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US Cities Issue Bonds With Notable Climate Exposure This Week.

What's going on here?

Several US school districts and local governments raised funds with new municipal bonds this week, but fresh data from ICE Climate Data flagged many of these as having some of the nation's highest climate risks.

What does this mean?

Municipal bonds from Ocean, New Jersey; Falmouth, Massachusetts; and a handful of school districts in California, Louisiana, and Florida were all tagged with climate risk scores topping 3.9 out of 5. ICE's scoring system marks anything over 3.0 as severe, meaning these places face significant threats from flooding, wildfires, or hurricanes. Ocean, NJ is the poster child, landing a perfect 5.0 flood risk on its $59 million bond sale. Falmouth, MA and Sulphur Springs, CA also stand out, with wildfire and general risk scores running high. Even large issues like Pinellas County, FL's $150 million bond aren't immune with a 3.9 risk reading. These scores blend a range of climate hazards and are catching more eyes among investors—who increasingly want to price in real-world risks to local infrastructure and finances.

Why should I care?

For markets: *Climate risk is redefining what investors look for.*

Climate data is quickly becoming a critical part of municipal bond investing. With ICE spotlighting high-risk areas, investors aren't just assessing creditworthiness—they're focusing on the physical risks that could drive up costs or disrupt communities. As climate disasters become more common, borrowers in high-risk regions may end up paying higher interest—or facing tighter funding terms—to attract buyers comfortable with the added uncertainty.

The bigger picture: *Climate resilience is moving up the policy agenda.*

Steep climate risk scores are putting American towns and schools on notice: long-term costs from disasters can quickly snowball into major budget strains. The growing focus on these risks is likely to shift how municipalities plan, borrow, and invest—pushing climate resilience and infrastructure upgrades higher up both local and federal agendas, and reshaping priorities from emergency funding to long-range city planning.

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