
SENATE COMMITTEE ON ENVIRONMENTAL QUALITY

Senator Blakespear, Chair

2025 - 2026 Regular

Bill No: SB 299

Author: Cabaldon

Version: 1/5/2026

Hearing Date: 1/13/2026

Urgency: No

Fiscal: Yes

Consultant: Brynn Cook

SUBJECT: California Environmental Quality Act: exemption: day care center: zoning.

DIGEST: This bill creates an exemption from the California Environmental Quality Act (CEQA) for family daycare homes, and it expands an existing CEQA exemption for day care facilities.

ANALYSIS:

Existing law:

- 1) Requires under CEQA that a lead agency determines whether a project is exempt from CEQA, or if it must do an initial study to determine if a project will have significant effects on the environment. If a project has no effect on the environment or effects that can be mitigated, the lead agency prepares a negative declaration (ND) or mitigated ND (MND). If the project will have significant impacts, the lead agency prepares an environmental impact report (EIR) to evaluate and propose mitigation measures for any effects on the environment, including impacts or likely impacts to land, air, water, minerals, flora, fauna, ambient noise, and historic or aesthetic significance. (Public Resources Code (PRC) §§21000 et seq.)
- 2) Establishes numerous exemptions from CEQA in statute and in the CEQA Guidelines. These include, among many others, the following exemptions:
 - a) Class 32 categorical exemption for infill development projects that are consistent with a general plan and zoning, are substantially surrounded by urban uses and do not impinge on habitat or result in any significant effects relating to traffic, noise, air quality, or water quality, and can be adequately served by utilities and public services. (CEQA Guidelines §15332)
 - b) Class 1 categorical exemption for existing facilities. This exemption covers the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical

equipment, or topographical features, involving negligible or no expansion of existing or former use. (CEQA Guidelines §15301)

- c) PRC 21080.69(a)(1) (SB 131 CEQA exemption for daycare facilities) establishes a CEQA exemption for daycare facilities that are not located on natural and protected lands, as defined, and are not in areas zoned residential.
- d) Establishes a ministerial approval process for daycare centers co-located with multifamily housing for purposes of CEQA (Health and Safety Code HSC 1597.22). Projects approved by a ministerial process are not subject to CEQA.

This bill:

- 1) Creates a CEQA exemption for family daycare homes, as defined.
- 2) Expands an existing CEQA exemption for childcare facilities to include parcels in residential areas unless they are on parcels that are exclusively zoned residential.

Background

- 1) *The A, B, C's of CEQA*. CEQA is designed to (a) make government agencies and the public aware of the environmental impacts of a proposed project, (b) ensure the public can take part in the review process, and (c) identify and implement measures to mitigate or eliminate any negative impact the project may have on the environment. CEQA is enforced by civil lawsuits that can challenge any project's environmental review.

Under CEQA, projects (unless they have a specific exemption) must undergo environmental analysis. This process starts with an initial study which determines what level of further environmental review is needed for a given project. If a project has no significant effects on the environment, or if those effects can be fully mitigated, the project can move forward with a negative declaration (ND) or mitigated negative declaration (MND). If the initial study finds the project has potential significant effects on the environment, then a full EIR is conducted.

- 2) *CEQA Exemptions: Categorical and Statutory*. Some projects may be eligible for CEQA exemptions. If a project is exempt from CEQA, the lead agency simply identifies which exemption the project is eligible for, and no further environmental review or public engagement is required.

There are two types of CEQA exemptions— statutory and categorical. Statutory exemptions are created by the Legislature and apply even if a project has the potential to significantly affect the environment. In contrast, categorical exemptions, which are developed by the Office of Planning and Research and approved by the Secretary of the Natural Resources Agency as part of the CEQA guidelines, generally do not apply if there are significant environmental impacts associated with the project. More specifically, categorical exemptions do not apply if (1) there is a reasonable possibility of a significant effect on the environment due to unusual circumstances; (2) significant cumulative impacts from projects of the same type will result; or (3) the project will have impacts on a uniquely sensitive environment.

There are over 120 statutory CEQA exemptions in the Public Resources Code, Water Code, Government Code, Health and Safety Code. There are also 33 categorical CEQA exemptions listed in the CEQA guidelines.

- 3) ***Child day care facilities.*** There are different types of child day care facilities, including family daycare homes and child care centers. Family day care homes are operated in the licensee’s own home, which may be rented, leased, or owned, and are permitted to be in a mobile home park or an apartment. These homes provide non-medical care and supervision in a family-like setting with all the daily activities associated with home.

Childcare centers are child day care facilities other than a family daycare home. Childcare may be part of a large childcare corporation or locally owned and are usually located in commercial buildings, schools, religious facilities, public buildings, or private buildings. Centers can accommodate infants, toddlers, preschoolers, and school-age children. Separate licenses are required to care for infants, preschoolers, and school-age children, although a center may be licensed to care for all three age groups at one site.

- 4) ***CEQA exemptions for childcare facilities.*** Currently, most childcare facilities are exempt from CEQA. A search of the terms “childcare” and “preschool” on CEQAnet, the statewide database of CEQA documents, returns dozens of examples of Notices of Exemptions for preschools and childcare facilities. Common CEQA exemptions for childcare facilities include the ‘existing facilities’ CEQA exemption for buildings that are being repurposed, and the Class 32 ‘infill’ exemption for projects in infill areas. Many more daycare facilities are likely considered by-right, meaning that they are not subject to CEQA at all and may not file notices of exemption. The same search of ‘childcare’ and ‘preschool’ returned no examples of the more environmentally

intensive EIR documents being prepared for daycare facilities. In other words, childcare facilities are almost always CEQA exempt under current law.

- 5) *CEQA lawsuits against Napa Childcare Facility.* Le Petit Elephant Nursery and Preschool in Napa faced three CEQA lawsuits while it was preparing to expand its childcare facilities at a vacant church. La Petit Elephant Nursery had filed a Notice of Exemption (NOE) under CEQA for the project using two existing relevant categorical exemptions: the Class 1 ‘existing facilities’ exemption, and the Class 32 ‘infill exemption’ for this. However, according to local news sources, neighbors of the proposed nursery and preschool brought a lawsuit against the project “alleging violations of CEQA and a potential impact on traffic, air quality, and safety in the neighborhood.” This challenge contested the assumption that the daycare center met the eligibility criteria for the categorical exemptions it used.

All lawsuits were eventually dropped in March 2025, following a settlement between the daycare and neighbors. According to local news coverage, the terms of the settlement required that the day care increase its enrollment gradually (reaching its maximum 250 enrollees in its third and ongoing years) and specified that parking is only allowed on-site, prohibiting “queuing of vehicles onto public streets”. The settlement further required that the day care only be allowed to host “ancillary activities” if they are child-oriented and do not include weddings, anniversary and retirement parties or sports competitions etc., and requires that if the Office of Emergency Services issues an evacuation warning, the day care must close its facility.¹

Comments

- 1) *Purpose of Bill.* According to the author “Last year, the Legislature enacted California Environmental Quality Act (CEQA) reform intended to streamline approval of childcare facilities. In practice, the language has limited the effectiveness of that exemption, particularly for facilities not located on parcels zoned exclusively for residential use.

“SB 299 provides that childcare facilities are not subject to CEQA delay where no meaningful environmental impacts are at issue. Most CEQA challenges to childcare projects in residential areas are unrelated to air, water, or natural resource protection and instead reflect local opposition to neighborhood-

¹ [The Press Democrat: Napa day care expansion to move forward after neighbors decide to drop lawsuit.](#)

serving uses. SB 299 ensures families can access childcare close to home, consistent with both environmental values and community needs.”

- 6) *SB 131: Cleanup Pending.* On June 30, 2025, the Legislature passed, and the Governor signed into law, the public resources budget trailer bill, SB 131. SB 131 included many significant changes to CEQA, including creating a new process in CEQA for projects that were ‘almost eligible’ for existing CEQA exemptions, as defined, and including a suite of new CEQA exemptions for high-speed rail stations and ‘advanced manufacturing’ among many others.

Numerous senators voiced concerns on the language as it was heard in Senate Budget and on the senate floor. In response, Senate Leadership and the Senate Budget Chair made commitments on the Senate Floor to take amendments to address some of those outstanding concerns from senators. However, to date, no following legislation has passed to amend what is now the law.

One of the many pieces of SB 131 was the creation of a new CEQA exemption for daycare facilities, so long as those daycare facilities were not located in residential areas or on natural and protected lands, as defined. SB 299 proposes to amend this portion of SB 131.

- 2) *Is the timing right for SB 299?* SB 299 would expand SB 131 to include family daycare homes, and daycare facilities in residential areas so long as they are not on parcels zoned exclusively for residential use. The existing law specifies that daycare facilities are not in a residential area and are not located on natural and protected lands. SB 299 then, would presumably change existing law to allow daycare facilities to use this exemption if they are in areas zoned for residential *and* other uses so long as the specific parcel being considered was not zoned residential.

SB 299 does not address other outstanding issues in SB 131. Given that other outstanding concerns from members on SB 131 have not yet been addressed, it is likely that SB 299 will be followed by other measures that amend SB 131. Such future legislation could restructure SB 131 and thus overwrite the changes made in SB 299, begging the question of whether this change to SB 131 is premature.

To resolve the technical aspects of timing on this bill, the author and committee may wish to remove the new CEQA exemption for residential daycare facilities from the text of SB 131, and instead create a new stand-alone exemption for those daycare facilities in a separate code section.

- 3) *Pros and Cons of a New Exemption?* While the lawsuits against Le Petit Elephant Nursery and Preschool in Napa have already been resolved through a settlement, a new CEQA exemption such as the one proposed in SB 299 could offer more and potentially less legally-risky pathways to skip CEQA for daycare facilities. SB 299 has fewer eligibility requirements than the commonly used Class 1 and Class 32 CEQA exemptions, and the requirements are more straightforward and thus less vulnerable to legal challenge. In some cases, the new CEQA exemption in SB 299 would thus speed up deployment of new childcare facilities and provide essential childcare facilities to communities they serve.

The benefit to some childcare facilities, and communities, must be weighed against potential risks of unintended consequences that could result from a new CEQA exemption

Given that most childcare facilities are already eligible for existing CEQA exemptions, it is worth considering the potential use cases for this new CEQA exemption. As discussed above, such a CEQA exemption could benefit childcare facilities by providing a CEQA exemption that would be difficult to challenge, given that the criteria to use the exemption are fairly straightforward and could be evaluated early in siting decisions. However, a CEQA exemption for daycare facilities that does not include environmental guardrails might also result in unmitigated environmental impacts or potentially unsafe siting. Using an exemption such as the one proposed in SB 131 and expanded in SB 299, daycare facilities could be located on or near toxic and hazardous sites, near polluting oil wells or freeways, or have other unusual circumstances that lead them to have significant environmental impacts, without that information being disclosed to the public as would be done through the CEQA process.

The author and committee may wish to add environmental guardrails to what is essentially a new CEQA exemption for daycare facilities on residential parcels so that the exemption does not apply to daycare facilities located within 3,200 feet of oil and gas extraction and refining facilities.

- 4) *Committee amendments. Staff recommends the committee adopt the bolded amendments contained in comments 2 and 3 above.*

Related/Prior Legislation

SB 131 (Weiner, Chapter 24, Statutes of 2025), makes numerous changes to CEQA, including creating CEQA exemptions for advanced manufacturing, stations for high-speed rail, and day care facilities among others.

SB 752 (Ávila Farías, Chapter 164, Statutes of 2025), require a daycare center, as defined, when collocated with multifamily housing, to be considered a residential use of property and a use by right, and thus not subject to CEQA.

SOURCE: Author

SUPPORT:

None Received

OPPOSITION:

None Received

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