MEMO — Recalibrating Home Hardening Assistance

To: California Legislative Leadership
From: Megafire Action
Date: May 22, 2026
Subject: Recalibrating financial assistance programs for home hardening

The problem

CAL FIRE estimates that 2.12 million homes sit within the highest fire hazard areas, the vast majority of which were built before modern wildfire construction standards.[1] Home hardening can more than double the odds of a home surviving a wildfire and can disrupt urban conflagrations.[2] However, adoption remains dangerously low, with 50% of homeowners in high-risk areas citing cost as the biggest barrier to home hardening.

The current grant-based approach—serving just 155 homes in five years[3]—cannot scale to meet the state's wildfire risk. A new approach is urgently needed to expand state capacity.

The opportunity

California can adopt a homeowner assistance model capable of reaching tens of thousands of homes (see Table 1 below) within the next few years through three key elements:

1) Reposition ember resistance (IBHS *Essential*) as the target standard (~$15k retrofit)
2) Leverage proven loan financing models that stretch state dollars (SB 894)
3) Recalibrate CWMP to complement loans with smaller, targeted grants

Table 1: Homes That Could Be Served Under Different Funding Tiers and Grant/Loan Splits

Funding tier	**Current CWMP $49k grants**[4]	**$15k loans (SB 894)**[5]	***Blended $15k loans, $10k loan + $5k grant (avg.)**[6]
$20 million (SB 894 budget request)	408	16,000	5,647
$26M (2026-27 CWMP Prop. 4 proposal)	531	20,800	7,341
$95M (remaining Prop. 4 balance)	1,939	76,000	26,824
*NOTE: Figures for the loan and blended loan/grant approaches are understated here, as they do not account for recycled loan capital after repayment. For instance, a 5-year loan fund can be deployed twice in 10 years.			

[1] Zone 0 FAQs, https://bof.fire.ca.gov/projects-and-programs/defensible-space-zones-0-1-and-2
[2] https://www.nature.com/articles/s41467-025-63386-2
[3] https://www.caloes.ca.gov/wp-content/uploads/CWMP/California-Wildfire-Mitigation-Program-Authority-Status-Report-05.2026.pdf
[4] Assuming $49k per home, consistent with CWMP as of 05/2026 (e.g. 20M/49,000=408).
[5] Assuming $15k per home and a 12:1 leverage ratio, consistent with GoGreen results as of 05/2026 (e.g. $20M/($15k/12)=16k).
[6] Assumes roughly 50% of homeowners can use a $15k loan (based on our polling), and 50% would require additional assistance: an average grant of $5k paired with an average per-home loan of $10k with a 12:1 leverage ratio (e.g. (20M/[0.5(15k/12)+(5k+10k/12)])=5,647).

Current approach: the California Wildfire Mitigation Program (CWMP)

The CWMP is a pilot-phase grant initiative that serves six counties: El Dorado, Lake, San Diego, Shasta, Siskiyou, and Tuolumne. The CAL FIRE-OES Joint Powers Agreement (JPA) was created in 2019, launched in 2021, and has completed renovations for 155 homeowners to date. The program utilizes FEMA hazard mitigation grants and, as of April 2026, 18% of total awards is state money and about 82% is federal. Continued federal support is not guaranteed due to shifting federal priorities and reorganizations and current grants have periods of performance ending from August 2026 to July 2027.

The high average grant size of $49,000[7] is due to the program's minimum quality standards[8] exceeding other resilient retrofit guidelines such as IBHS's *Essential*.[9] At the current spending rate, $13 million dollars of state grant funds can reach about 1,500 homes[10] with the existing FEMA arrangement; without FEMA money, that amount will reach 265 homes. While those projects provide important demonstration value and grants will remain important for serving the lowest-income Californians, they are not structured to scale to the millions of homes exposed to wildfire risk across the state. The Prop 4 allocation for the CWMP has a remaining balance of $95 million (proposed spend plan by the Governor's Office below).

Governor's Proposition 4 Proposal: Wildfire and Forest Resilience

(In Millions)

Purpose	Code Section	Implementing Departments	Bond Total	2025-26	2026-27 Proposed	Remaining Balance[a]
Wildfire Mitigation Grant Program	91510	OES	$135	$13	$26	$95

1. Reposition ember resistance (IBHS *Essential*) as the target standard

California's home hardening financial assistance programs must utilize a realistic, cost-effective standard that can scale statewide. A $49,000 retrofit standard that approaches the IBHS *Enhanced*[11] standard will remain out of reach for most homeowners, and it is infeasible for the state to subsidize upgrades at that cost across even a small fraction of the roughly two million homes facing elevated wildfire risk. By contrast, the IBHS *Essential* standard costs a far more achievable average of roughly $15,000 by focusing on

[7] The grants it provides scale with homeowner financial capacity; the program covers full project costs of households earning up to 120% of the area median income (AMI), 90% of project costs for households earning 120-200% of AMI, and 75% of project costs for households earning greater than 200% of AMI;
https://www.caloes.ca.gov/wp-content/uploads/CWMP/California-Wildfire-Mitigation-Program-Authority-Status-Report-04.2026.pdf

[8] https://app.smartsheet.com/b/publish?EQBCT=32de96a8981b463b897be5716f931ac8

[9] Previously known as IBHS *Base*, the standards has recently undergone a name change;
https://wildfireprepared.org/wp-content/uploads/Wildfire-Prepared-Neighborhood-Standard-2025.pdf

[10] Assuming a state allocation of $13 million matched with federal dollars at an 18:82 ratio and distributed through grants at an average of $49,000 per home, consistent with CWMP as of 05/2026.
https://www.caloes.ca.gov/wp-content/uploads/CWMP/California-Wildfire-Mitigation-Program-Authority-Status-Report-05.2026.pdf

[11] Previously known as IBHS *Plus*.

ember resistance—the leading cause of home ignitions.[12] A study from the California Department of Insurance and the National Association of Insurance Commissioners (NAIC) showed 31% fewer wildfire losses in modeling simulations when homes in the Palisades and Eaton fire zones were rebuilt to the IBHS WFPH *Essential* standard, compared to 34% fewer losses when rebuilt to the higher, more expensive *Enhanced* standard.[13] It would be far better for many homes to achieve *Essential* than for few to achieve *Enhanced*, especially in retrofit scenarios where the cost difference between the two is great. Our survey research suggests that $15,000 for *Essential* hardening will prove accessible to the majority of homeowners with a mix of loans and grants, and be financially feasible for the state to provide scalable financial assistance.[14]

Leverage proven loan financing models that stretch state dollars (SB 894)

California needs a financing model that can stretch limited public dollars to reach tens of thousands—not hundreds—of homeowners. SB 894 would establish the California Wildfire Resilience Loan Program, administered by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) and modeled after the State Treasurer's successful GoGreen financing platform. The bill creates a loan loss reserve that leverages public (or private) dollars at roughly 12-to-1 to unlock private capital, dramatically lower interest rates for homeowners, and finance home hardening and defensible space improvements across residential and small business properties. A revolving loan structure recycles repayments to support new lending, allowing modest public investment to unlock substantial private financing and scale mitigation to hundreds of thousands of homes statewide. Additionally, CAEATFA has the administrative expertise to stand up such a program with low overhead, and private creditors can process demand without state resources (Department of Finance estimated $3.9 million in the first year for operational costs to establish the Wildfire Mitigation Loan Program to serve 1,000 homes[15]; crucially, additional funds would be needed to capitalize the loan loss reserve fund).

Under SB 894's roughly 12:1 leverage structure, about $1,250 in public credit support could help finance a 5-year, low interest $15,000 IBHS Essential retrofit loan. Because more than 98% of loans are expected to be repaid (current GoGreen rate), the same public dollars can finance thousands more homes over time, dramatically expanding statewide reach.[16]

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[12] See Appendix A for an explanation of this cost estimate.

[13] https://www.insurance.ca.gov/0400-news/0100-press-releases/2026/release015-2026.cfm; while it was not tested for, it is likely that California WUI Code-compliant homes would see effects between the ember-focused *Essential* and more hardened *Enhanced* standards, given its requirements fall in between the two.

[14] https://megafireaction.org/focus?pid=64, p. 8

[15] https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202520260SB894#

[16] https://www.treasurer.ca.gov/sites/default/files/caeatfa/202602-past-monthly-data-summary.pdf

This approach is proven. In the clean energy sector, adoption accelerated once affordable financing became widely accessible (loans represented 58% of the residential solar market in 2023).[17] Our survey found a similar proportion of homeowners who would use a state-backed loan rather than pay out of pocket for wildfire retrofits: When presented with a $15,000 realistic retrofit scenario, 40% 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% who would pay the full cost out of pocket, and 38% who feel they still couldn't afford it which is where a recalibrated grant program may prove highly effective.

Recalibrate CWMP to complement loans with smaller, targeted grants

For the homeowners who still could not afford retrofits through financing alone, the state should recalibrate existing grant programs to provide targeted partial assistance alongside loans, based on income and wildfire risk. Some homeowners—particularly those facing the highest risk of community fire spread and the steepest financial barriers—may still require substantial grants, but even those costs would remain far below the roughly $49,000 per-home costs seen in programs like the California Wildfire Mitigation Program.

Many homeowners, however, could close the affordability gap through a blended model. A homeowner might pair a $12,000 loan with a $3,000 grant, or a $7,000 loan with an $8,000 grant, rather than relying entirely on public subsidy. Under a 12:1 leverage structure, a $10,000 retrofit loan would require only about $833 in public credit support. Combined with a $5,000 grant, the total average public cost for a mixed financing approach could be roughly $5,833 per home—a fraction of traditional grant-only models while reaching far more households statewide. And again, the loan portion of the financial assistance is largely recyclable.

Based on the Megafire Action polling discussed above, we can reasonably assume that about half of participating homeowners could be served through loans alone, while the others would require additional financial support alongside financing.

[17] https://www.woodmac.com/news/opinion/us-residential-solar-cloudy-skies-will-lead-to-a-market-reset-in-2024/

Appendix A: IBHS Wildfire Prepared Essential Retrofit Cost Estimate

Home retrofit costs for core structures are estimated by matching IBHS Wildfire Prepared *Essential* standards with a 2022 Headwaters Economics California report.[18] Table A1 provides these figures, extrapolated based on several home assumptions.

Table A1: Crossreferencing Headwaters Economics Cost Estimates and IBHS Essential Requirements to Estimate Retrofit Cost

Element	Headwaters Econ. per uni Cost[18], IBHS Base Retrofit Cost[19]	Retrofit Assumption Notes
Noncombustible flame- and ember-resistant vents in foundation	$268.30 Ea $1,878.13	Assuming 1 vent per 150 SF of crawlspace; 7 vents given a footprint of 1000 SF
Noncombustible material to replace first 6-12" vertical siding	$7.80 SF $493.55	Assuming 126.49 LF for a square house with 1000 SF footprint; 63.245 SF
Noncombustible flame- and ember-resistant vents in gable ends	$492.34 Ea $984.67	Assuming two gable end vents
Metal dryer vents	$80.38 Ea $80.38	Assuming one dryer per home
Class A roof covering, e.g., asphalt fiberglass composition shingles, incl. fire-resistant synthetic underlayment	$7.36 SF $7,359.30	1000 SF roof
For open eave design: circular noncombustible flame- and ember-resistant vents	$62.03 Ea $248.13	Assuming 1 vent for every 300 SF of attic; 4 vents when rounding up
Metal gutter systems	$21.97 LF $1,891.35	Assuming 126.49' perimeter around 1000 SF roof
10' of noncombustible fencing	$70.71 $4,242.89	Base requires noncombustible fencing within 5' of dwellings and attachments; assume one 5' section of 6'-tall fence on each side of house
Total with roof replacement: $17,178.41		
Total without roof replacement: $9,819.11		

This estimate of about **$10,000** to cover necessary building interventions excludes landscaping. To estimate these costs, an October 2025 HelpBerkeley.org study of Berkeley properties estimates an average landscaping cost of $4,600 raising total homeowner expenses to approximately **$15,000** without a roof replacement.

[18] https://headwaterseconomics.org/wp-content/uploads/2024/06/Wildfire_Retrofit_Report_R5.pdf
[19] Total inflation of 17% per U.S. Bureau of Labor Statistics CPI Inflation Calculator, assuming January 2022 dollars and March 2026 dollars. https://www.bls.gov/data/inflation_calculator.htm