Office of Senate Floor Analyses
(916) 651-4171

UNFINISHED BUSINESS

Bill No: SB 894
Author: Allen (D), et al.
Amended: 8/20/26
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

SENATE FLOOR: 39-0, 5/28/26
AYES: 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
NO VOTE RECORDED: Dahle

ASSEMBLY FLOOR: Passed, 8/26/26

SUBJECT: Wildfire resiliency: financial assistance

SOURCE: Megafire Action

DIGEST: This bill establishes the California Wildfire Resilience Loan Program (CAEATFA) and requires 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.

Assembly Amendments establish that inspections and administrative fees shall be an eligible expense under the Loan Program; establish that ratepayer funds shall not be used to fund the Loan Program; and authorize the Department of Forestry and Fire Protection to provide technical assistance and public leadership in support of the Loan Program.

ANALYSIS:

Existing law establishes 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) Requires the financing of the Loan Program does not include ratepayer funds.
8) Authorizes the Department to provide technical assistance and public leadership in support of the Loan Program.
9) 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.
10) 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.
11) 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.
12) Establishes findings and declarations related to the purpose of this bill.

Background

California Wildfire Resilience Loan Program. The Loan Program proposed in this bill is modeled after the GoGreen financing platform administered by CAEATFA. This 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 authorizes the program to fund home hardening projects that improve a structure's ability to withstand and survive a wildfire.

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

According to the Senate Appropriations Committee analysis on an earlier version of the bill:

- 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.

SUPPORT: (Verified 8/24/26)

Megafire Action (sponsor)
American Property Casualty Insurance Association
California Credit Union League
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
Little Hoover Commission
Los Angeles; City of
National Association of Mutual Insurance Companies
Neighborhood Partnership Housing Services INC
Net-zero California
Orange County Fire Authority
Pacific Association of Domestic Insurance Companies
Pacific Forest Trust
Personal Insurance Federation of California
Rockrose Risk
Rural County Representatives of California
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 8/24/26)

None received.

ARGUMENTS IN SUPPORT: 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 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."

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8/26/26 15:25:12

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