SENATE THIRD READING
SB 894 (Allen)
As Amended August 20, 2026
Majority vote

## SUMMARY

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.

**Major Provisions**

1) Revises the purpose of the California Alternative Energy and Advanced Transportation Financing Authority Act to additionally increase the adoption of wildfire resilience improvements that reduce wildfire-related risk and losses, and to provide an alternative method of financing in providing and promoting the establishment of facilities, projects, improvements, and measures intended to reduce wildfire risk, enhance structural survivability, or improve community resilience to wildfire, among other facilities under existing law.

2) 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, excluding any moneys collected from ratepayers of electrical corporations or gas corporations, by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to achieve specified goals.

3) Authorizes the Wildfire Loan Program to include, but not be limited to, establishment of a loan loss reserve, interest rate buy-downs, and other credit enhancements.

4) Requires eligible *activities and* wildfire resilience improvements under the Wildfire Loan Program to include, but not be limited to, specified *activities and* improvements as informed by guidance from the Department of Forestry and Fire Protection (CAL FIRE) in consultation with the California Office of Emergency Services (CalOES) and the Department of Insurance (CDI).

*5) Authorizes CAL FIRE to provide technical assistance and public leadership in support of the program, including, but not limited to, conducting public outreach and education and making recommendations regarding implementation of best practices of existing home hardening financial assistance programs.*

6) 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.

7) Authorizes 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.

8) Authorizes 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.

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

10) CAETFA′s authorities under this bill are all subject to appropriation by the Legislature, including the appropriation of any federal or private funds from any source given, excluding any moneys collected from ratepayers of electrical corporations or gas corporations.

## COMMENTS

There are various measures that reduce wildfire risk in a fire hazard severity zone (FHSZ), including defensible space and home hardening. Done in conjunction with one another, risk reduction is multiplied.

California′s wildfire building code (Chapter 7a) went into effect in 2008 and mandates fire-resistant housing materials. An analysis by the Sacramento Bee showed that approximately 51% of the 350 single-family homes built after 2008 in the path of the Camp Fire were undamaged. By contrast, only 18% of the 12,100 homes built prior to 2008 escaped damage.

Property owners are responsible for maintaining defensible space around their property and retrofitting any post-2008 structures with home hardening measures. Those wildfire resilience measures can often be unaffordable for many residents living in FHSZs.

CAETFA was created in 1980 and authorized to use revenue bonds to finance projects using alternative sources of energy, such as cogeneration, wind, and geothermal power.  This bill expands CAEATFA to establish the Wildfire Loan Program to fund the wildfire resilience improvement, including home hardening, defensible space, smoke mitigation and other risk reduction efforts.  The bill creates a state-backed loan loss reserve that calls on public dollars to leverage private capital, lower interest rates, and finance home hardening and defensible space improvements for more Californians to protect their residential homes and small businesses.

**According to the Author**
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%. 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.

**Arguments in Support**
The California Fire Chiefs Association and the Fire Districts Association of California write that as California continues to face increasingly destructive wildfire seasons, expanding access to financing for home hardening, defensible space, and other wildfire resilience improvements will help communities better prepare for future fire events. Providing additional tools to support proactive mitigation efforts can reduce wildfire risk, improve community resilience, and complement the important work already being undertaken by local fire agencies.

**Arguments in Opposition**
None on file

## FISCAL COMMENTS

According to the Assembly Appropriations Committee:

1) CAEATFA estimates General Fund costs of approximately $3.9 million in year one, gradually increasing to $5 million annually by the fifth year for both operations (rent, staff, overhead, equipment, contracts, and other costs) and credit enhancements. This estimate is modeled on the structure and expenditures of CAEATFA′s GoGreen Energy Financing Program.
2) CAL FIRE, Cal OES, and CDI anticipate minor and absorbable costs.

## VOTES

**SENATE FLOOR: 39-0-1**
**YES:** Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
**ABS, ABST OR NV:** Dahle

**ASM NATURAL RESOURCES: 14-0-0**
**YES:** Bryan, Ellis, Alanis, Connolly, Garcia, Haney, Hoover, Kalra, Macedo, Muratsuchi, Pellerin, Schultz, Wicks, Zbur

**ASM EMERGENCY MANAGEMENT: 6-0-1**
**YES:** Ransom, Hadwick, Arambula, Bennett, Calderon, DeMaio
**ABS, ABST OR NV:** Bains

**ASM APPROPRIATIONS: 11-0-4**
**YES:** Wicks, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache
**ABS, ABST OR NV:** Hoover, Dixon, Ta, Tangipa

## UPDATED

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