



Disaster Risk Financing

Short term (2025-2030)

- Mandate risk-informed city budgeting using ClifVi vulnerability data
- Democratize risk understanding: make flood and debt vulnerability data publicly available in NYC planning portals and participatory budgeting

Medium-Term (2030-2040)

- Create resilience-linked municipal bonds that offer lower interest rates when city meets climate risk mitigation milestones.
- Reward risk reduction with preferential financial terms- it is crucial that we incentivize DRR like we do creditworthiness
- Examine opportunities for grants over debt

Long-term (2040-2050)

- Integrate climate risk-adjusted finance into public infrastructure lending (federal, state, and private partnerships, i.e. capital markets).
- As GAR 2025 highlights, avoiding \$300B in asset loss yields \$600B in SDG and wellbeing returns. Resilience pays dividends

 Issue resilience-linked municipal or sovereign bonds that reduce coupon rates when adaptation milestones are met (e.g., installation of flood barriers, implementation of zoning reform).

Avoiding Debt

Spiral

- Issue debt pause clauses for climate-triggered disaster shocks. Embed statecontingent clauses in public debt contracts that pause or reschedule repayments when a disaster declaration is triggered. This prevents fiscal collapse when disaster hits.
- Pre-arranged Risk Transfer Mechanisms: expand access to parametric insurance (i.e. via flood triggers) and expand catastrophe bonds at both city and national levels.
 This shifts disaster funding from post-crisis to pre-financed pay-outs. Expand contingent financing options.
- Climate-Adjusted Credit-Rating Frameworks: Work with Credit Rating Agencies (CRAs) to adopt resilience assessments that recognize adaptation investments as credit positives.
- Fiscal Risk Disclosure: Mandate disclosure of climate and disaster fiscal risks in local and national budget documents.

Increasing Flood Vulnerability in Urban American Cities

Flood risks are increasing across the U.S. Although many are at risk of flooding, the impacts are significantly disproportionate. Especially within Urban areas in the Northeast United States, due to historical zoning policies which often force lower-income minority communities into outland, coastal areas, coastal flooding poses a significant risk to the livelihood of millions of Americans.

The risk we are focusing on is that low income communities are most vulnerable to flood risks already, but they will not have any more protection against water overflow once sea level rises above the already existing physical protective barriers.

Expand the Support

Extensive reformation of Federal Emergency
Management Agency (FEMA) and Non-FEMA based
mitigation programs and an expansion of engineering
policy designed for water absorption before the
flood stream can ever reach local municipalities.

Providing an exit strategy for community hubs and resource centers through federal funding or government-established evacuation transportation routes.

Financing Preventative Measures through existing vulnerability mapping services, investment incentives, etc., and ensuring debt-preventative credit protection services for community members.

What if:

