

Quick Guide to Capital Strategies

Funding Model	Description	Pros	Cons	City Examples	Keywords/ Search Tips	Links/ Resources
Blended & Braided Funding	Combining multiple funding sources ((federal, state, private, philanthropic) into one pot (blend) or a coordinated "braid.")	Increases flexibility for complex, cross-sector projects. Can fill gaps across departments	Can be administratively complex. May require alignment of distinct funder priorities	Tacoma, WA: Earn & Learn Program	"Blended Funding," "Multi-source Funding," "Flexible Funding Streams"	Urban Institute - Blended Funding
Cluster Initiatives	Economic development strategies that focus on geographically concentrated industries to drive innovation, growth, and job creation.	Promotes regional economic dynamism and supports specialized innovation	Requires significant coordination across public, private, and community stakeholders.	Milwaukee, WI: Water Technology Hub St. Louis, MO: Agriculture Initiative	"Industry Clusters," "Economic Hubs," "Regional Innovation Initiatives"	Brookings - Rethinking Cluster Initiatives Case Studies
Capital Stacking	Involves leveraging multiple funding sources sequentially to maximize project funding.		Requires careful administration to ensure compliance across teams. Changes in one funding stream can cause delays or bottlenecks	Cleveland, Ohio: Neighborhood Reinvestment	"Sequenced funding," "real estate capital stack,"	Council of Development and Finance Agencies (CDFA) National Development Council (NDC)

Source: Diversified Funding for Health & Wellbeing, National League of Cities 2025; nlc.org/resource/diversified-funding-for-health-wellbeing/