

**THIRD READING**

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Bill No: SB 299

Author: Cabaldon (D), et al.

Amended: 1/14/26

Vote: 21

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SENATE LOCAL GOVERNMENT COMMITTEE: 4-3, 4/23/25

AYES: Arreguín, Cabaldon, Laird, Wiener

NOES: Durazo, Choi, Seyarto

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 6-1, 4/30/25

AYES: Blakespear, Gonzalez, Hurtado, Menjivar, Padilla, Pérez

NOES: Dahle

NO VOTE RECORDED: Valladares

SENATE HUMAN SERVICES COMMITTEE: 5-0, 1/12/26

AYES: Arreguín, Ochoa Bogh, Becker, Menjivar, Pérez

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 7-0, 1/13/26

AYES: Blakespear, Valladares, Dahle, Gonzalez, Menjivar, Pérez, Reyes

NO VOTE RECORDED: Hurtado

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

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

**SOURCE:** Author

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**DIGEST:** This bill creates an exemption from the California Environmental Quality Act (CEQA) for family daycare homes for residential day care facilities, as specified.

**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 and childcare facilities on exclusively residential parcels with the guardrail that the facility is not located:

- a) On natural and protected lands, as defined.
- b) Within 3,200 feet of a facility that extracts or refines oil or natural gas.

## 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 ND or 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.<sup>1</sup>

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

- 2) *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

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<sup>1</sup> The Press Democrat: Napa day care expansion to move forward after neighbors decide to drop lawsuit.

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.

SB 299 takes this into account by adding in environmental guardrails to ensure that daycare and childcare facilities are not located on natural and protected lands and are not located near oil and natural gas extraction and refineries which are harmful sources of pollution.

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

**SUPPORT:** (Verified 1/21/26)

Abundant Housing LA  
Accelerate Neighborhood Climate Action  
American Planning Association, California Chapter  
Build Up California - Early Learning and Care Facilities  
California Chamber of Commerce  
California State Association of Counties  
California Yimby  
Child Action, INC.  
Children Now  
Circulate San Diego  
City of Fairfield  
Community Resources for Children  
Fairfield; City of  
Fieldstead and Company, INC.  
First 5 Association of California  
Greenbelt Alliance  
Housing Action Coalition  
Le Petit Elephant  
League of California Cities  
Low Income Investment Fund  
Napa County Supervisor Anne Cottrell  
Napa County Supervisor Liz Alessio

Rural County Representatives of California  
San Francisco Bay Area Planning and Urban Research Association  
Spur  
The Two Hundred  
Urban Counties of California

**OPPOSITION:** (Verified 1/21/2026)

None received

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\*\*\*\*\* **END** \*\*\*\*\*