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# SENATE COMMITTEE ON NATURAL RESOURCES AND WATER

Senator Josh Becker, Chair

2025 - 2026 Regular

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<b>Bill No:</b>	SB 894	<b>Hearing Date:</b>	April 7, 2026
<b>Author:</b>	Allen		
<b>Version:</b>	March 9, 2026 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Edith Hannigan		

**Subject:** Wildfire resiliency: financial assistance

## SUMMARY

This bill would establish the California Wildfire Resilience Loan Program and would require the California Alternative Energy and Advanced Transportation Financing Authority to administer the program to provide financial assistance for projects and activities to reduce wildfire-related risks and losses, including home hardening and defensible space improvements.

## BACKGROUND AND EXISTING LAW

**Department of Forestry and Fire Protection (Department).** The Department, in accordance with a plan approved by the Board of Forestry and Fire Protection, is responsible for the prevention and suppression of forest fires (Public Resources Code (PRC) §§4113, 4114).

**Office of the State Fire Marshal (OSFM).** In the mid-1990s, the OSFM was moved from the State and Consumer Services Agency to the Department. The SFM is established as a Chief Deputy Director of Forestry and Fire Protection in the Department (Health and Safety Code (HSC) § 13100). The mission of the OSFM is to “[protect] life and property through the development and application of fire prevention, engineering, training and education, and enforcement.”

**California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA).** CAEATFA promotes the creation of California-based manufacturing, high-quality California-based jobs, advanced manufacturing, the reduction of greenhouse gases, or reductions in air and water pollution or energy consumption, and to ensure that California communities and workers benefit from projects receiving financial assistance from the authority (PRC § 26011.8).

**Property Assessed Clean Energy (PACE).** The PACE program is a unique type of financing that allows homeowners to finance energy efficient, water saving, wildfire resilient, and other environmentally beneficial improvements through increased assessments in their annual property taxes. PACE assessments can make it difficult to sell or refinance a property because a lien is placed on the home until the PACE contract is paid off. If the homeowner cannot afford the higher property taxes, they risk foreclosure.

## PROPOSED LAW

This bill would:

- 1) Add to the purposes of CAEATFA the advancement of increasing the adoption of wildfire resilience improvements that reduce wildfire-risk related risk and losses by promoting facilities, projects, improvements, and measures intended to reduce wildfire risk, enhance structure survivability, or improve community resilience to wildfire.
- 2) Establish the California Wildfire Resilience Loan Program (Loan Program) to be developed and administered by CAEATFA.
- 3) Establish the goals of the Loan Program as:
  - a) Reducing local and statewide wildfire losses through wildfire resilience improvements to residential, multifamily, mixed-use, nonprofit, or small business property.
  - b) Improving insurability and resilience of communities vulnerable to wildfire risk.
  - c) Increasing the defensible space around and hardening of residential, multifamily, mixed-use, nonprofit, or small business property to mitigate wildfire risk, thereby reducing the emission of greenhouse gases from wildfires and associated air pollution.
  - d) Reduce the upfront and overall cost to eligible property owners of obtaining private financing for wildfire resilience improvements and expand access of eligible property owners to private financing tools for wildfire resilience improvements.
- 4) Establish that the Loan Program may include, but not be limited to, establishment of a loan loss reserve, interest rate buy-downs, and other credit enhancements.
- 5) Establish eligible wildfire resilience improvements, including:
  - a) Home hardening;
  - b) Smoke mitigation; and
  - c) Other risk reduction measures.
- 6) Make financial assistance under this Loan Program available to eligible properties statewide.
- 7) Authorize CAEATFA to enter into partnerships or referral arrangements to facilitate the referral of eligible applicants, aggregating demand, or facilitating bulk purchasing or contracting agreements.
- 8) Authorize CAEATFA to consult with the SFM to establish procedures for verifications of improvements financed through the program for the purposes of program integrity, evaluation, and continuous improvement.
- 9) Authorize CAEATFA to enter into agreements, upon appropriation by the Legislature, to design, develop, maintain, and operate a public-facing internet website for the Loan Program.
- 10) Establishes findings and declarations related to the purpose of this bill.

### **ARGUMENTS IN SUPPORT**

According to the author, "California is facing ever-increasing devastation from wildfire with the deadliest, largest, and most destructive fires in state history occurring in the last

decade. Modern wildfires in California spread from forests and wildlands into urban conflagrations, exacerbated by the impacts of climate change and development. Homeowners are now struggling to find affordable insurance options as insurers raise premiums to cover increased risk or leave the state altogether.”

“Implementing wildfire hardening measures such as upgrading roofing and windows, replacing siding, and managing nearby vegetation can reduce a structure’s fire risk by more than 35 percent. However, these home hardening and defensible space investments can be prohibitively expensive, costing tens-of-thousands of dollars for homeowners and affordable financing is not easily accessible.”

“SB 894 will establish the California Wildfire Resilience Loan Program, modeled after the successful GoGreen financing platform. The bill will leverage public dollars to unlock private capital, lower interest rates, and finance home hardening and defensible space improvements for more Californians to protect their residential homes and small businesses.”

### **ARGUMENTS IN OPPOSITION**

Writing with an “oppose unless amended” position, the California Association of REALTORS (CAR) makes suggestions for improving the bill’s clarity:

“[...] [W]e respectfully request the following amendments: Explicitly include homeowners, particularly owner-occupants of residential real property, as eligible recipients of financing under the program; and [c]learly prohibit any lien created pursuant to the program from obtaining super-priority status over existing mortgages or deeds of trust and instead require that such liens remain subordinate unless otherwise agreed to by existing lienholders.

“With these amendments, we believe the bill can better support homeowners without introducing unintended risk into the housing finance system.

“Until these concerns are addressed, C.A.R. must respectfully remain in oppose unless amended.”

### **COMMENTS**

***This bill is double referred.*** This bill is double referred to this Committee and the Emergency Management Committee. To the extent issues under the portfolio of the Emergency Management Committee are discussed in this bill, they are included for completeness and context only.

***GoGreen Inspiration.*** CAEATFA operates the GoGreen Home Energy Financing Program (GoGreen). GoGreen provides financing to residences and businesses to make buildings more energy efficient by connecting borrowers with low interest financing options, backed by the state, to replace outdated appliances, install solar energy systems and cool roofs, EV charging, and improving heating and cooling systems and insulation, among other projects.

GoGreen offers a credit enhancement to mitigate the risk of default, which enables participating lenders to offer lower rates, longer payback terms, and higher loan

amounts to a broader base of borrowers for energy upgrade loans. For every \$1 in credit enhancements allocated, \$8.56 in private capital is leveraged under the program.

**California Wildfire Resilience Loan Program.** The Loan Program proposed in this bill is modeled after the GoGreen financing platform administered by CAEATFA. The bill creates a state-backed loan loss reserve that leverages public dollars to unlock private capital, lower interest rates, and finance home hardening and defensible space improvements for more Californians to protect their residential homes and small businesses.

This bill would authorize the program to fund home hardening projects that improve a structure's ability to withstand and survive a wildfire. Some of those projects might include installing ignition-resistant features, such as a Class A roof, vegetation management, or defensible space. Other projects authorized under this bill include projects that mitigate smoke impacts.

The Committee may wish to amend this bill to reflect accurate code citations pointing to the laws that set minimum standards for home hardening requirements and make other technical changes. **[SEE AMENDMENTS ##1, 2, and 3]**

**Put some meat on the bones.** As this bill moves through the Legislative process, the author may wish to consider additional amendments that provide more detail regarding the administration of the program, such as clarifying eligible applicants for the program, rounding out eligible resilience improvements, and specifying relevant tax and lien information, as necessary, as identified in the "oppose unless amended" letter from CAR.

### **Related legislation**

SB 1041 (Arreguín, 2026) would add greater specificity to the Wildfire Safety Finance Act regarding the types of wildfire safety projects eligible for financing under the PACE program. This bill is pending referral.

AB 2258 (Wood, 2022) would have amended the Wildfire Safety Finance Act and PACE program regarding types of wildfire safety improvements eligible for financing, authorize the act to fund construction of new or fire damaged structures, and remove a requirement that the legislative body of a public agency need to accept a very high fire hazard severity zone designation prior to participating in the program. This bill was held in the Assembly Banking and Finance Committee.

SB 1264 (Dahle, 2022) would have amended the Wildfire Safety Finance Act and PACE program regarding types of wildfire safety improvements eligible for financing, remove a requirement that the legislative body of a public agency need to accept a very high fire hazard severity zone designation prior to participating in the program, and repeal a provision requiring a legislative body adopt a resolution regarding the planned implementation of the program by the body. This bill was held in the Senate Government and Finance Committee.

AB 1659 (Bloom et al, 2019) would have enacted the Wildfire Prevention and Community Resilience Act of 2020 to focus on reducing wildfire risk on the ground and in communities through activities such as defensible space implementation, home

hardening, and improved public safety. The bill would have established the Wildfire Prevention and Community Resilience Fund. This bill died on the Senate inactive file.

SB 465 (Jackson, Chapter 837, Statutes of 2018) established the Wildfire Safety Finance Act to expand the PACE program to include wildfire safety projects.

## SUGGESTED AMENDMENTS

### AMENDMENT 1

Revise proposed Section 1:

(a) The Legislature finds and declares all of the following:

[...]

(b) It is the intent of the Legislature to authorize the California Alternative Energy and Advanced Transportation Financing Authority to establish a wildfire mitigation loan program for wildfire resilience improvements, and to authorize participation by public and private partners, including utilities, insurers, nonprofit organizations, philanthropic entities, and the federal government, where ~~the~~ participation advances public safety, market stability, and resilience objectives.

### AMENDMENT 2

Revised proposed section 26001:

The Legislature hereby finds and declares all of the following:

(a) It is essential that the state, in cooperation with the federal government and other public and private partners, use all practical and commercially feasible means to promote the prompt and efficient development of energy sources that are renewable or that more efficiently utilize use and conserve scarce energy resources.

[...]

### AMENDMENT 3

Revise proposed section 26091:

(a) Subject to the availability of funding, the California Wildfire Resilience Loan Program may include, but not be limited to, establishment of a loan loss reserve, interest rate buy-downs, and other credit enhancements.

(b) (1) Eligible wildfire resilience improvements under the program shall include, but not be limited to, any of the following improvements as informed by guidance from the ~~Office of the State Fire Marshal~~ Department of Forestry and Fire Protection in consultation with the Office of Emergency Services and the Department of Insurance:

(A) Home hardening, including ignition-resistant features, vegetation management, and defensible space treatments, including, but not limited to, any of the following, or their successor codes:

(i) Risk mitigation identified in Section ~~2644.4.5~~ or 2644.9 of Title 10 of California Code of Regulations.

(ii) Risk mitigation identified in Chapter 7A (commencing with Section 701A.1) of Title 24 of the California Code of Regulations Part 7 of Title 24 of the California Code of Regulations.

(iii) Defensible space activities identified in Article 3 (commencing with Section 1299) of Subchapter 3 of Chapter 7 of Division 1.5 of Title 14 of the California Code of Regulations Section 4291 of the Public Resources Code or section 51182 of the Government Code.

(B) Smoke mitigation retrofits.

(C) Other risk reduction measures.

[...]

**SUPPORT**

Megafire Action (sponsor)  
California Fire Safe Council  
California Forward  
California State Association of Counties (CSAC)  
Climate Resolve  
Consumer Watchdog  
Del Norte Fire Safe Council  
Elevate California  
Environmental Defense Fund  
Fire Aside  
Firegeneration Collaborative  
FireWERX  
Neighborhood Partnership Housing Services, inc  
Net-zero California  
Pacific Forest Trust  
RockRose Risk  
Rural County Representatives of California (RCRC)  
Safe Community Project  
San Bernardino County Fire Protection District  
Santa Barbara County Fire Safe Council  
Sierra Club  
The Tahoe Fund

**OPPOSITION**

California Association of REALTORS (unless amended)