

CHECKLIST FOR COLLECTIVE FINANCING

The local awareness, engagement and sense of ownership around your urban development or transformation challenge need to grow and this of course also reflects on the financial support you can ask from stakeholders. Going around to collect money on day one may not lead to the results you wish. The first phase in the process, the inventory and building of first relations probably needs to be your own investment.

From there you can build it up and also start to engage stakeholders financially. How big or small your steps can be here depends on all kinds of local specificities and of course the market conditions. In times of crisis there may be no private development initiatives and consequently no active business cases focused on the area. You will have to kick-start the process with very small contributions, ideally annual ones but you can also start with a one-off pilot-like approach. You then build it up from there, increasing participants and contributions or adding layers of bigger projects and investments.

When the economy is booming with a lot of private development initiatives in the area, you can more easily bring them around the table and negotiate larger shared investments in an early phase. But it is still recommended to work in layers, only here you may start at a higher formality level with bigger budgets and clearer conditions - and then you move down to the less formal community layers where the same developers may be your first contributors but where other - smaller - stakeholders also feel invited to join in and take ownership.

The very first steps in growing financial support - when there is not much going on in the area - can be a tactical challenge. As an independent city maker you may try to bring in a grant or a first believer in the area to sponsor your first steps. Beware of becoming too attached to that sponsor. As soon as it feels like their project, others may be reluctant to join in.

Initially you cannot make hard promises about outcomes so you can only ask for relatively small contributions. There needs to be a balance. Be promising with a big upside and unthreatening and light with practically no risk or downside. It helps when you already started the initiative with some very small yet visible actions. Now you already exist, which makes it more unattractive to not join in and kill the positive vibe you have already started to create. Grow gradually and ask your first sponsors and believers to advocate for you towards their peers.

Over time your proposition becomes stronger with more local knowledge, network and license to operate. You grow a valuable local database and of course brand and publicity power. This is interesting for many stakeholders to tap into, not only local owners and businesses but also new project developers who land in the area. You can make special packages for them as their interest in your proposition may be more intensive during a shorter period (the actual development). Think about a special one-off development pack based on the size of their development. Keep adding new layers to your business model in line with your different coalitions, finetuning the interests and contributions of the different big and small stakeholders. This may vary from annual contributions to your organisation to one-off project sponsoring or crowdfunding in cash or kind.

The multi-thematic character of urban transformation allows you to apply for a broad range of thematic subsidies, like mobility, energy, circularity, etc. These programs can be available at regional, national or for example European scale. Sometimes it is also possible to have specific expertise subsidised so you can save on process costs. An innovative and open field lab approach enables you to bring in R&D and innovation subsidies over the years, amplifying our local impact while developing, testing and implementing new ideas that others could learn from as well. Most subsidy programs require at least 50% non-public co-financing and you can cover this with your private sector contributions. Be creative and open-minded here so that you can make unexpected associations and unlock different types of capital in different places - and then make sure they are integrated properly into the overall project again.