

Date of Hearing: April 29, 2025

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Alex Lee, Chair

AB 752 (Ávila Farías) – As Amended March 24, 2025

SUBJECT: Child daycare facilities

SUMMARY: Streamlines the development of childcare centers (centers) that are colocated with multifamily housing or community amenities by considering them as residential uses by right under local zoning, exempting centers from the California Environmental Quality Act (CEQA), and prohibiting local fees or business license requirements. Specifically, **this bill:**

- 1) Requires, when colocated with multifamily housing or legally established community amenities, the use of a center to be considered a residential use of property and a use by right for the purposes of all local ordinances, including, but not limited to, zoning ordinances.
- 2) Provides that a local jurisdiction shall not impose a business license, fee, or tax for the privilege of operating a center that is colocated with multifamily housing or legally established community amenities.
- 3) Provides that a center colocated with multifamily housing or legally established community amenities shall not be subject to CEQA, described in existing law in 8) below.
- 4) Provides that these provisions do not preclude a city, county, or other local public entity from placing restrictions on building heights, setback, or lot dimensions of a center, as long as those restrictions are identical to those applied to the legally established community amenities or multifamily housing colocated with that center.
- 5) Provides that these provisions do not preclude a local ordinance related to health and safety, building standards, environmental impact standards, or any other matter within the jurisdiction of a local public entity, as long as the local ordinance, as applied to a center, are identical to those applied to the legally established community amenities or multifamily housing colocated with the center.
- 6) Provides that these provisions do not prohibit or restrict the abatement of nuisances by a city, county, or city and county. However, ordinances or nuisance abatement measures shall not distinguish a center from the legally established community amenities or multifamily housing colocated with the center, except as otherwise provided under existing law related to centers.
- 7) Defines, for the purpose of this bill, the following:
 - a) “Daycare center” as a child daycare facility other than a family daycare home (FCCH), and includes infant centers, preschools, extended daycare facilities, schoolage childcare centers, and includes licensed childcare centers;
 - b) “Multifamily housing” means residential housing with a minimum density of five units or more;
 - c) “Colocated” means operating within, or on the same grounds as, multifamily housing or legally established community amenities.

- d) “Legally established community amenities” means sites that are publicly or privately operated within a residential zone that provide services to the community including, but not limited to, civic centers, community centers, public recreational centers, public parks, places of worship, schools, colleges, and libraries.

EXISTING LAW:

- 1) Specifies the purposes of the California Child Day Care Facilities Act, which include streamlining the administration of childcare licensing and thereby increasing the efficiency and effectiveness of this system; and, encouraging the development of licensing staff with knowledge and understanding of children and childcare needs. (Health and Safety Code [HSC] § 1596.73)
- 2) States legislative declaration that the state building code, and the fire code, and regulations promulgated, shall preempt local laws, regulations, and rules governing the use and occupancy of FCCHs. Provides that local laws, regulations, or rules shall not directly or indirectly prohibit or restrict the use of a facility as an FCCH, including, but not limited to, precluding the operation of an FCCH. (HSC § 1597.40(b))
- 3) Requires the use of an FCCH, operated under the standards of state law, in a residentially zoned area to be considered a residential use of property for the purposes of all local ordinances, regulations, and rules, and shall not fundamentally alter the nature of underlying residential use. (HSC § 1597.42)
- 4) Requires the use of a home as a small or large FCCH to be considered a residential use of property and a use by right for the purposes of all local ordinances, including, but not limited to, zoning ordinances. (HSC § 1597.45(a))
- 5) Provides that a local jurisdiction shall not impose a business license, fee, or tax for the privilege of operating a small or large FCCH. (HSC § 1597.45(b))
- 6) Provides that a small or large FCCH shall not be subject to CEQA, as described in 8) below. (HSC § 1597.45(d))
- 7) Provides that 4) through 6) above, do not preclude a city, county, or other local public entity from placing restrictions on building heights, setback, or lot dimensions of an FCCH, as long as those restrictions are identical to those applied to all other residences with the same zoning designation as the FCCH. Further provides that 4) through 6) above, does not preclude a local ordinance that deals with health and safety, building standards, environmental impact standards, or any other matter within the jurisdiction of a local public entity, as long as the local ordinance is identical to those applied to all other residences with the same zoning designation as the FCCH. Also provides that 4) through 6) above, does not prohibit or restrict the abatement of nuisances by a city, county, or city and county. However, the ordinance or nuisance abatement shall not distinguish FCCHs from other homes with the same zoning designation, except as otherwise provided. (HSC § 1597.45(e))
- 8) Establishes CEQA, which governs environmental review processes for public and private projects in California and outlines requirements and procedures for assessing and mitigating environmental impacts. (Public Resources Code § 21000 *et seq.*)

FISCAL EFFECT: This bill was keyed non-fiscal by the Legislative Counsel.

COMMENTS:

Background: *Licensed Childcare.* The California Child Day Care Facilities Act governs the licensure, maintenance, and operation of centers and FCCHs in the state. This law and the associated regulations found in Title 22 of the California Code of Regulations establish, among other things, general health and safety requirements, staff-to-child ratios, and provider training requirements. The California Department of Social Services' (CDSS) Community Care Licensing Division has the responsibility of licensing and monitoring the state's childcare facilities, which includes centers and FCCHs.

Centers 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 components at one site. Depending on their age, children receive care in separate areas at the center for safety and activity reasons.

FCCHs 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. FCCHs provide non-medical care and supervision in a family-like setting with all the daily activities associated with home. FCCHs are further categorized into small (eight or fewer children) and large homes (as many as 14) based on the size of the childcare group and the ages of the children.

The January 2024 CDSS Child Care Transition Quarterly Report found that 158,959 Californian children were enrolled in FCCHs, and an additional 124,708 were served in a center in fiscal year 2022-23.

FCCH Protections from Local Restrictions. While FCCHs and centers are required to comply with a range of health, safety, and building standards established in the California Child Day Care Facilities Act and Title 22 regulations, their ability to operate is often shaped by local land use policies.

Until the passage of SB 234 (Skinner), Chapter 244, Statutes of 2019, only small FCCHs were afforded full protection under state law. These homes were required to be considered residential uses for local zoning purposes and were exempted from local business license requirements and fees. Large FCCHs faced more complex rules, and distinct zoning and safety requirements. Although state law required that they be allowed in single-family zones, local jurisdictions could regulate them through one of three paths: treating them as a permitted use, issuing a nondiscretionary permit if standards were met, or requiring a permit under specified conditions. The State Fire Marshal was also required to adopt fire and life safety standards specific to large FCCHs, which otherwise must be treated as single-family residences under building codes.

Presently, both small and large FCCHs are recognized as residential uses by right, which means an FCCH operating in a residentially zoned area must be treated as a residential use and not considered to alter the character of the neighborhood. FCCHs are also exempt from business license fees and environmental review under CEQA. While these protections limit local interference, existing law clarifies that cities and counties may still enforce regulations related to building heights, setbacks, lot dimensions, health and safety, and other matters – provided that

these are applied uniformly to all residences within the same zoning designation. Nuisance laws also remain in effect, but cannot target FCCHs differently than other homes in the same zoning category.

Barriers Faced by Childcare Center Facilities. In contrast to FCCHs, center-based childcare facilities continue to face substantial regulatory burdens that limit their integration into neighborhoods – despite strong community need. These facilities are often subjected to lengthy discretionary permitting, inconsistent zoning rules, and full CEQA review, which requires an environmental review for projects that may have a significant impact on the environment – all of which can delay development and increase costs. Local jurisdictions may also impose business taxes or fees that can deter small, community-based operators from opening or expanding services.

These challenges are particularly acute when providers attempt to colocate childcare centers within affordable housing developments or community-serving infrastructure, such as schools or libraries. As highlighted in *A Community Win-Win*, a 2023 report on colocation in San Diego County, the misalignment of land use regulations, building codes, and childcare licensing processes creates significant uncertainty and expense. Developers frequently abandon plans to include childcare due to permitting delays or additional approval requirements like conditional use permits—barriers that also jeopardize their ability to qualify for housing funds such as Low-Income Housing Tax Credits. Together, these layers of regulations can deter the integration of childcare into multifamily housing or community-based infrastructure, despite growing demand for accessible, neighborhood-based early care options.

This bill extends these same protections and streamlining processes afforded to small and large FCCHs to centers that are colocated with multifamily housing or legally established community amenities. This approach mirrors existing provisions for FCCHs, aiming to reduce regulatory barriers and promote the integration of childcare services within residential and community settings. Under *this bill*, such colocated centers are to be treated as a residential use of property and a use by right for all local ordinances, including zoning laws. This designation prevents local jurisdictions from imposing additional business licenses, fees, or taxes specifically on these facilities.

Furthermore, these centers would be exempt from CEQA, eliminating the need for extensive environmental reviews that can delay or deter the establishment of new childcare services. *This bill* also ensures that any local regulations concerning building heights, setbacks, or lot dimensions applied to these centers must be identical to those applied to the colocated multifamily housing or community amenities. This uniformity in regulation attempts to prevent discriminatory practices and encourages the development of centers in areas where families live and gather.

Author’s Statement: According to the Author, “Solving the child care crisis in our state will require multiple approaches, one of which is reducing barriers to developing new child care facilities. We know child care providers and housing developers need more funding to build new facilities and expand and renovate existing ones. In addition they need the state to reduce the regulatory barriers that exist that slow down development or make it unbearably expensive. Child care providers as well as multi-family housing developers have named restrictive, burdensome, and expensive zoning requirements as a critical barrier to address. Child care centers are typically a conditional use in residential zones. These permits frequently have

additional land use requirements, such as extra documentation or studies, higher fees, or infrastructure improvements. [This bill] will make child care facilities that are colocated with multi-family housing developments or other community amenities by right in residential zones, helping to solve the child care crisis and spurring the development of new high-quality facilities for our children throughout the state.”

Equity Implications: Colocating child daycare centers with multifamily housing or community amenities presents a strategic opportunity to expand access to early care and education, particularly in underserved neighborhoods. Integrating centers into residential developments allows families to access childcare where they live, reducing transportation barriers and enhancing convenience for working parents. This bill aims to support family stability and strengthens community ties by embedding essential services within walkable, familiar settings.

Similarly, colocating childcare with community amenities – such as schools, parks, libraries, community centers, and places of worship – leverages existing infrastructure and trusted institutions to create more welcoming, accessible environments for families. These sites often have space, foot traffic, and community presence that make them well-suited for supporting childcare operations. By recognizing these settings as appropriate and compatible with daycare use, this bill can help overcome land use barriers and promote a more integrated, family-centered approach to early childhood services delivery.

Additionally, by recognizing colocated daycare centers as a residential use and exempting them from business fees, zoning hurdles, and CEQA review, this bill creates equity in how it treats all daycare centers. This bill would reduce startup costs and administrative delays for childcare providers – particularly providers of color who encounter systemic barriers related to housing, property ownership, and access to capital. This could encourage more providers to establish or expand services in areas of high need. Over time, these changes may contribute to improved child development outcomes, increased workforce participation, particularly among women, and greater economic stability for families.

RELATED AND PRIOR LEGISLATION:

SB 234 (Skinner), Chapter 244, Statutes of 2019, revised statutes regarding licensed FCCHs pertaining to local zoning laws and housing protections.

REGISTERED SUPPORT / OPPOSITION:

Support

Build Up California - Early Learning and Care Facilities (Co-Sponsor)

Low Income Investment Fund (Co-Sponsor)

Brion Economics, INC.

Child Action, INC.

Cross Cultural Family Center

Family Connections Centers

Kai Ming Head Start

Kids Konnect Preschools

Little Acorns Grow

Little Tokyo Service Center

Mercy Housing California

Optimal Solutions Consulting
San Jose Grail Family Services
Tribal Child Care Association of California
Wu Yee Children's Services
YMCA of San Diego County
24 private citizens

Opposition

None on file.

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