 2 Rondo Oral History Project. Minnesota Historical Society. Years: 1997-1998, 2003-2004. Available at: <http://collections.mnhs.org/cms/display?irn=10468866>
- 3 *EJSCREEN Report*. Environmental Protection Agency. Retrieved from: <https://www.epa.gov/ejscreen>
- 4 *500 Cities Project: Local Data for Better Health St. Paul, MN*. Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion.
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