A Systematic Review of Public Finance in Urban Regeneration: Theories, Paradigms and Planning

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Abstract: In the context of diminishing land dividends and tightening fiscal resources, the public finance logic of urban regeneration is undergoing profound transformation. Based on a systematic review of 71 core English-language publications, this study examines the evolution of public finance in urban regeneration, theoretical paradigms, fiscal tools, and the roles of urban planning. It identifies four stages in the development of international public fiscal mechanisms for urban regeneration: state-led, market-oriented, finance-driven, and governance-coordinated phases. Each corresponds to distinct theoretical foundations: Keynesianism, neoliberalism, financialization, and fiscal governance. The study further categorizes five types of fiscal tools, showing that urban regeneration funding can derive from land value uplift, tax incentives, risk restructuring among stakeholders, internal revenue circulation, and intertemporal design, in addition to land sales and special-purpose bonds. It reveals the institutional logic by which urban planning is embedded in fiscal revenue generation, resource mobilization, and risk regulation. Drawing on international experience, it highlights short-term incentives, weak coordination mechanisms, and limited equity in China's current public finance system for urban regeneration, and proposes a sustainable fiscal pathway characterized by staged evolution, differentiated responsibility, multi-actor collaboration, and institutional integration with planning systems.

Keywords: urban regeneration; systematic review; public finance; institutional embedding; urban planning

1 Introduction

The central difficulty in China's urban regeneration is no longer primarily a shortage of design, planning, or construction techniques. It lies in the systemic imbalance among capital flow, value creation, and benefit distribution. This imbalance constrains the efficient use of public funds, limits the entry of market capital, and weakens the incentives of multiple actors to participate. As land-based fiscal revenues decline, special-purpose bonds tighten, and the real estate cycle recedes, earlier approaches such as financing regeneration through land transfer or debt expansion are becoming difficult to sustain. The question of where regeneration funding can come from has therefore become unavoidable.

Urban regeneration in China began in the early reform period as old-city redevelopment and has since accumulated extensive practice and scholarship [1-3]. Existing studies have mainly addressed the improvement of physical space, including planning and design procedures, construction processes, heritage conservation, and the social and environmental effects of regeneration [4-5]. The public finance issues embedded in regeneration remain less fully examined. Internationally, large-scale slum clearance after the Second World War is widely regarded as an early form of urban regeneration. Subsequent neighborhood improvement and community-building programs reshaped urban spatial forms and socio-economic structures [6-7]. Because many countries initiated regeneration earlier, international scholars also began earlier to examine public finance in regeneration, producing a substantial body of theory and influential research.

Using a systematic review, this paper examines international literature on public finance in urban regeneration and responds to several questions that are central to current Chinese scholarship: What stages has international urban regeneration experienced, and what fiscal characteristics define each stage? What theories and paradigms structure public finance research in regeneration? What financing methods, tools, and financial solutions have been used abroad, and through which channels can funds be raised? In what ways can urban planning affect fiscal balance in regeneration? The paper focuses on 71 highly relevant English-language studies selected from 1,309 records, with the aim of clarifying research logics, theoretical paradigms, and future directions in this field.

2 Research Methods and Data Sources

This study adopts a systematic review method and follows the PRISMA framework, namely Preferred Reporting Items for Systematic Reviews and Meta-Analyses. It systematically reviews English-language literature on public finance in urban regeneration. The method is appropriate because it provides a transparent and reproducible procedure, integrates existing findings, and helps align domestic research with international academic standards. At the same time, the method has limitations in the Chinese research context. It depends heavily on the formulation of research questions and keywords, and it may overlook studies that are theoretically important but use different terminology. It may also overemphasize the reorganization of existing findings and understate the complexity of the research issue.

To address these limitations, the study draws on the Web of Science Core Collection, EI, and Scopus. Search terms combined subject words, extended terms, and Boolean logic to cover three core themes: urban regeneration, public finance, and urban planning. The search expression included urban regeneration, urban renewal, urban redevelopment, urban revitalization, urban rehabilitation, and urban transformation, combined with finance, financing, public finance, fiscal policy, land value capture, tax increment financing, investment, urban planning, and spatial planning.

The specific search expression was: ("urban regeneration" OR "urban renewal" OR "urban redevelopment" OR "urban revitalization" OR "urban rehabilitation" OR "urban transformation") AND ("finance" OR "financing" OR "public finance" OR "fiscal policy" OR "land value capture" OR "tax increment financing" OR "investment") AND ("urban planning" OR "spatial planning").

The initial search identified 1,485 records, including 171 from Web of Science, 225 from EI, and 1,089 from Scopus. After removing duplicates, 1,309 records remained. Screening criteria required that the study simultaneously address urban planning or spatial issues, public finance, and urban regeneration; be published in a peer-reviewed journal or formal publication; be an empirical, theoretical, or conceptual study; be written in English; focus on countries or regions outside China; and not be a review article. After screening, 344 records entered full-text assessment. A final set of 71 studies was included because they offered substantive discussion of fiscal mechanisms, financing tools, fiscal policy, and urban planning in the context of urban regeneration.

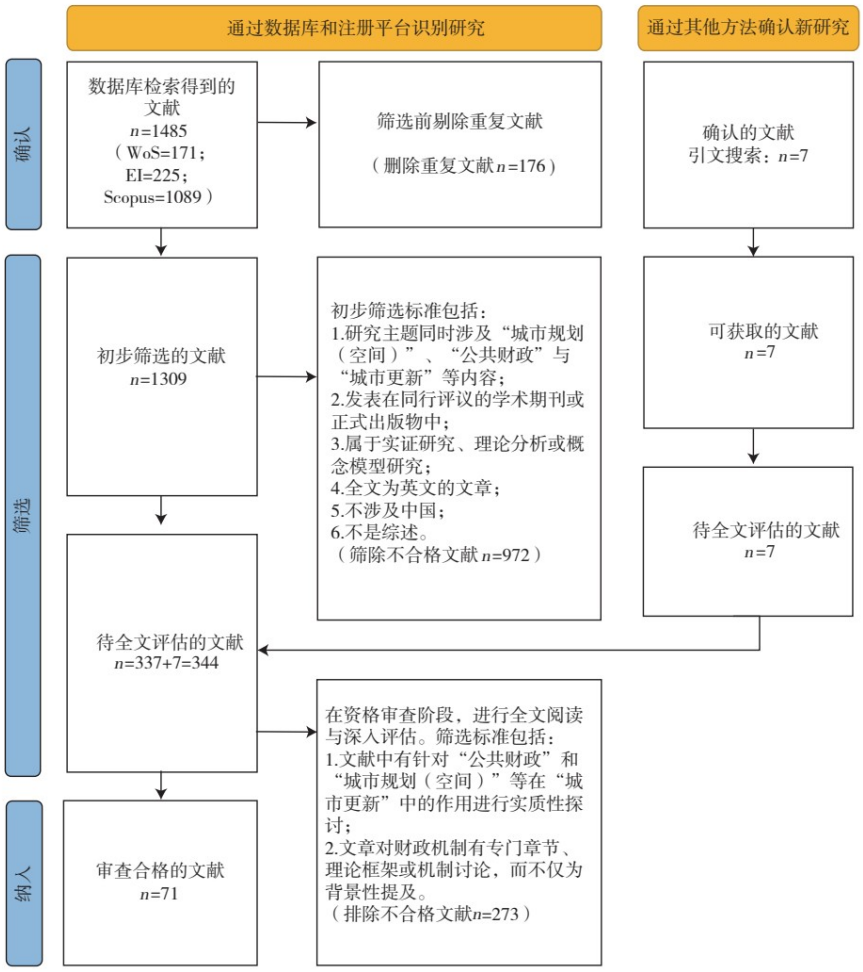

Fig. 1 Methodological framework for the systematic review. Source: adapted from Page et al. (2021).

3 Literature Search Results

3.1 Key Journals

The selected studies were mainly published in international core journals in urban planning, urban economics, land policy, and regional governance. According to the journal distribution, Urban Studies published the largest number of papers, with seven articles, followed by Town Planning Review, Land Use Policy, European Planning Studies, and the International Journal of Urban and Regional Research. This pattern shows that public finance in urban regeneration is closely connected with fiscal finance, urban spatial governance, and land economics, and has become an important frontier in international urban studies.

3.2 Regional Distribution of Scholars

The 71 core studies involve more than one hundred authors and multiple research teams worldwide. The regional distribution of scholars shows that relevant research is concentrated in developed European and North American countries and East Asia. Universities and research institutions in the United Kingdom, the Netherlands, Germany, the United States, Japan, and South Korea are

particularly active. The University of Amsterdam, the University of Manchester, Delft University of Technology, Istanbul Technical University, and the University of Toronto have made especially visible contributions. European scholars have accumulated long-term research on fiscal institutional design, governance innovation, and spatial justice; North American scholarship shows systematic concern with fiscal financialization; and East Asian scholars have explored land readjustment, revenue sharing, and community-level fiscal mechanisms in depth.

3.3 Keywords and Key Issues

A frequency and content analysis of keywords in the 71 studies shows that current research on public finance in urban regeneration focuses on land value recapture, public-private partnership, tax increment financing, fiscal sustainability, governance coordination, and institutional capacity. These keywords indicate that the redistribution of fiscal responsibility and the regulation of financial risk have become central issues in global urban regeneration. In terms of substantive meaning, the literature has moved from single funding sources toward diversified fiscal and financial tools, including land readjustment, tax incentives, revenue sharing, asset securitization, and financial derivatives.

4 Stages of Urban Regeneration and Fiscal Characteristics

Among the 71 studies, 13 directly or indirectly address the evolution of fiscal mechanisms in urban regeneration. A smaller group of studies summarizes stage-based changes in fiscal responsibility and capital operation from the perspective of governance logic and fiscal operation [8-11]. A larger body of literature focuses on specific national practices and shows how fiscal mechanisms adjust under institutional pressure.

4.1 Fiscal Responsibility and the State-led Stage

In the decades after the Second World War, fiscal systems had not yet introduced complex market-based or financialized instruments into regeneration. Funding was embedded in public expenditure, and fiscal responsibility overlapped closely with the state's obligation to repair urban space. Examples include the provision of postwar public housing through housing associations in the United Kingdom [12], urban clearance and reconstruction under the Housing Act in the United States [13], and large-scale state fiscal and policy-bank support for redevelopment in South Korea [14]. In these cases, government appropriations, budgetary arrangements, and public lending covered most regeneration funding.

4.2 Institutionally Guided Market Participation

From the 1980s onward, the fiscal logic of regeneration shifted. Public finance no longer bore the entire cost of urban regeneration. Government increasingly used planning gain, tax incentives, and financing incentives to guide private capital. In the United Kingdom, regeneration projects used planning gain mechanisms to require developers to assume part of the cost of renewal [11]. In the United States, Empowerment Zones and New Markets Tax Credits transferred tax benefits to private investors to stimulate investment in inner-city areas [15-16]. In Ireland, tax incentives were used to encourage housing development in inner-city regeneration areas [17]. At this stage, fiscal tools evolved from direct public expenditure toward indirect incentives and revenue-sharing arrangements.

4.3 The Finance-led Stage

After market mechanisms became embedded in fiscal systems, the fiscal logic of regeneration became more complex over the following decade. Regeneration finance no longer relied on a single tax incentive or on the recovery of development premiums; it was increasingly shaped by the logic of financial capital [18]. Funding sources expanded from land-transfer revenue and planning gain to capital-market financing, the packaging of future returns, and the operation of financial assets. In the Netherlands and Belgium, land banking and cooperation with financial institutions embedded local land revenues in long-term financial capital return structures [3]. In Turkey, multi-actor financing platforms closely connected developers, local governments, and international capital, allowing them to jointly assume project financing and risk [19].

A high degree of coupling with capital also generated risks. In Ireland, under conditions of excess liquidity in capital markets, repeated increases in tax incentives ultimately accumulated into a real-estate bubble [8]. At this stage, fiscal logic was no longer only a market transfer of fiscal responsibility. It was thoroughly reshaped by capital-market instruments: fiscal revenue structures became highly front-loaded, while risks accumulated and were released through capital cycles.

4.4 Fiscal Resilience and Multi-actor Governance

The 2008 financial crisis exposed the risks accumulated in earlier fiscal logics. Some countries sought to rebuild the government's active capacity for fiscal regulation and risk management in regeneration, and public intervention increased. Some U.S. cities restored direct government fiscal investment and used public expenditure to address spatial inequality caused by market failure [13]. In the United Kingdom, local fiscal performance systems gradually incorporated equity, ecological performance, and social-policy goals [20]. Continental Europe developed cross-level fiscal coordination structures and institutional buffers, strengthening local governments' capacity to absorb fiscal risks and cooperate with multiple fiscal actors [21]. This stage therefore shifted toward fiscal governance centered on resilience, multi-actor balance, and the nesting of policy objectives.

5 Related Theories and Paradigms

More than half of the 71 core studies involve theories and paradigms related to public finance in urban regeneration. These theories provide different normative frameworks and sources of policy legitimacy for the stages of urban regeneration discussed above (Fig. 2).

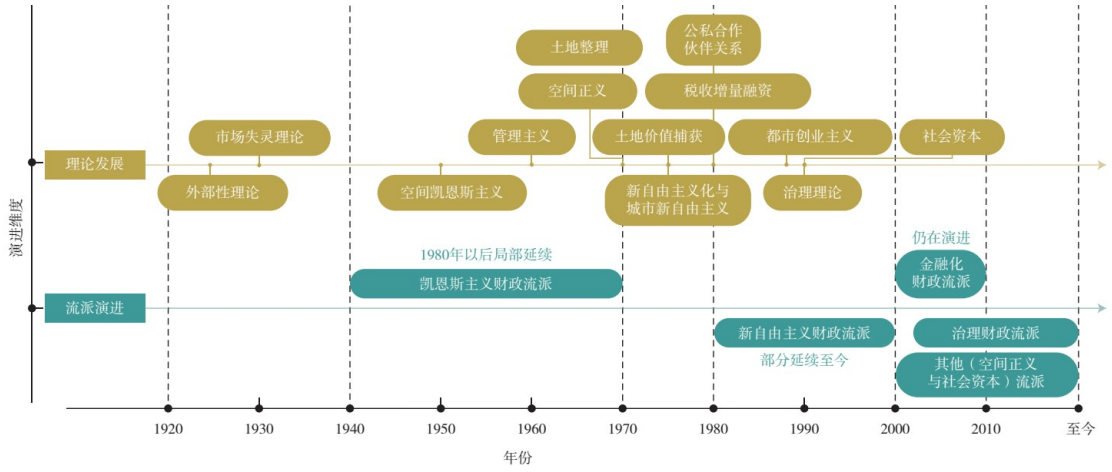

Fig. 2 Evolution of paradigms and theories related to public finance in urban regeneration.

5.1 Keynesian Fiscal Paradigm

Keynesian fiscal logic was established in the postwar period and persisted in urban regeneration finance across several countries. Its institutional core lies in the state's use of fiscal intervention to regulate macroeconomic fluctuations and compensate for market allocation failures, stimulating recovery and stabilizing social order through housing construction, infrastructure reconstruction, and job creation [11,22-24]. Under this logic, government fiscal input was highly budgetized and was generally arranged through annual budgets or special fiscal channels for urban regeneration [25]. Funding gaps, cost fluctuations, and revenue uncertainty in regeneration were mainly borne by the public fiscal system. Government played the dominant role, while market mechanisms remained peripheral. The public-goal orientation of this paradigm was therefore especially prominent.

This logic shows clear institutional convergence across countries. In the United States, the Urban Development Action Grants (UDAG) program, launched in 1977, used federal fiscal grants to support local urban revitalization projects. Although it guided private capital participation, public finance remained the leading force [26]. In Northern Europe, Copenhagen in Denmark and Hamburg in Germany established government-controlled public asset companies from the 1990s onward, using state-owned land preparation and recycled development revenues to achieve fiscal balance and reinvestment in regeneration [27].

5.2 Neoliberal Fiscal Paradigm

With the crisis of the welfare state and the expansion of globalization in the 1980s, neoliberal fiscal theory quickly replaced Keynesian logic and became the central theory of fiscal restructuring in urban regeneration [28-31]. This paradigm advocates fiscal decentralization, market guidance, private-capital participation, and risk sharing [32]. Lexington in the United States promoted developer-led revitalization from the 1980s through tax increment financing and development-premium recovery [30]. Coimbra in Portugal implemented a transfer of development rights system from the 1990s, using TDR to overcome fiscal difficulties in regeneration under conditions of weak social capital [29]. Seoul relied on developer-owner dividend sharing and voluntary relocation mechanisms after 2000 to realize regeneration [33].

France introduced REIT reforms in the late 2000s to guide capital-market financing while retaining central fiscal regulatory capacity [32].

5.3 Financialization Paradigm

As capital markets expanded, asset-securitization techniques matured, and global liquidity increased, urban space was gradually reconstructed as a platform for capital accumulation, and fiscal institutions became embedded in financial systems [31,34]. Under this logic, urban regeneration finance no longer depended on traditional land-development premiums. It was supported by the capitalization of future returns, asset securitization, and capital-market trading mechanisms [35,43]. Planning arrangements, financing structures, and market operations became mutually embedded, and government fiscal tools increasingly relied on instruments such as revenue bonds, REITs, and development-right securitization [34,36]. This paradigm helps explain why regeneration finance became more flexible while also becoming more exposed to volatility, speculative pressure, and risk transfer. Sao Paulo's Urban Operation mechanism and CEPAC certificates exemplify the securitization of future development rights [37-38], while Milan illustrates how financial investment funds can reshape the revenue structure of land redevelopment [35]. In this logic, government provides credit endorsement and regulatory frameworks, while market mechanisms absorb and redistribute revenue volatility [10,39].

5.4 Governance Fiscal Paradigm

After the 2008 financial crisis, risks exposed by financialized fiscal logic encouraged a shift in fiscal institutions, and governance coordination became a new direction in some fiscal reforms [40]. This paradigm emphasizes embedding fiscal tools in institutional coordination, intergovernmental cooperation, and polycentric governance structures [27,35,41]. It does not exclude market mechanisms or capital operation, but seeks to build cooperative frameworks within the fiscal system. Through public-private partnership, flexible fiscal risk sharing, and policy incentives, it dynamically adjusts the distribution of fiscal responsibility [42]. Institutional flexibility has gradually become a core variable of fiscal performance, extending beyond a single logic of market efficiency.

This fiscal logic has gradually taken institutional form in continental European practice. In Belgium and the Netherlands, for example, fiscal governance after 2008 introduced polycentric coordination platforms and multi-level revenue-sharing mechanisms among local, national, and private actors. These arrangements effectively eased the direct impact of capital-market volatility on local fiscal stability [10,35].

5.5 Other Paradigms

With the transformation of fiscal governance, spatial-justice fiscal theory and the social-capital fiscal paradigm have become increasingly visible in emerging global literature. The former criticizes the reproduction of spatial inequality by fiscal mechanisms under neoliberalism and financialization [35,43]. The latter emphasizes that the long-term operation of fiscal mechanisms depends on community participation, trust networks, and local governance resilience. In Istanbul, Turkey, for example, land readjustment mechanisms have incorporated a design of social-capital protection in addition to self-

financing and land consolidation functions, thereby easing risks of resident interest loss during community restructuring [44].

6 Public Finance Tools

This section compares the structural logic and mechanism differences of five core fiscal tools. It clarifies that the money for urban regeneration does not come only from budgetary appropriations or land sales. Through tool-based design and institutional embedding, it can also be obtained from expected future returns, tax structures, spatial rights, and financial mechanisms.

6.1 Land Value Capture Tools: Advancing Returns from Future Land Value Uplift

Land value capture (LVC) is based on the logic that government can use expected future returns, development-index transactions, and value-added taxation to recover public benefits and ease fiscal pressure. It mainly includes three variants [45-46]. The first is tax increment financing, a typical form of land value capture in which local governments in the United States lock in future incremental tax revenue in regeneration areas and issue bonds in advance to finance infrastructure and urban regeneration expenditure [47-49]. The second is the securitization of development rights, a financial innovation form of land value capture. Its core mechanism is to package future potential development indicators, such as floor-area ratio, into securitized products and sell them in capital markets to obtain development funds [33,37]. The third is direct taxation, the most traditional and stable fiscal tool in land value capture. Through taxes on land value increments, real-estate transaction gains, or capital gains, governments can directly recover fiscal revenue. Ireland, Turkey, and other countries have directly recovered regeneration returns through land value-added taxes and capital-gains taxes [17,50].

6.2 Tax Incentive Tools: Leveraging Social Capital through Tax Concessions

Tax incentives embed fiscal concessions within the tax system. Through tax reduction, deferral, and credit mechanisms, they attract private capital and allow fiscal responsibility to be indirectly shared while leveraging funds [51-52]. Special tax-credit mechanisms are the most widely used form of tax incentive. The United States has developed a relatively complete tax-incentive system, including New Markets Tax Credits (NMTC), Historic Tax Credits (HTC), and Empowerment Zone tax preferences for historic-building conservation renewal and old-city revitalization [15-16,28,53]. In Dublin and other Irish areas, developers have been allowed to deduct regeneration expenditure from income tax, thereby improving expected development returns [43,54].

6.3 Public-private Partnership Tools: Obtaining Leveraged Funding through Risk Restructuring

Public-private partnership (PPP) tools restructure fiscal responsibility and investment risk between government and market actors, thereby realizing joint investment, shared returns, and risk sharing in urban regeneration [41,55-58]. Traditional PPP arrangements commonly include build-operate-transfer (BOT) and private finance initiative (PFI) models, which can support large-scale urban regeneration and infrastructure construction [34,36]. The UDAG program in the United States is a classic PPP case: in the early phase of regeneration, government provided partial fiscal subsidies to guide private capital in assuming most development and construction costs [26]. Some countries have also explored innovative

cooperative vehicles. Copenhagen established the Urban Development Corporation (UDC), and the United Kingdom developed the Public Asset Corporation (PAC), forming quasi-market operating models for public property holding, land development, and revenue distribution [49].

6.4 Special-purpose Financing Vehicles: Building Capital Pools through Internal Revenue Circulation

Special-purpose financing vehicles establish dedicated fiscal platforms that reinvest, roll over, or counter-cyclically adjust fiscal revenues and public assets generated during regeneration. This approach breaks the static logic of one-off investment followed by one-off returns. Internationally, municipal land banks and revolving funds or urban development funds (UDFs) are two main forms. Municipal land banks in the Netherlands and Belgium rely on local governments to acquire, prepare, develop, and retransfer land, thereby creating unified management of land revenue and a closed fiscal loop [10]. Revolving funds inject part of the rental income, asset income, or premium income generated by regeneration into dedicated funds, forming self-accumulating and expanding capital pools that continue to support later regeneration needs [27]. At the EU level, the JESSICA program, namely Joint European Support for Sustainable Investment in City Areas, established multiple sub-funds through the European Investment Bank platform and coordinated multi-channel investment in old urban districts [21].

6.5 Development-right Trading Tools: Releasing Fiscal Value from Future Development Rights

Development-right trading tools release fiscal value from future development interests. Their essence is to treat developable capacity as a special right that can be transferred, allocated, and financialized, thereby connecting spatial resources with fiscal returns in urban regeneration. In international practice, tradable building rights (TDR) and transfer of development rights (TRD) are two important forms. The Netherlands has explored the release of development-right indicators through demolition and vacancy clearance, allowing these indicators to be transferred and circulated among different plots. This optimizes the allocation of development intensity, so that increases in development intensity do not depend entirely on new land quotas but can be dynamically adjusted within regeneration areas through market transactions [59]. Floor-area-ratio transfer can regulate development intensity within parcels and optimize spatial resource allocation across areas, while also creating a path for fiscal revenue transfer. Brazil's Certificate of Additional Building Rights (CEPAC) system combines floor-area-ratio transfer with financial securitization. The government packages future development-intensity indicators as securitized certificates, and developers purchase CEPACs to obtain additional floor-area rights, allowing the fiscal department to lock in development-premium revenue in advance [37]. For ease of comparison, the main fiscal tools are classified below by tool type, corresponding paradigm, historical stage of urban regeneration, and key characteristics (Fig. 3).

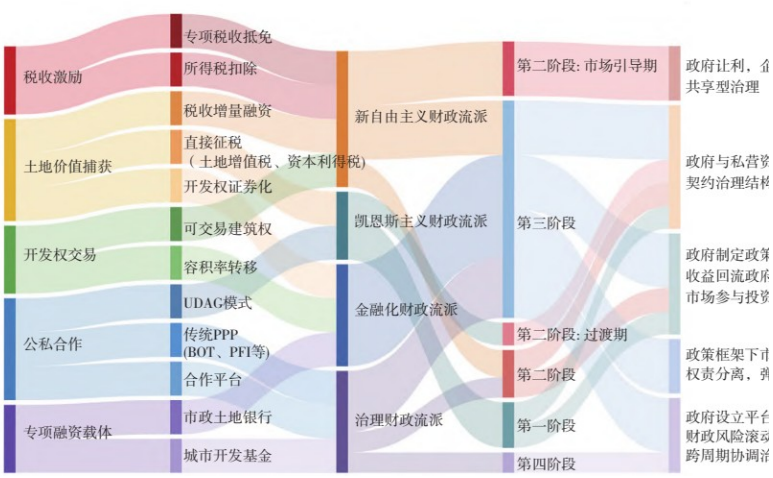

Fig. 3 Overview of fiscal tools for urban regeneration.

7 The Role of Urban Planning in Fiscal Balance

The 71 studies show that the formation of fiscal surplus or deficit in urban regeneration is essentially a compound system shaped by institutional design, planning arrangements, financing structures, and market operation [23,60-66]. Some studies use specific models to calculate the logic of fiscal balance [33,67]. More studies reveal the key mechanisms behind fiscal surplus and deficit from institutional and governance perspectives. These include insufficient value-capture capacity caused by opaque institutional arrangements and non-public negotiation mechanisms [50], fiscal risks generated by limited capacity among urban governance actors, especially in small and medium-sized cities, to manage financial instruments [30], and heightened fiscal volatility when tax incentives are overused without building a stable market foundation [17]. Among the factors affecting fiscal balance in urban regeneration, the role of urban planning has become increasingly important [68-72]. Urban planning has gradually become a core embedded mechanism in institutional governance processes involving fiscal resource mobilization, revenue generation, and risk regulation [73-74].

(1) Urban planning directly determines the fiscal revenue space of regeneration projects through the regulation of development intensity, floor-area ratio, and land supply. Increasing floor-area ratio expands development scale and land premium space, while also producing a dynamic interaction between revenue expansion and market risk [33,50]. Development scale and land-use structure also directly shape the boundary conditions of fiscal balance. Planning factors such as the proportion of social housing, saleable floor area, selling price, and supporting construction obligations jointly determine the interval of fiscal surplus and deficit [57,75].

(2) Urban planning shapes the institutional capacity for fiscal resource mobilization and revenue circulation by integrating development-right supply and public asset management systems. In the Copenhagen City & Port model, a public asset corporation, supported by planning authority, coordinates land supply, planning permission, and the statutory objective of revenue maximization. This creates a fiscal mechanism in which land premium revenue feeds back into infrastructure construction and debt

repayment [49], thereby incorporating land development revenue into a rolling fiscal mechanism and reducing reliance on one-off government budget input.

(3) The planning approval system has become an important front-end governance interface for fiscal revenue distribution and risk regulation. In planning permission processes, floor-area bonuses, fast-track review mechanisms, and development-agreement negotiations are widely embedded in fiscal negotiation systems [30,33]. When developers obtain planning gain, they also undertake public responsibilities through planning agreements, including supporting facilities and affordable housing provision. This forms an embedded fiscal compensation mechanism that eases pressure from direct government expenditure and reduces later exposure to fiscal risk.

(4) As the mixed fiscal logic of government and market becomes stronger, urban planning institutions have become deeply integrated into frameworks of fiscal responsibility sharing and public-interest redistribution. Through the designation of incentive locations, such as action plan zones in Port Louis [76], development-right trading systems [59], and the delineation of industrial function zones and strategic development areas [65], planning systems coordinate government fiscal capacity, developers' expected returns, and the protection of community public interests. Planning governance therefore becomes an institutional coordination platform in multi-actor fiscal bargaining. Sound planning governance affects both the equity of benefit distribution and the stability and spatial-justice performance of fiscal mechanisms under the expansion of market logic [77-78].

Although some Chinese cities have introduced fiscal tools such as land readjustment, development-right transfer, and revenue sharing, including coordinated development rights in Beijing's urban regeneration, Guangzhou's model of unified land reserve with benefit linkage, and Chengdu's exploration of floor-area transfer and value recovery in regeneration units, the overall system remains dominated by short-term incentives, and the regulatory function of planning has not yet been fully developed.

8 Conclusion

As land-transfer revenue declines sharply, special-purpose bond quotas tighten, and the momentum of real estate development weakens, the traditional logic of driving regeneration through land dividends and debt leverage faces systemic risk. In this context, the design of public finance mechanisms for urban regeneration has become a key issue that must be addressed in promoting a new round of urban development.

Through a systematic review of 71 core English-language studies, this paper shows that international public finance in urban regeneration has experienced four stages: state leadership associated with Keynesianism, market guidance associated with neoliberalism, financial embedding associated with financialization, and governance coordination associated with fiscal governance. It also finds that funds for urban regeneration do not have to rely only on fiscal appropriations or land sales. Five core tools, namely land value capture, tax incentives, public-private partnership, special-purpose vehicles, and transfer of development rights, can obtain resources through five major channels: future land value uplift, tax concessions, risk restructuring among participating actors, internal revenue circulation, and intertemporal design. Urban planning is deeply embedded in fiscal revenue generation,

resource mobilization, and risk regulation through development-intensity control, asset management, approval negotiation, and spatial incentives.

Compared with international experience, China's current urban regeneration finance shows a coexistence of state dominance and market mechanisms, rapid penetration of financial instruments, and delayed institutional coordination [79-80]. Central fiscal resources and land reserve systems maintain a strong public role, while local governments often depend on land transfer revenue, development-intensity expansion, and financing platforms to mobilize short-term funds. This creates risks such as fiscal spillover, maturity mismatch, weak coordination, and overestimated revenues [81].

In the short term, reform should focus on rebuilding capital circulation pathways. Cities with stronger fiscal capacity can explore tax increment financing, development-right securitization, and other tools that release future land value for infrastructure investment and project initiation. More public-private partnership mechanisms can be introduced to attract private capital and strengthen intertemporal fiscal adjustment. Planning institutions should enter fiscal negotiation more actively, using mechanisms such as floor-area incentives in exchange for supporting obligations.

In the medium term, reform should shift toward institutional restructuring. Dedicated funds or ultra-long-term public debt instruments can support specific regeneration areas. Provincial governments can coordinate fiscal transfers, while municipal and district governments can configure tools such as transfer of development rights, floor-area transfer, and public land reserves according to differences in fiscal capacity. Planning can determine the spatial distribution of fiscal gains and losses through development intensity regulation and land-use arrangement, allowing fiscal tools to operate as a system.

In the long term, sustainable regeneration finance requires an inclusive governance structure. Enterprises should participate in the recovery of public benefits and assume long-term operational responsibilities. Governments and public agencies should build platforms for revenue return. Residents should obtain fiscal feedback and spatial governance rights. Through staged evolution, differentiated responsibility, multi-actor collaboration, and closer coupling between planning and fiscal institutions, urban regeneration can move toward a more sustainable public finance pathway.

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