

March 2025 GAD Report

Federal Update

Bill Pulte Sworn In as FHFA Director, Taking Helm of Fannie Mae and Freddie Mac Oversight

Bill Pulte has been sworn in as the new director of the Federal Housing Finance Agency (FHFA) following a 56-43 confirmation vote in the Senate. As the nation's top housing regulator, Pulte will oversee Fannie Mae and Freddie Mac, the two mortgage giants that have been under government conservatorship for over 16 years. His appointment comes at a pivotal moment, as the administration considers whether to release the companies from government control, a move that could significantly reshape the housing finance system.

Fannie Mae and Freddie Mac play a crucial role in the U.S. housing market by purchasing mortgages from lenders, packaging them into securities, and selling them to investors. This process helps maintain liquidity in the mortgage market, making home loans more accessible and affordable. During his confirmation, Pulte acknowledged the importance of a carefully managed exit from conservatorship, emphasizing the need to protect market stability and avoid increasing mortgage rates. However, he provided few details on his specific plans, leaving the future of Fannie and Freddie an open question as debates over housing policy and affordability continue.

State Update

Fire response and recovery legislative package:

List of ideas with bill numbers where known. Bill introduction deadline is this Friday, February 21, where all bills must have a vehicle and author.

ASSEMBLY LEADERSHIP LEGISLATION ANNOUNCED TO HELP FIRE VICTIMS (FULL PRESS RELEASE, JAN 16, 2025)

- **(AB 306) Stop new building standards:** L.A. homeowners need clarity on their path to rebuilding. A new bill from Assemblymember Nick Schultz (D-Burbank) would mandate no new additions to state or local building standards, unless required to address health and safety risks or to add fire resistant technology.
- **Accelerate state permit review for reconstruction:** Local governments are already required to follow specific approval timelines, depending on size of a project. This new law will require state agencies involved in permitting to follow the same guidelines, which will speed up building. Assemblymember Pilar Schiavo (D-Santa Clarita) is the author of this legislation.

- **(AB 608) Expedite construction of ADUs in the Coastal Zone:** Authored by Assemblymember Rick Chavez Zbur (D-Hollywood), this legislation will change the law in the coastal zone so homeowners will no longer need to get a coastal development permit for an ADU. This policy works: In Sonoma County after the Tubbs Fire, the stock of available housing was so low that government encouraged ADUs, and this increased housing supply in the region.
- **Keep displaced Californians housed:** Under existing law, tenancy rights kick-in after 30 days for Angelenos staying in a motel or hotel or Airbnb. This means some short-term-rental landlords do not rent longer than 30 days. This law by Assemblymember Jesse Gabriel (D-Encino) will lift this 30-day rule for L.A. County.
- **Prohibit evictions if a tenant shelters wildfire victims or their pet:** This law will create a temporary eviction exemption to allow those displaced to remain in their temporary homes. Assemblymember Tina McKinnor (D-Inglewood) will author this legislation.

SENATE LEADERSHIP FIRE PACKAGE LEGISLATION (FULL PRESS RELEASE, FEBRUARY 11, 2025)

- **PRICE GOUGING (*Senators Umberg and Smallwood-Cuevas*)** Curb price-gouging by adding civil remedies and penalties to protect victims displaced by a state or local emergency. Stronger enforcement of price-gouging for housing, lodging, or rental violations by authorizing Attorney General warrant authority, and require online housing platforms to provide evidence of price-gouging to law enforcement.
- **EXPAND PROTECTIONS FOR HOMEOWNERS, TENANTS AND MOBILEHOME RESIDENTS IN THE WAKE OF AN EMERGENCY (*Senators Pérez, Allen and Wahab*)** Require the State to convene mortgage companies to provide temporary mortgage loan forbearance relief for homeowners. Allow tenants to recover a proportion of their paid rent if the tenancy agreement terminates due to a wildfire. Establish a temporary rent control for mobilehomes in areas subject to a state of an emergency. Allow mobilehome owners the right to return to a unit after a wildfire, as specified. Extends court timelines for unlawful detainer cases in areas subject to a state of an emergency.
- **FIGHT FOR FIREFIGHTERS ACT OF 2025 (*Senate President pro Tempore McGuire and Senators Grayson, Allen and Pérez*)** Transitions all 3,000/9 month seasonal CAL FIRE Firefighters to year-round permanent positions. This bipartisan legislation will fully staff all 356 CAL FIRE fire engines and all heli attack bases 365 days per year while keeping CAL FIRE wildfire vegetation management crews working for a full 12 months.
- **PROVIDE PROPERTY TAX RELIEF DURING A STATE OF EMERGENCY (*Senators Allen and McNerney*)** Ensure damaged or destroyed properties maintain their welfare property tax

exemption. Extend the timeline for a taxpayer to file a misfortune and calamity claim, which provides property tax relief.

- **SPEED-UP RESIDENTIAL REBUILDS FOLLOWING A STATE OF EMERGENCY** (*Senators Wahab and Richardson*) Require local governments to provide streamlined ministerial approval of housing developments damaged in a declared emergency.
- **INSURANCE COMMUNITY HARDENING COMMISSION** (*Senators Rubio, Cortese and Stern*) Develop an Insurance Community Hardening Commission to create a consistent data-driven statewide minimum fire standards for mitigation across high fire risk communities. By centralizing these wildfire mitigations into one standard, it will make it easier for homeowners, developers, and builders to comply with all the mitigations, make it easier for homeowners to get insurance and make structures more wildfire safe.
- **COMMERCIAL INSURANCE NONRENEWAL MORATORIUM** (*Senators Pérez and Rubio*) Expand the current one year insurance non-renewal moratorium for residential policies within the perimeters or adjoining ZIP Codes of wildfires to also include commercial policies, providing critical protection for small businesses and condominiums after wildfires.
- **EXTEND CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) STREAMLINING FOR LA FIRES & OTHER DISASTERS** (*Senators Limón and Blakespear*) Extend the same CEQA streamlining already established on major infrastructure projects to projects rebuilding communities after disastrous LA wildfires. This could reduce months or years off any CEQA review that does apply to projects that may take months or years to be planned for and rebuilt. This will apply streamlining both prospectively and retroactively.
- **HEALTH FACILITIES AND RESIDENTIAL CARE FACILITIES FOR THE ELDERLY** (*Senator Stern*) Establish licensing flexibilities for Nursing Homes and Assisted Living facilities that were destroyed or damaged in the LA fires, including expedited building permits and licensure approval and placement preference for those displaced to be near family or caregiver support.
- **STRENGTHEN PENALTIES AGAINST BAD ACTORS DURING A STATE OF EMERGENCY** (*Senators Archuleta and Arreguín*) Increase penalties for impersonating firefighters and other first responders, and for looting in a fire evacuation area. Ensure that an aggravated arson sentencing enhancement attaches to damage amounts at the time of the crime.
- **KEEPING COMMUNITIES SAFE FROM WILDFIRES** (*Senator Durazo*) Automatically designate areas that burn in a wildfire as within Very High Fire Zones. Mandate annual inspection of properties subject to defensible space maintenance requirements.

- **CALIFORNIA WILDFIRE MITIGATION STRATEGIC PLANNING ACT (*Senators Becker and Laird*)** Require the Office of the State Fire Marshal to prepare a Wildfire Risk Mitigation Planning Framework every three years to quantitatively evaluate wildfire risk mitigation actions, establish a Wildfire Risk Baseline and Forecast every three years on a statewide level and by county, and submit a Wildfire Mitigation Scenarios Report every year.
- **CONSUMER PROTECTION AND BUSINESS RECOVERY (*Senator Ashby*)** Protect consumers by establishing timelines and certifications for appropriate debris removal and keep property owners and disaster area survivors safe from predatory practices by prohibiting a person from making an unsolicited purchase offer in a disaster area. Protect licensed professionals by waiving various licensure requirements when impacted by a wildfire or natural disasters, including but not limited to continuing education, fees and renewal deadlines.

Budget Proposals

- **FIRE RELIEF AID FOR DISPLACED PERSONS** Establish a one-time disaster relief fund for families and individuals who are impacted by the fires but unable to obtain assistance from other funding streams, such as the Federal Emergency Management Agency.
- **SUPPORTING DISPLACED TK-12 STUDENTS** Provide average daily attendance funding to schools who lost students due to the wildfire disaster. Provide disaster relief to basic aid school districts that are enrolling displaced students. This relief will ensure a quality education for students during a difficult, transitional period.
- **SUPPORT FOR IMPACTED CALIFORNIA COMMUNITY COLLEGES** Community colleges affected by wildfires may experience funding reductions due to declining enrollment. To ensure financial stability as these institutions recover, enrollment protections will be provided to maintain consistent funding.

INSURANCE COMMISSIONER LARA WILFIRE LEGISLATIVE PACKAGE ([Press Release, February 13, 2025](#))

- A bill by Assemblymember Lisa Calderon would set up a grant program at the Department of Insurance to pay for certain fire-prepared home upgrades, like ember-resistant roofs and landscaping. The funding for the grants would come from growth in state revenue from an existing tax on insurance premiums, which are expected to rise following Lara's rule changes last year to keep insurance companies doing business in California. The grants would be state-tax-free and could be federal-tax-free if Congress passes pending bipartisan legislation.
- A bill by Sens. Sasha Renée Pérez and Susan Rubio would extend the one-year ban on home insurance non-renewals in areas with an emergency declaration to also include policies for business, homeowners' associations (HOAs), condominiums, affordable housing units, and nonprofits.
- Assemblymember John Harabedian's [AB 597](#) would place a 15 percent cap on fees for public adjusters, who help policyholders negotiate their claims with insurance companies.
- A bill by Sen. Ben Allen would require insurance companies to pay disaster victims no less than 100 percent of their contents coverage without requiring a detailed inventory list, as well as provide victims more time, at least 180 days, to submit proof of loss to their company in a declared state of emergency.
- A bill by Sens. Rubio, Dave Cortese and Henry Stern would create an independent statewide commission at the Insurance Department to develop fire-prepared home standards and connect property owners with insurance discounts.

- A bill by Assemblymember Heath Flora (the only Republican on this list) to require businesses advertising for legal or recovery services display the statement: “This is a solicitation for business. Not affiliated with any government entity or non-profit.”
- A bill by Cortese to establish the nation’s first public catastrophic model for wildfires. The Insurance Department and Cal Poly Humboldt started working together last year to develop such a model.
- Assemblymember Damon Connolly’s [AB 1](#) would require the development of further wildfire insurance discounts. A previous version of the bill stalled in the final minutes of last year’s session.
- Assemblymembers Calderon and David Alvarez’s [AB 226](#), also a redo from last year, would give the FAIR Plan, the state’s insurer of last resort, access to state-backed loans in case of a catastrophic loss.
- Assemblymembers Calderon and Mike Gipson’s [AB 232](#) would create a tax-exempt savings account for people to set aside funds to pay for disaster-resistant home upgrades and insurance deductibles in case of a disaster.

SENATE REPUBLICAN CAUCUS FIRE RESPONSE BILLS ([Press Release, February 4, 2025](#))

The Senate Republican Caucus also shared a list of other fire-related bills introduced this year by GOP legislators. These include:

SB 87, introduced by Sen. Kelly Seyarto of Murrieta, to extend the sales tax exemption on fundraising activities for all-volunteer fire departments.

SB 90, another Seyarto bill, to allow Prop. 4 funding to be used to strategically place “prepositioned mobile rigid water storage and mobile rigid dip tanks” in high-risk wildfire areas to reduce helicopter response time for fighting fires.

SB 223, introduced by Sen. Marie Alvarado-Gil of Amador County, to require the state to build and maintain a statewide integrated wildfire smoke and health data platform.

SB 252, introduced by Sen. Suzette Martinez Valladares of Santa Clarita, to exempt power line infrastructure from California Environmental Quality Act requirements in order to expedite projects to place power lines underground.

SB 264, also by Valladares, to allow prosecutors to charge individuals who impersonate a police officer or firefighter during a state of emergency with a felony.

SB 265, another Valladares bill, to classify burglary committed during a state of emergency — including during or after a wildfire — as a felony.

SB 268, introduced by Sen. Steven Choi of Irvine, to exclude from taxable income any settlement payments from a state of emergency as declared by the governor.

SB 269, also introduced by Choi, to provide a tax credit to homeowners who perform qualified home hardening or vegetation management on their proper

ASSEMBLY REPUBLICAN CAUCUS FIRE RESPONSE BILLS (Press Release, Jan 28, 2025)

Wildfire Prevention

AB 267 (Macedo) Water Infrastructure and Wildfire Prevention. Redirects money from High-Speed Rail to pay for upgrades to water infrastructure and wildfire prevention.

AB 297 (Hadwick, Sanchez) Increase Penalties for Aggravated Arson. Creates a sentence enhancement for aggravated arson if a wildfire destroys more than 500 acres.

Maintain Funding for Wildfire Prevention (Hadwick). Prevents termination of the California Wildfire Mitigation Program (CWMP), which provides financial assistance for working families to fortify their homes against wildfires.

Reduce Red Tape for Coastal Fire Prevention (Dixon). Exempts fuel treatment projects from Coastal Commission permitting mandates.

Exempt Roadside Wildfire Prevention Projects from CEQA (Hadwick, Tangipa). Expands an existing CEQA exemption for prescribed fire, thinning or fuel reduction projects to protect communities with only one fire evacuation route.

Improve Fire Safety Egress (Tangipa). Creates a pilot program to exempt fire safety egress route projects from CEQA in high or very high fire hazard severity zones.

Tracking Greenhouse Gas Emissions (Gonzalez). Requires the California Air Resources Board to include greenhouse gas emissions from wildlands and forest fires in the Scoping Plan. Creates parity with all other emissions sources tracked and recorded by CARB in the Scoping Plan.

Wildfire Response

AB 271 (Hoover) Increase Penalties for Looting. Makes it a felony to commit burglary or grand theft in an area where there has been a declared state of emergency, local emergency, or which is under an evacuation order. Increases the penalty from a misdemeanor to an alternate felony/misdemeanor (“wobbler”) for committing petty theft under those circumstances.

Wildfire Recovery

AB 294 (Gallagher) Prioritize Aid to Vulnerable Communities. Allows the California Office of Emergency Services (Cal OES) to prioritize funding and assistance to communities heavily impacted by disasters/emergencies.

Increase Aid to Local Communities (Dixon). Creates a grant program to provide financial assistance for disaster costs when federal assistance is not available.

Suspend Solar Mandate when Rebuilding Damaged Homes (Tangipa). Permits the temporary suspension of solar requirements when rebuilding homes that were damaged or destroyed as a result of a natural disaster.