

THIRD READING

Bill No: SB 894
Author: Allen (D), et al.
Amended: 5/14/26
Vote: 21

SENATE NATURAL RES. & WATER COMMITTEE: 7-0, 4/7/26
AYES: Becker, Seyarto, Allen, Blakespear, Cabaldon, Grove, Stern

SENATE EMERGENCY MGT. COMMITTEE: 9-0, 4/21/26
AYES: Stern, Seyarto, Allen, Ashby, Blakespear, Dahle, Grayson, Pérez, Rubio

SENATE APPROPRIATIONS COMMITTEE: 7-0, 5/14/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SUBJECT: Wildfire resiliency: financial assistance

SOURCE: Author

DIGEST: This bill establishes 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.

ANALYSIS:

Existing law establishes the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) (Public Resources Code § 26011.8)

This bill:

- 1) Adds 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) Establishes the California Wildfire Resilience Loan Program (Loan Program) to be developed and administered by (CAEATFA), upon appropriation by the Legislature or the appropriation of any federal or private funds.
- 3) Establishes 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) Establishes 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) Establishes eligible wildfire resilience improvements.
- 6) Makes financial assistance under this Loan Program available to eligible properties statewide.
- 7) Authorizes (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) Authorizes (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) Authorizes (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.

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.

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.

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.

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 was held on the Senate Appropriations suspense 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.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee analysis:

- CAETFA estimates ongoing costs of \$3.9 million in the first year, gradually increasing to \$5 million per year by the fifth year and likely continuing to grow thereafter (California Alternative Energy Authority Fund or other fund) to administer the Wildfire Resilience Loan Program, including to provide a loan loss reserve/credit enhancement funds. This cost estimate is based on CAETFA's projection of 1,000 projects in the first year, which would increase in each subsequent year and grow to more than 2,400 projects by year five. Actual CAETFA costs could be higher or lower and would depend on how many projects are ultimately undertaken.
- Unknown, potentially significant one-time costs for the Department of Forestry and Fire Protection (CalFire) to provide guidance, in consultation with the Office of Emergency Services (CalOES) and the Department of Insurance, to CAETFA on wildfire resilience improvements eligible under the program. Unknown but likely minor costs for the Department of Insurance to consult with CalFire on the above guidance. CalOES anticipates its consulting costs would be minor and absorbable.
- Cost pressures of an unknown but likely significant amount, possibly in the tens of millions of dollars (various funds), to provide state funding for California Wildfire Resilience Loan Program projects and activities.

SUPPORT: (Verified May 15, 2026)

Megafire Action (sponsor)	Environmental Defense Fund
American Property Casualty Insurance Association	Fire Aside
California Credit Union League	Firegeneration Collaborative
California Fire Safe Council	Firewerx
California Forward	Los Angeles; City of
California State Association of Counties (CSAC)	National Association of Mutual Insurance Companies
Climate Resolve	Neighborhood Partnership Housing Services INC
Consumer Watchdog	Net-zero California
Del Norte Fire Safe Council	Pacific Association of Domestic Insurance Companies
Elevate California	

Pacific Forest Trust
Personal Insurance Federation of
California
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 Greenlining Institute
The Tahoe Fund

OPPOSITION: (Verified May 15, 2026)

None received

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.”

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