Date of Hearing: June 29, 2026

ASSEMBLY COMMITTEE ON EMERGENCY MANAGEMENT
Rhodesia Ransom, Chair
SB 894 (Allen) – As Amended May 14, 2026

SENATE VOTE: 39-0

SUBJECT: Wildfire resiliency: financial assistance

SUMMARY: This bill establishes the California Wildfire Resilience Loan Program to provide financial assistance for projects and activities to reduce wildfire-related risks and losses, including home hardening and defensible space improvements. Specifically, **this bill**:

1. Establishes the California Wildfire Resilience Loan Program (Wildfire Loan Program) to be developed and administered, upon appropriation by the Legislature, including the appropriation of any federal or private funds from any source given, by California Alternative Energy and Advanced Transportation Financing Authority Act (CAEATFA) to achieve all of the following goals:

   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 emissions 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.

2. Authorizes, upon appropriation, the Wildfire Loan Program to include, but is not limited to, establishment of a loan loss reserve, interest rate buy-downs, and other credit enhancements.

3. Requires eligible wildfire resilience improvements under the Wildfire Loan Program to include, but not be limited to, any of the following improvements as informed by guidance from the Department of Forestry and Fire Protection (CAL FIRE) in consultation with the California Office of Emergency Services (Cal OES) and the Department of Insurance (CDI):

   a. Home hardening, including ignition-resistant features, vegetation management, and defensible space treatments, including, but not limited to, any of the following:

      i. Risk mitigation identified Title 10 of the California Code of Regulations 2644.9 or in successor regulations;

ii. Risk mitigation identified in Title 24 CCR Part 7 or in successor regulations; and,

iii. Defensible space activities identified in PRC 4291 or GC 51182.

b. Smoke mitigation retrofits.

c. Other risk reduction measures.

4. Authorizes guidance specified in (3) to reference actions identified in regulations by any relevant state agency, including regulations adopted by CAL FIRE, but will not be construed to limit the authority's discretion to approve activities that exceed state standards.

5. Authorizes financial assistance under the Wildfire Loan Program to be made available to eligible individual property owners throughout the state and prohibits financial assistance in the form of a lien against the property or be limited by land classification, jurisdiction, or FHSZ.

6. Authorizes, upon appropriation, CAEATFA to establish partnerships or referral arrangements with state agencies, local governments, community-based organizations, insurers, lenders, contractors, or other entities for purposes that may include, but are not limited to, identifying and referring eligible applicants, aggregating demand, and facilitating bulk purchasing or group contracting arrangements.

7. Authorizes, upon appropriation, CAEATFA to, in consultation with the SFM, establish procedures for preassessments or post-completion verifications of improvements financed through the program for purposes that may include program integrity, evaluation, and continuous improvement.

8. Authorizes, upon appropriation, CAEATFA to enter into agreements to design, develop, maintain, and operate a public-facing internet website for the Wildfire Loan Program.

9. Makes various findings and declarations for purposes of this bill.

EXISTING LAW:

1. Pursuant to the California Alternative Energy and Advanced Transportation Financing Authority Act (Act): (Public Resources Code § 26000 - 26037)

    a. States the purpose of the Act is to advance the state's goals of reducing the levels of greenhouse gas (GHG) emissions, increasing the deployment of sustainable and renewable energy sources, implementing measures that increase the efficiency of the use of energy, creating high quality employment opportunities, and lessening the state's dependence on fossil fuels.

    b. Establishes the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to promote the creation of California-based manufacturing, high-quality California-based jobs, advanced manufacturing, the reduction of GHGs, or reductions in air and water pollution or energy consumption, and to ensure that California communities and workers benefit from projects receiving financial assistance.

c. Requires CAEATFA to evaluate a project application based on specified criteria, inlcuding the extent to which the project, or the product produced by the project, results in a reduction of GHGs, a reduction in air or water pollution, an increase in energy efficiency, or a reduction in energy consumption, beyond what is required by federal or state law or regulation.

2. Defines "home hardening" as the replacement or repair of structural features that are affixed to a property with features that are in compliance with Chapter 7A of Title 24 of the California Code of Regulations (CCR). (Public Resources Code § 4291.5)

3. Requires a person who owns, leases, controls, operates, or maintains an occupied dwelling or occupied structure in, upon, or adjoining a mountainous area, forest-covered land, shrub-covered land, grass-covered land, or land that is covered with flammable material, which area or land is within a very high fire hazard severity zones (FHSZ) designated by the local agency to, at all times, maintain a defensible space of 100 feet from each side and from the front and rear of the structure, as provided. Requires the Board of Forestry (Board) to adopt regulations for an ember-resistant zone for the elimination of materials that would likely be ignited by embers. (Government Code § 51182)

4. Requires the Board to develop and update guidance for fuels management for defensible space compliance. Requires the State Fire Marshal (SFM) to make recommendations to the Board on vegetation management and make reasonable efforts to provide notice to affected residents. (Public Resources Code § 4291)

5. Requires insurance companies in California to account for wildfire-mitigation efforts when underwriting and pricing residential and commercial property insurance policies in wildfire-exposed areas. Defines "Wildfire Risk Model" as any tool, instrumentality, means or product, including but not limited to a map-based tool, a computer-based tool or a simulation, that is used by an insurer, in whole or in part, to measure or assess the wildfire risk associated with a residential or commercial structure for purposes of classifying individual structures according to their wildfire risk; or, estimating losses corresponding to such wildfire risk classifications. (Title 10 CCR 2644.9)

FISCAL EFFECT:

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 CAEATFA's projection of 1,000 projects in the first year, which would increase in each subsequent year and grow to more than 2,4000 projects by year five. Actual CAEATFA 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 CAEATFA 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.

COMMENTS:

Author's statement: "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 homes and small businesses."

Equity Statement: "The bill will be particularly beneficial to lower-income, credit-challenged communities that cannot typically access private financing. The GoGreen program also provides additional credit enhancements to borrowers that lenders view as more risky."

California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA): CAEATFA works collaboratively with public and private partners to provide innovative and effective financing solutions for California's industries, assisting in reducing the state's greenhouse gas emissions by increasing the development and deployment of renewable energy sources, energy efficiency, and advanced transportation and manufacturing technologies to reduce air pollution, conserve energy, and promote economic development and jobs. Housed within the Office of the State Treasurer, the authority provides financing through conduit or revenue bonds, loan guarantees, and loan loss reserves related to the use of alternative energy sources and technologies or advanced manufacturing.

CAEATFA administers the GoGreen Home Energy Financing Program (GoGreen) to help Californians save energy at home by making financing more widely available for energy-wise improvements, such as solar and battery storage and energy-efficient appliances. GoGreen offers finance companies a credit enhancement in the form of a loss reserve to mitigate the risk of default. This allows the finance companies to offer more attractive terms, such as lower rates, larger amounts to borrow, or longer time periods for repayment, than they otherwise could. The credit enhancement also allows finance companies to approve financing for a wider base of borrowers, such as homeowners with lower credit scores or small businesses with only a few years of operating history. A GoGreen program review found that for every $1 in state funds credited to the program, over $8 of private capital was provided in financing to homeowners. The Wildfire Loan Program is modeled after GoGreen to create a similar loan loss reserve program intended to help eligible homeowners finance wildfire resilience improvements to their properties.

California Wildfire Mitigation Program: In 2019, AB 38 (Wood, 2019) directed Cal OES to create the California Wildfire Mitigation Program (CWMP) along with Cal FIRE via a joint powers agreement to strengthen community-wide resilience against wildfires. This included developing a state home hardening initiative to retrofit, harden, and create defensible space for homes at high risk of wildfires, focusing on high socially vulnerable communities, and providing financial assistance for low- and moderate-income households. The effort is meant to encourage designed to encourage cost-effective structure hardening and retrofitting and facilitate vegetation management, the creation and maintenance of defensible space, and other fuel modification activities. This includes a community hardening approach to achieve wildfire resilience, low-cost retrofits with ignition-resistant materials to bring homes up to the standard of the California Building Code Chapter 7A, community and homeowner wildfire education on defensible space and home retrofitting and providing financial assistance to support home hardening work for qualifying homeowners.

In coordination with state and local partners, Cal OES and Cal FIRE also established a state Wildfire Community Hardening Framework that can be modeled throughout vulnerable California communities. The framework provides the opportunity for California communities to leverage state and federal resources and develop local wildfire home hardening programs that address community resiliency needs. To help expedite local wildfire home hardening program development and inform the build-out of the state's framework, Cal OES and Cal FIRE provide state funding, resources, and support for demonstration communities to implement community wildfire home hardening projects in areas with high social vulnerability and wildfire risk.

Wildfire Safety Protection Frameworks, Programs, and Models: In 2022, CDI announced the "Safer from Wildfires" framework, which directs insurers to provide discounts to consumers and businesses if they take specified mitigation measures. In crafting this regulation, CDI worked with emergency preparedness agencies in the Governor's Administration, including CAL FIRE, Cal OES, the Governor's Office of Planning and Research, and the California Public Utilities Commission. The framework provides a list of home and community wildfire mitigation measures that consumers and businesses can take to provide protection for structures and the community. Under the regulation, the more "Safer from Wildfires" steps a consumer takes, the more they may be able to save on their insurance. Steps a consumer can take to help mitigate their property under this framework include class-A fire rated roofs; 5-foot ember resistant zone; ember and fire-resistant vents; non-combustible 6 inches at the bottom of exterior walls; enclosed eaves; upgraded windows; cleared vegetation; removal of combustible sheds and other outbuildings; and defensible space compliance.

In 2025, AB 888 established the "California Safe Homes" grant program to reduce local and statewide wildfire losses by encouraging mitigation. The California Safe Act protects homes and access to insurance by establishing a new grant program within CDI to assist qualifying residents in obtaining new or replacement fire-safe roofs and implementing fire-safe mitigation measures within "Zone Zero", the area within five feet of their homes.

In 2025, SB 429 (Cortese, 2025) was signed into law, establishing the California Wildfire Public Model Act. The law enhances community safety and education by allowing CDI to issue grants for establishing the nation's first publicly available wildfire loss catastrophe model. The public model will facilitate assessments of wildfire risk, educate the public, and ensure greater transparency so communities and homeowners can plan effectively.

Chapter 7A of the California Building Standards Code: Chapter 7A is California's Wildland-Urban Interface (WUI) building code. As such, this chapter of the building code establishes the *minimum standards* applicable to building materials, systems and/or assemblies used in the exterior design and construction of new buildings located within a WUI Fire Area for the protection of life and property. Chapter 7A was initially adopted in 2008 and has undergone multiple revisions as part of the iterative code development process, integrating the most recent insights and scientific advancements from technical experts in the field.

Arguments in Support: Megafire Action, sponsors of the bill, write in support that " California faces two intertwined crises: homes burning at unprecedented levels and an insurance market strained by escalating catastrophe risk…For many homeowners, wildfire mitigation is not a question of awareness or willingness—it is a question of affordability…SB 894 by Senator Ben Allen would address this challenge by establishing the California Wildfire Resilience Loan Program, administered by State Treasurer's CAEATFA and modeled after the successful GoGreen financing platform. Findings from a Megafire Action-commissioned survey conducted in 2026 among homeowners in high wildfire risk areas confirms this challenge. Cost is the most commonly cited barrier to completing wildfire safety upgrades, identified by roughly 50 percent of homeowners regardless of income or home value. When presented with a realistic retrofit scenario costing $15,000, 40 percent of homeowners said they would prefer to finance the improvements with a low-interest loan rather than paying the full amount upfront, compared to 22 percent who would pay the full cost out of pocket."

Related Legislation:

AN 798 (Nava), Chapter 474, Statutes of 2009. This bill created the California Alternative Energy and Advanced Transportation Financing Authority.

AB 38 (Wood), Chapter 391, Statutes of 2019. This bill established the California Wildfire Mitigation Plan (CWMP), requiring Cal OES and CAL FIRE to enter into a joint exercise of powers agreement (JPA) to oversee the CWMP's development and implementation.

AB 1659 (Bloom, 2019). This bill would have created the Wildfire Prevention and Community Resilience Fund to reduce community wildfire risk through activities such as defensible space implementation, home hardening, and improved public safety. (Died on Senate inactive file)

AB 1934 (Bennet, 2026), of this Session, would require the Office of the State Fire Marshal's (OSFM) Wildfire Mitigation Advisory Committee to develop a home hardening certification program, as specified. (Pending in the Senate Committee on Natural Resources and Water)

AB 1960 (Bennet, 2026), of this Session, would allow CAL FIRE to disburse up to 20% of funds appropriated to the Wildfire Prevention Grants Program to communities that have reached 50% of homes certified as hardened by the SFM for activities related to hazardous fuels reduction, wildfire prevention planning, and wildfire prevention education. (Pending in the Senate Committee on Emergency Management)

SB 675 (Limon), Chapter 772, Statutes of 2024. Authorizes grant funding for prescribed grazing projects under the Fire Prevention Grants Program administered by CalFire.

Double Referral: This bill is double referred. The Assembly Committee on Natural Resources approved this bill on June 22, 2026, on a 14-0-0 vote.

REGISTERED SUPPORT / OPPOSITION:

Support

Megafire Action (sponsor)
AARP
California Apartment Association
California Credit Union League
California State Association of Counties (CSAC)
California State Treasurer
California Democratic Party Rural Caucus
Climate Action California
Consumer Watchdog
Little Hoover Commission
Rural County Representatives of California (RCRC)
Sierra Club
American Property Casualty Insurance Association
California Fire Safe Council
California Forward
Climate Resolve
Del Norte Fire Safe Council
Elevate California
Environmental Defense Fund
Fire Aside
Firegeneration Collaborative
Firewerx
City of Los Angeles
National Association of Mutual Insurance Companies
Neighborhood Partnership Housing Services INC
Net-Zero California
Pacific Association of Domestic Insurance Companies
Pacific Forest Trust
Personal Insurance Federation of California
Rockrose Risk
Safe Community Project
San Bernardino County Fire Protection District
Santa Barbara County Fire Safe Council
The Greenlining Institute
The Tahoe Fund

Opposition

None on file.

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