

UNFINISHED BUSINESS

Bill No: SB 299
Author: Cabaldon (D), et al.
Amended: 8/21/26
Vote: 21

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

SENATE FLOOR: 39-0, 1/26/26

AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, 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: Gonzalez

ASSEMBLY FLOOR: Passed, 8/25/26

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

SOURCE: Author

DIGEST: This bill establishes a California Environmental Quality Act (CEQA) exemption for day care centers located in residential areas, while excluding projects located within 3,200 feet of a facility that actively extracts or refines oil or natural gas and projects located on natural and protected lands, as defined.

Assembly Amendments strike ‘family daycare homes’ from the CEQA exemption and expand the scope of the exemption to include projects that are on residential, rather than exclusively residential, parcels.

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 a daycare center on 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 for daycare centers*. Currently, most childcare facilities are exempt from CEQA. A search of the terms “childcare” and “preschool” and “daycare” on CEQAnet, the statewide database of CEQA documents, returns dozens of examples of Notices of Exemptions for these 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.

- 3) *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

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

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 this bill could offer more and potentially less legally-risky pathways to skip CEQA for daycare facilities. This bill 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 this bill 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 daycare centers 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 daycare centers 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.

This bill 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 8/25/2026)

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 8/25/2026)

None received

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