



CHIFA

Cultural Heritage
Finance Alliance



ORGANIZATION OF
WORLD HERITAGE CITIES

Urban Heritage Regeneration Accelerator

June 2025–March 2026

Cultural heritage delivers community benefit and financial returns—yet preservation efforts remain underfunded and disconnected from investment flows. CHiFA bridges that gap.

The Urban Heritage Regeneration Accelerator

The Urban Heritage Regeneration Accelerator is an intensive program designed to enable stewards of historic cities and heritage sites to define and implement strategies for sustainable urban development by unlocking the value of cultural assets. It promotes a collaborative engagement model involving governmental agencies, local communities, nongovernmental institutions, and private investors.

The program addresses critical urban issues, including the equitable repopulation of historic centers and balancing tourism with resident wellbeing. Participating cities receive training, coaching, and peer learning to define development frameworks, pilot projects, and capital investment strategies.

Each project is a catalyst for larger city- or district-wide economic and social regeneration. CHiFA mentors provide capacity-building support and assistance in the identification of investment capital.

The 2025–26 Urban Heritage Regeneration Accelerator was organized in partnership with the Organization of World Heritage Cities and offered exclusively to member cities. It engaged a cohort of four UNESCO-designated World Heritage Cities located in Africa, Europe, and Latin America.



Cultural Heritage Finance Alliance (CHiFA) promotes heritage-led regeneration through collaborative and innovative financing solutions. CHiFA aims to build a global marketplace and a supportive ecosystem of expertise and civic interests premised on opportunities for capital investment in historic places.

Organization of World Heritage Cities (OWHC) is a network of 120 UNESCO designated World Heritage member cities, working together to make historic cities livable, inclusive, and resilient.

Senior Residence Facility

Baeza, Spain

Built in 1599 and in continuous use for over four centuries until 2015, the *Convento de la Encarnación* stands at the heart of this Andalusian city celebrated for its Renaissance architecture and Moorish heritage. Today, Baeza faces the converging pressures of an aging population, youth emigration, and the deterioration of its historic religious buildings.

The pilot project will transform the Carmelite convent into a 127-bed residential community for Baeza's elderly. Secured through a 50-year no-cost lease from the Carmelite Order and delivered as a turnkey asset to an experienced senior care operator, the project combines private and subsidized residency to ensure accessibility for residents across income levels. The project creates up to 150 jobs and establishes a scalable model for aging communities throughout Europe.

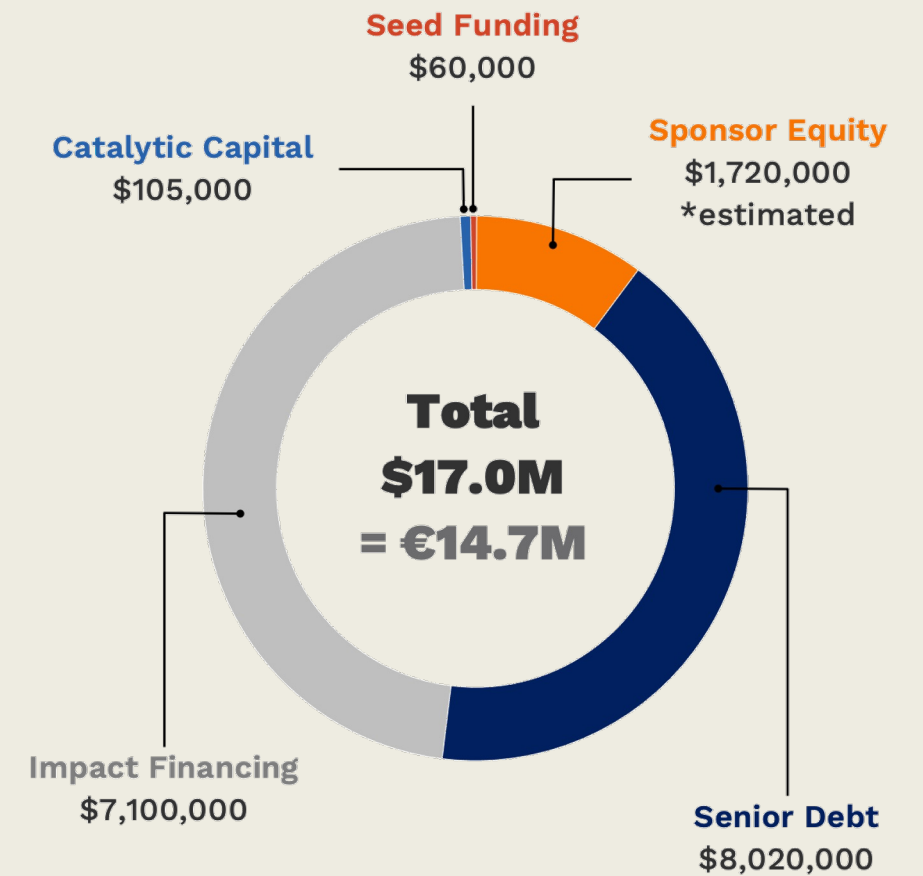


Social Impact

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Elderly housing and care
 This project will respond directly to Baeza's aging population by accommodating up to 127 elderly residents in a high-quality, community-centered environment.
- 
Job creation
 The residence is expected to generate as many as 150 direct or indirect jobs, stimulating the local economy and creating meaningful employment opportunities to retain Baeza's workforce.
- 
Neighborhood regeneration
 Complementary improvements to lighting and accessibility in the surrounding streets will further enhance pedestrian activity, safety, and neighborhood vitality.
- 
A model for other cities
 This initiative establishes a scalable prototype for other cities to activate their underutilized religious heritage assets for social impact.

Blended Capital Strategy

- Seed Funding**
Philanthropic grant
 Pre-development costs: detailed architectural planning
- Sponsor Equity**
Estimated value of land and property
 No-cost, 50-year lease for the complex
- Catalytic Capital Fund**
Recoverable grant or high-risk low-cost loan
 Pre-development costs: detailed financial planning
- Senior Debt**
Commercial Financing
 Development and restoration costs
- Impact Financing**
Concessionary and patient capital
 Development and restoration costs, plus initial working capital



Affordable Housing in the Historic Center *Cuenca, Ecuador*

The Andean city of Cuenca is distinguished by its striking urban landscape with traditional terracotta rooftops against a dramatic mountain backdrop, and iconic religious architecture whose domes and towers shape the city’s skyline. Recent property speculation threatens the habitability of the historic center by its traditional resident populations.

The city seeks to expand affordable housing by tapping the potential of a new ordinance that could enable the sale of Property Development Rights (PDRs) in the historic center. Proceeds would capitalize an Affordable Housing and Development Fund, subsidizing the acquisition of vacant properties and incentivizing the renovation of historic properties for affordable housing. The Fund would help protect the social fabric and create a replicable model for Latin America.



Social Impact



Retain long-term residents

Increasing the supply of affordable housing in the historic center will enable long-term residents to remain in their homes.



Harness tourism & investment

The fund will help channel the benefits of tourism and real estate investment toward local residents, turning market pressures into new opportunities.



Preserve historic character

By retaining local residents and incentivizing historic property owners to affordably maintain their buildings, the city’s unique heritage and social fabric can be sustained.



Pilot an innovative model

This initiative can demonstrate a replicable approach for other historic cities facing similar challenges, showing how creative financing can unlock inclusive habitability and preservation.

Blended Capital Strategy

Seed Funding

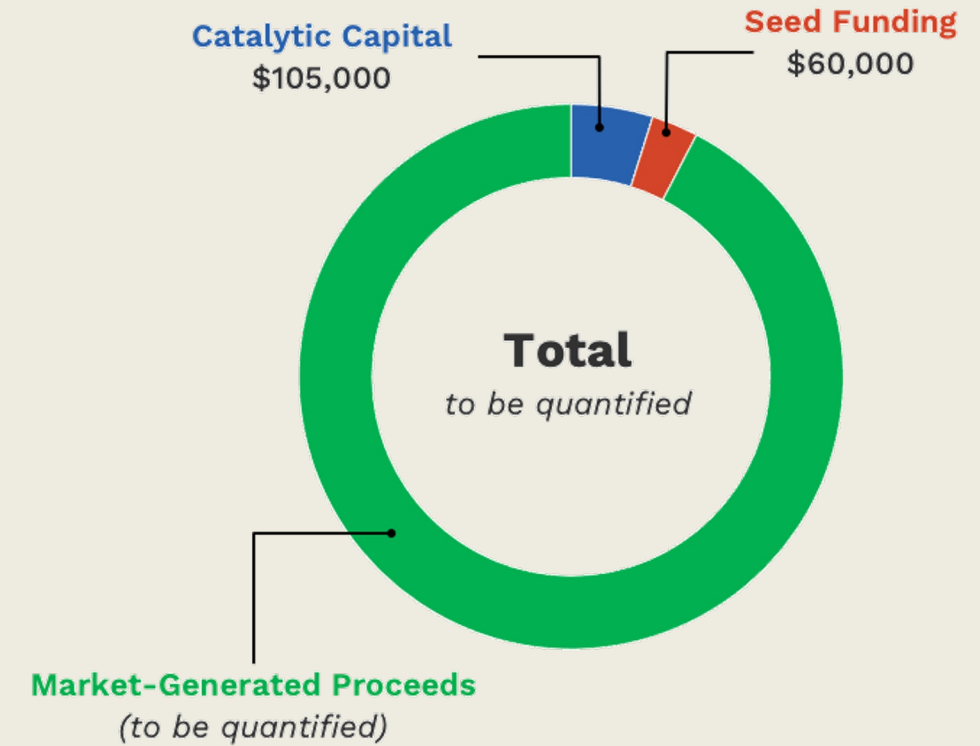
Philanthropic grant
Legal and financial support for the fund’s business plan and governance

Catalytic Capital Fund

Recoverable grant or low-cost loan
Survey of historic center to determine air rights availability, and working capital to launch fund

Market-Generated Proceeds

Initial revenues from air rights sales and fees
Subsidies and incentives for affordable housing



Swahili Cultural Center

Lamu, Kenya

On an island on the northern coast of Kenya, Lamu Old Town is the oldest and best preserved Swahili settlement in East Africa, continuously inhabited for over 700 years. The community faces accelerating deterioration of its traditional urban fabric due to factors such as outmigration and climate change; roughly one in three structures is currently in ruin, and materials needed for their restoration are scarce.

The pilot project will acquire and transform a traditional Swahili house as a cultural hub for gallery programming, workshops, artisan retail, and craftsperson training. This proof-of-concept establishes a model of cultural activation and property restoration throughout the Old Town under a community-led heritage enterprise.

Social Impact



Empowered artisans & youth

The house's restoration will train and employ local craftspeople in traditional building techniques, while its operations will continuously generate economic opportunity.



Harnessing cultural tourism

Through its cultural offerings, the project will increase visitor footfall and help direct high-quality tourism and economic activity back into the Old Town.



Community access & ownership

Opening the doors of a Swahili home to the public will transform a private asset into a shared civic space, empowering local residents to reconnect with and celebrate their own heritage.



Paving the path forward

This pilot will establish practical workflows—trusted partners, supply chains for traditional materials, restoration standards, and community engagement—for the restoration of additional properties.



Blended Capital Strategy for Phase 01

Seed Funding

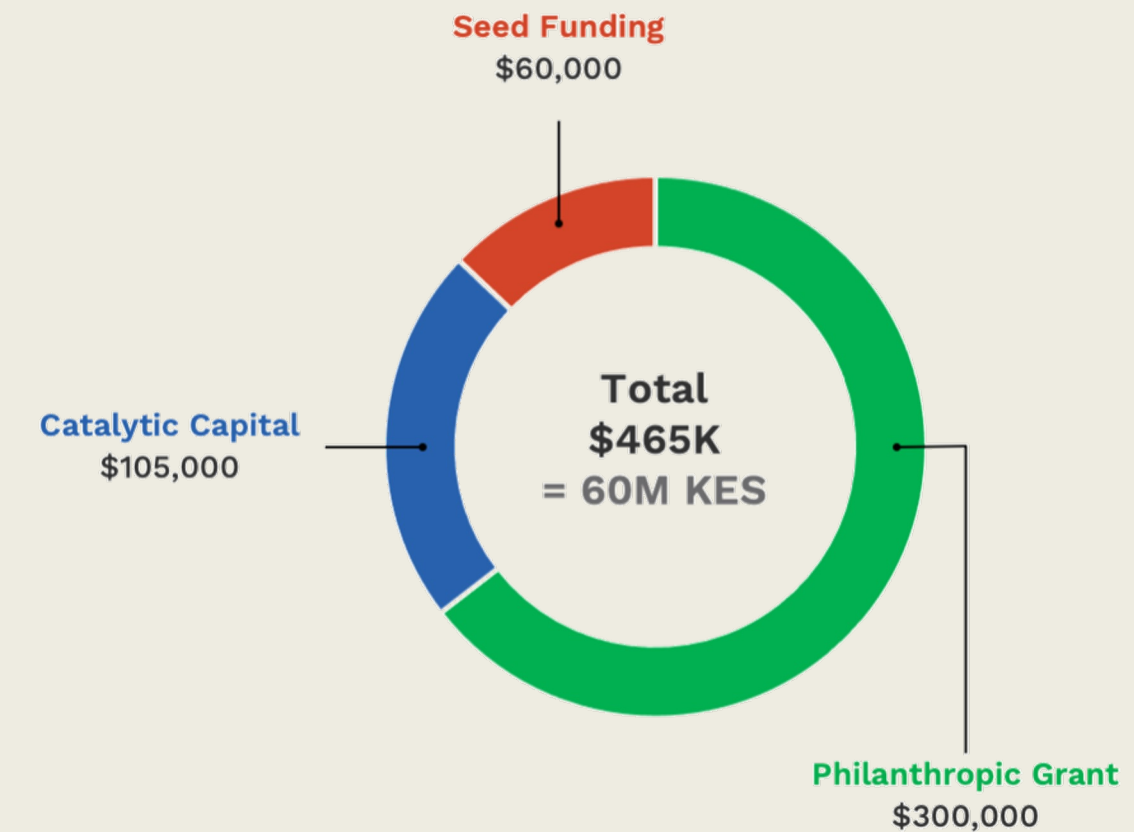
Philanthropic grant
Startup of the Lamu heritage enterprise organization

Catalytic Capital Fund

Recoverable grant or low-cost loan
Operationalize the cultural center and define future project pipeline

Philanthropic Capital Grant

Philanthropic grant
Property acquisition and development costs



Historic Hammam

Tunis, Tunisia

Built in 1639, the *Hammam Tammarine* is the last surviving Ottoman Period bathhouse in the Tunis Medina — a communal anchor for the Faubourg Sud neighborhood for centuries, now closed and awaiting restoration. The pilot project will restore the structure as a fully operational traditional hammam, complemented by a wellness center, café, and museum honoring the socio-cultural history of the Medina.

The project is led by TUNISTORIC, a local team of impact investors. It will spur economic activity in the surrounding streets, souks, and university district of the Faubourg Sud through a pedestrian cultural route and a replicable community-led adaptive reuse model for heritage properties across the Medina.



Social Impact



Social inclusion & connection

This project will renew and restore the communal traditions of the hammam as a space for all to use—across generations, genders, and backgrounds.



Integration into the broader Medina

Its strategic location allows the hammam to attract both residents and cultural tourists to the Faubourg Sud, increasing foot traffic from the Central Medina.



Economic activation

The hammam's various enterprises will generate immediate local employment and drive sustained economic spillover to nearby businesses.



Catalyzing a movement

By demonstrating a successful model of adaptive reuse, the hammam can mobilize investment and community-led stewardship for other deteriorating heritage assets in the neighborhood.

Blended Capital Strategy

Seed Funding

Philanthropic grant
Organizational startup costs

Catalytic Capital Fund

Recoverable grant or high-risk low-cost loan
Pre-development planning: detailed architectural and financial planning

Investor Capital

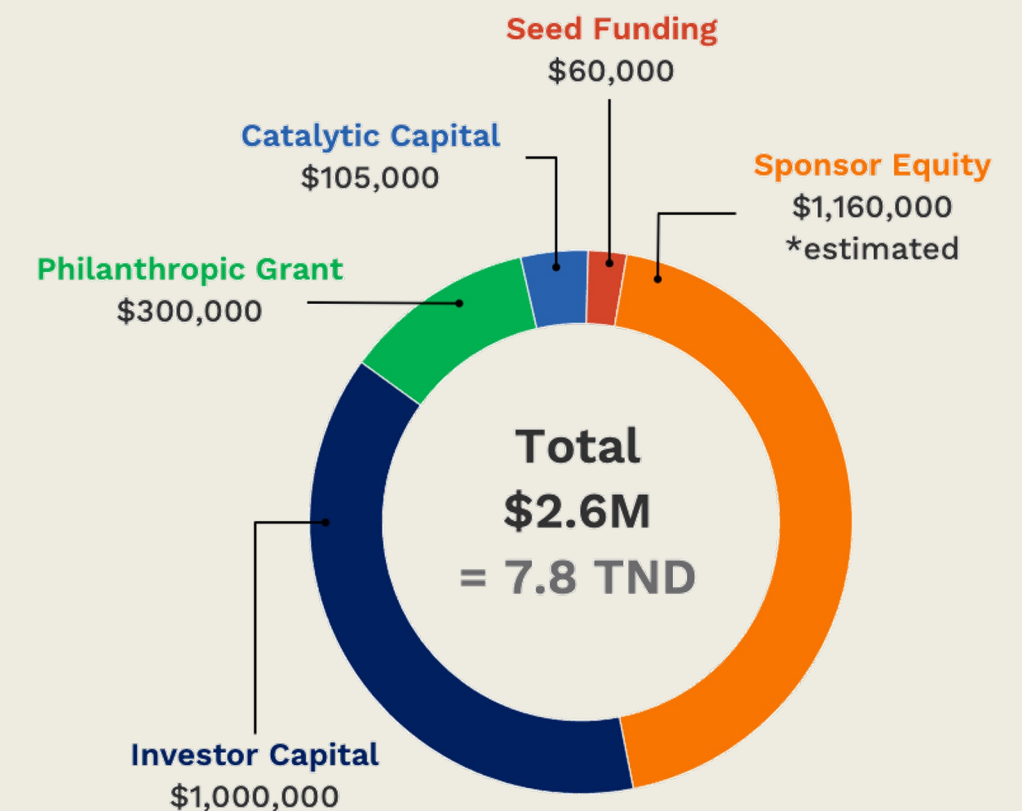
Commercial Financing
Development and restoration costs, as well as start-up costs of all enterprises

Philanthropic Capital Grant

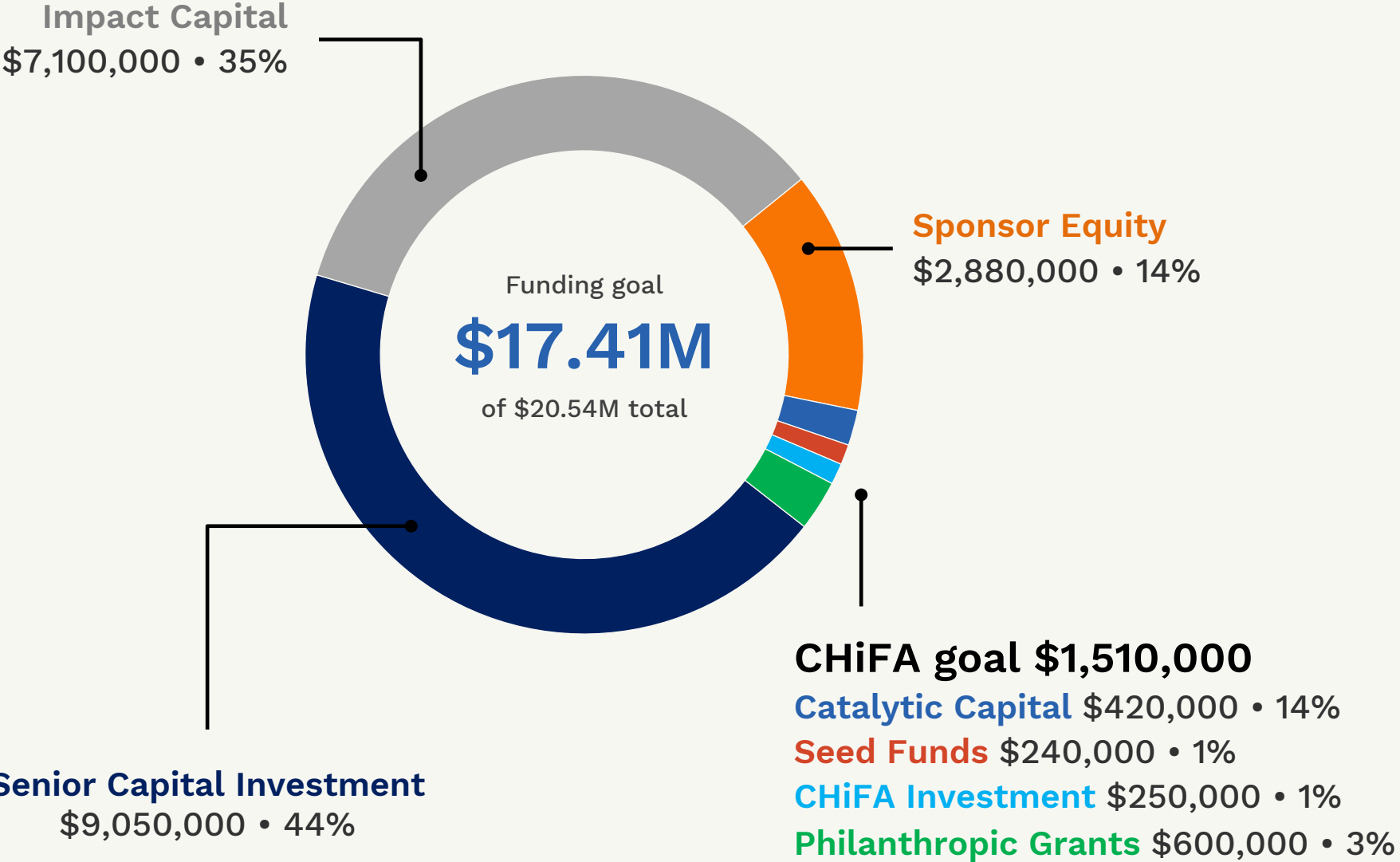
Philanthropic grant
Museum installation and operation

Sponsor Equity

Estimated value of land and property
No-cost transferral of ownership to TUNISTORIC



Heritage Projects *Ready for Investment*



Total blended capital
\$20,540,000

Funding goal
\$17,410,000

CHiFA goal
\$1,510,000

“Blended finance is the use of catalytic capital from public or philanthropic sources to increase private sector investment in sustainable development.*”

Although government funding, guarantees, and stewardship are critical to successful heritage-led regeneration, all of the projects in CHiFA's portfolio rely on the collaboration of multiple stakeholders for mutual benefit.

The CHiFA Blended Capital Portfolio *Financial Instruments*

Senior Capital

Return-seeking investments and market-rate loans

Impact Capital

Below-market financing that incorporates positive ESG impact as part of the return

Catalytic Capital

Low-cost, short-term financing structured to attract additional investment

Philanthropic Capital

Non-recoverable gifts in the form of seed funding and grants

Sponsor Equity

Value contributed through property and in-kind resources

Incentives

Tax Credits or Deductions

Local and national credits that reduce tax liability for investors

Tax-Based Government Funding

Levies or allocations drawn from collected public funds

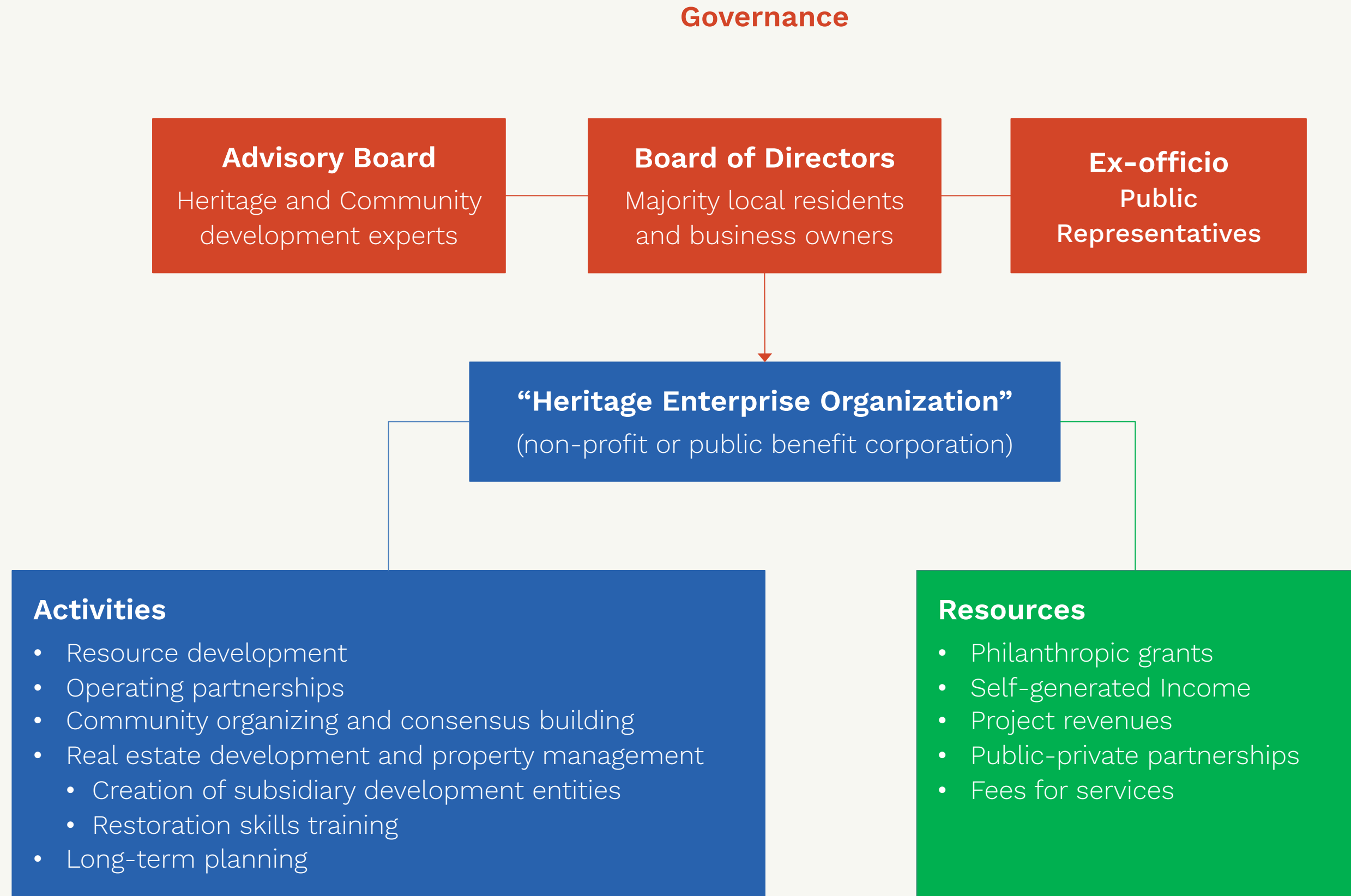
Improvement Districts

Capital pooled by local businesses and government agencies to fund quality-of-life improvements

* <https://www.convergence.finance/blended-finance>

Heritage Enterprise Organization

To ensure the long-term success of each heritage-led regeneration initiative in the Accelerator, CHiFA has developed a replicable global governance model. The Heritage Enterprise Organization is a non-profit, community-led entity that brings together members of the public sector, private sector, community organizations, and experts to collaboratively steward the regeneration process.



Accelerator Team & Partners

CHiFA Urban Heritage Regeneration Accelerator Team

Mentors

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CHiFA is grateful to the coaches and lecturers who guided the Accelerator city teams, with special thanks for project development support to:

John McAslan + Partners

International Transactions Clinic, New York University School of Law

Schack Institute of Real Estate, New York University

CHiFA welcomes inquiries from funders and partners interested in investing in the Accelerator projects or supporting the next phase of this work. To learn more, visit heritagefinance.org or contact accelerator@heritagefinance.org.