

CITY OF SUGAR CITY, ID
PLANNING & ZONING MINUTES
Thursday, June 24, 2026, 7:00 P.M.
PUBLIC HEARINGS

Commissioners in attendance: Chairman Spencer Haacke, Rick Robertson, Cory Roberts & Chandler Lessing

Staff in attendance: P&Z Administrator Kurt Hibbert, Deputy Clerk Shelley Jones, Building Inspector Quinton Owens

Citizens: Josh Norman, Lucas Patey, Royce Klingler, Seth Klingler, Ryan Rasmussen, Austin Forrester, Carolyn Forrester, Sawyer Klingler, Trever Baggett, Dawson Klingler, Kendra Jensen, Devin Lesh, Victor Lesh

7:02 p.m. The meeting was called to order by Chairman Spencer Haacke

Prayer by: Chandler Lessing

Pledge of Allegiance led by: Cory Roberts

Public Hearings:

1) Code Amendment Application to Change City Code 9-3-13, Removing the Requirement of Owner Occupancy for Accessory Dwelling Units

Chairman Haacke introduced the topic of the public hearings and explained the procedure they would be following. He stated that he had received an Affidavit of Notice from city staff stating that the hearing notice had been advertised and published as required. He then asked the committee if there had been any ex-parte communications and all said there were none.

Introduction of Requested Code Change by Planning & Zoning Administrator Kurt Hibbert:

Mr. Hibbert introduced the application for a text amendment to city code 9-3-13. The proposal is to remove owner occupancy requirements of ADU's (Accessory Dwelling Units). A couple of years ago they were not allowed in the city and the commission had discussions and developed the code to adopt ADU's in the city. There were strong concerns about what this could do to single family neighborhoods. There was the thought that when you created another unit you would create a duplex. There is a big difference between an ADU and a duplex definitionally. At our last meeting, Building Inspector Quinton Owens explained those differences. Residents were pacified of the threat of having this come into our code by requiring owner occupancy so that it wouldn't be a duplex in a definitional sense of a duplex. By doing this, there would be some benefits that would be derived from that. Under Euclidian zoning in a court case years ago, it preserved neighborhood character, having ADU's with owners there on the premise encouraged property maintenance and prevented the conversion of owner-occupied neighborhoods into investor-owned rental districts and as well, reduced absentee ownerships and helped maintain housing stability and community involvement. Courts have viewed those as legitimate community interests and that was the discussion we had when we adopted this ADU Code. Those interests were there to protect us and the neighborhoods, and we needed to baby step into that, so tonight, two years later, we have a strong contingent of people and developers who would like to have this requirement removed. This is what the hearing is about, and we've discussed this back and forth with the commission before the meeting was noticed. We are anxious to hear from the public.

There were no questions from the commission at this time, but Mr. Haacke asked Mr. Hibbert what the parameters of the definition of an owner was. Mr. Hibbert explained that in zoning, it is within the third degree of consanguinity.

***** (The third degree of consanguinity refers to blood relatives who are separated by three generations in a direct line (lineal) or share a common ancestor within three collateral steps.)***

Mr. Haacke asked if we currently have a way to regulate this and Mr. Hibbert stated we do not as ADU's are new in the city and it is zoning compliance and the only regulatory tool we have is Certificates of Occupancy.

Presentation by Applicant: Time was turned over to Dawson Klingler. He stated that a home with an ADU is not a duplex. The owner occupancy requirement does not change the size of the building, parking, setbacks, appearance of the property or the number of people that can live there, so the question tonight is "why are ADU homeowners the only ones being asked to carry the burden of preserving owner occupied housing?" The homeowner can move out and rent a

single-family home, same is true for a townhome, twin home, duplex, triplex, fourplex, condo, and every other housing product in the city, but a homeowner with an ADU is treated differently. If someone changes jobs, needs to move closer to family, retires or faces another life change, they should have the same flexibility as every other property owner in Sugar City.

Cities update ordinances all the time when they find a rule is not accomplishing what it was intended to accomplish. If owner occupancy creates meaningful benefits, then it should stay, but if it limits homeowners without providing measurable benefits then it should be reconsidered. State of Idaho recently passed legislation requiring larger cities to allow ADU's without owner occupancy requirements. Sugar City is not required to follow that law, but it does show the state does not view owner occupancy as necessary for ADU's to work successfully. The concern is outside investors. Investors can already buy and rent homes throughout the city. Restricting ADU's does not stop investment, it simply places restrictions on ADU's that do not exist for other housing types. Owner occupancy is difficult to verify and to enforce consistently. The only guaranteed result of keeping this requirement is less flexibility for homeowners, and fewer housing opportunities for people who want to live in Sugar City. We are not asking for special treatment, just asking for equal treatment.

Submitted Written Testimony:

For: None

Neutral: None

Against: None

Public Hearing Sign In:

For: Josh Norman, Lucas Patey, Royce Klingler, Seth Klingler, Ryan Rasmussen, Austin Forrester, Carolyn Forrester, Sawyer Klingler, Trever Baggett, Dawson Klingler, Kendra Jensen, Victor Lesh

Neutral: None

Against: Quinton Owens

Verbal Testimony from the above:

For:

- Josh Norman: Owns six houses in Sugar City and lives in one and rents out five of them. His son bought an ADU in this new neighborhood. The only way he could afford a house in this economy was to buy a house with an ADU. He moved into the smaller unit, rented out the big unit and after he graduated from school, he moved into the bigger unit. It started out as an investment for him and living in the ADU helped him through college and helped him into a home instead of an apartment. For him to be required to sell such an investment if he needs to move into a bigger space feels wrong. This is not what launches kids into greater investments. He felt it needs to be considered as such, once you qualify for a loan and you can hold onto a house that it can pay for itself. That is a good lifelong investment. If it was a condo or a townhouse he could keep it. ADU rules say he is required to sell. Mr. Norman felt that this is not fair.
- Lucas Patey: Mortgage broke by trade, has a relationship with some of the builders and developers in Sugar City. Has seen first-hand what the ADU does for the buying power of an applicant and what they can afford when their house has an attached legal ADU. With the right builder, underwriters are going to support getting the applicant qualifying money.
Mr. Patey asked if the commission had questions for him and Mr. Hibbert warned the commission to not entertain questions coming from public.
Mr. Patey continued by stating that if you don't have an ADU and you're in the median income for Sugar City Idaho, \$62,325, then the price tag of a home over 3 bed, 2 bath is not attainable. With an ADU you can qualify for more when it comes to loan amount and helps a resident obtain a home. It teaches them landlordship. When the time comes and they want to leave and they want to grow their portfolio and work towards an investment, it gives freedom and liberties to grow and benefit your family. It's beneficial from a broker's standpoint. The new Idaho Code 64-6221 is not a requirement Sugar City has to follow but makes good sense that the state is doing it.

- Royce Klingler: Partner/Owner of Teton Island Estates Subdivision. The question he posed was “As far as enforceability, is this the best use of time and resources for Sugar City?” Think about the future and what’s happening and trying to keep track of owner occupancy throughout the city.
- Ryan Rasmussen: Builder of ADU homes, part of the development team in Teton Island Estates and owner of the subdivision also with Royce Klingler, partner and Mr. Norman and is also a homeowner of an ADU that conforms to the current rules who lives in the house and has a renter in the ADU. Mr. Rasmussen stated that he contacted city building inspector Owens in the beginning and said, “This is what we are thinking of doing and how do we do this right? What rules are there? What can we do to make sure we are doing everything to code, everything right, everything safe, the building and everything else?” We met a number of times and went through a lot of different things and found the 2024 appendix for ADU’s which was adopted so that we could follow that because we want to do everything right with our subdivision. With everything we’ve done we’ve been transparent, upfront and with everything we did. What can we do to make sure we do it right and correct? In so doing, owner occupancy was never a discussion in any of those rules because those rules are building safety, not land use. We have building codes and land use. The land use was adopted after the fact, which needed to be addressed, which was good that the city was aware and was proactive and looking forward. As we move through the rules and things change, we evolve.

When he built his house with an ADU, he did it as an investment property. The code then changed and he realized he either had to live in it forever and could put a renter in one but couldn’t put a renter in both. He did research and asked why owner occupancy is a requirement. His question was “Why is this requirement there in the first place?” Owners can live on either side. He has a good neighbor in an ADU rental that would like to purchase a couple of homes with ADU’s. His son has home with ADU, he wants one for his daughter, but as families grow, they have to sell and move out which seem unfair. In the neighborhood there is only one way to distinguish between regular homes and homes with ADU’s and that is that one has two addresses. There really is no difference between rental and owner-occupied homes. City code can enforce for nuisances, parking, etc. He doesn’t know if ownership accomplishes anything. Why does this need to be there in the first place?

Neutral: None

Against:

- Building Inspector Owens: Did not know what to put as far as for, neutral or against, as commission and council will decide what they want to do but he had issues and concerns with this that he wanted to bring up.

Mr. Owens stated that the term accessory applies to something that is subordinate or supplementary to something else. When it comes to buildings, an accessory occupancy or structure is one that is ancillary to the main occupancy or structure. In a duplex where both units are rentals there is no accessory relationship between the two units. Owner occupancy is the most important requirement that makes an ADU different from a duplex. It does not change the size of the home, the home can be the exact same building, but when they become two rentals, they don’t have the accessory use and then it becomes a duplex. This changes the rules when it comes to building codes, electrical codes, mechanical codes, then it affects it. If we say there is no difference between an ADU and a duplex, then what makes it different? He mentioned he was concerned about ADU’s being rentals because the only accessory use is to help somebody afford a home. That’s what a lot of places around the country are talking about, to help make affordable homes and they have testified that it has helped people get into homes, and with the ADU provisions, it is meant to help accommodate that.

With the owner occupancy being one of the requirements, an owner will be more aware of who is living on his property with them and take better care of his own property typically. There are some owners that live remotely and take really good care of their property, and they design a really nice building because they want to market that. He understands that, some others don’t. That is one concern if we do take this away, then this will allow everybody else that doesn’t care about that and just worries about the income coming from that property. He stated that he has seen that from experience. He asked an electrical inspector how they treated ADU’s. They treat them as single family homes. When it comes to duplexes there are additional requirements for electrical codes. If he were to say “I would let you build it as a duplex for building but it’s an ADU for zoning, what are the requirements? He’s not sure the electrical is looking at owner occupancy or not.

ADU's say single family home, now we need to build it to a duplex because it doesn't meet those building standards for an ADU and still might meet the requirements for zoning for an ADU. This is where it gets confusing because it can meet one code for an ADU but not another, therefore the other one has to comply to a duplex. How does that affect the other code? Owner occupancy is something both of them have in common. The ordinance to adopt ADU's was a viable housing option which was adopted first then this was barely adopted into 2024 residential code as an appendix.

Owner occupancy has always been a requirement. Since ADU's are intended to support home ownership some allowances have been given, not just additional requirements. They come when you do a duplex and have them both as rentals and you have complete fire separation because there is no accessory use between the two units or two tenants. ADU codes give allowance to help keep the costs down considering the fact that it is owner occupied in light of that and as we try to create affordable housing. Townhomes get snatched up and rented, so people who have less means to buy do not have that option. If an ADU is going to be treated as a single-family home, building, electrical, zoning, and an owner needs to move onto a bigger house and move away, just like him in his single-family home, he needs to sell it to move, ADU and all, it's a complete package. If both units were to be considered accessory to someone living somewhere else, then technically, that's two ADU's. Both accessory to the owner somewhere else owning a home and both accessory and only one accessory unit is allowed. Mr. Owens was most concerned about seeing the ADU without the home ownership truly being a duplex, that the zoning was not going to apply to density requirements to the homes with ADU's. It doesn't change size of house, if you drive by, you don't know if the owner is living there or not, but that was one of the allowances, if it becomes a true duplex where both are rented then the density requirements would apply. That would be an argument as to how that makes a difference. If we are going to take away the owner occupancy requirement, then it becomes a duplex. If so, then we don't need an ordinance supporting ADU's. We shouldn't call it another name just to make a different rule.

He would like to know what the states' reasoning behind changing the requirement to 10,000 people and would like to know how this affects other building codes. The allowance is granted for owner occupancy. Those are the concerns he had and why he'd be against it. If those concerns could all be resolved and answered clearly with strong, good arguments, then he'd be fine with it.

Rebuttal by applicant:

There seems to be an issue on the definition. What makes an ADU auxiliary to the main house is the size requirement which is in place. There is a clear definition of that because the state legislation code that just passed explicitly says ADU code, not duplex code. On July 1st, in every city above 10,000, there will be building officials, and zones that allows a home with an ADU, not a duplex, to be built in the state. Mr. Klingler expressed confusion about why the definition is being treated differently here.

Based off what the state is doing and his research, he didn't know why Mr. Owens is worried about owner occupancy. The question from the building inspector should be "Can we build it safe?" Fire doesn't know if it's an owner in one side or the other, how does that change? If we're not building the building safely, then in his opinion that's what we need to focus on. Can we build it safely? There are states and places in the state building homes with ADU's and not calling them duplexes or treating them like duplexes. He stated he doesn't see the building inspector asking questions when he's building a home for someone and asking if they are going to occupy it or not. The big question is, "Why are ADU owners and units being treated differently than every other product in the city?"

Totals: For – 12, Neutral – 0, Against – 1

7:43 p.m. Public Hearing closed by Chairman Haacke

2) Revisions to City Code 9-3-6 Land Use Table and City Code 9-6 Special Use Permits changing Special Use Permits to Conditional Use Permits

Chairman Haacke asked the committee if there had been any ex-parte communications and all said there were not.

Introduction of Special Use Code Amendment by Planning & Zoning Administrator Kurt Hibbert:

Mr. Hibbert introduced the proposed code change to change "Special Use Permits" to "Conditional Use Permits" in the Land Use Table. He stated that years ago, city council encouraged the commission to make changes to city code to move away from special use permits to go to a more definitive definition in our code. When you look at the land use table, C is a use allowed by right, but conditions can be imposed upon the permit by this commission in response to public safety, health and welfare issues.

The perception with a special use permit is, that you get one because your "special" but he's not special, so he does not get one. This wording definition change will make it clear as to what is approved and what conditions need to be met on an application. With a conditional use permit you may have conditions or requirements. This amendment changes terminology from special use to conditional use in the code and land use table. A few uses were eliminated in the table because they felt it too risky if it was just an allowed use by right, so a couple were taken out. We anticipate there may be some amendments in the future. This will allow the public to more comprehensively understand what they can do on their different parcels according to zoning and not be so at risk as far as applications for permits.

Mr. Hibbert stated that in one area, we had all special use permits which would violate the Local Land Use Planning Act and property rights. We wanted to have certain things allowed in certain zones. He's had discussions with residents and with old applicants who felt insecure over being approved for special use permits. Now the applicant will just have to comply with any conditions set forth.

There was no verbal testimony, submitted written testimony or signatures at the hearing to testify for, neutral or against the proposed code change.

Totals: For – 0, Neutral – 0, Against – 0

7:50 p.m. Public Hearing closed by Chairman Haacke

CITY OF SUGAR CITY, ID
PLANNING & ZONING MEETING MINUTES
Thursday, June 24, 2025
REGULAR MEETING

Discussion of Public Hearing:

1) Code Amendment Application to change City Code 9-3-13, removing the requirement of owner occupancy for Accessory Dwelling Units

Mr. Hibbert stated that during the hearing there were some good things said. There are economics versus balancing the interests of the community. He did testify to valid reasons why the owner occupancy is required nationwide. He did not know why the legislature went from 5000 to 10,000 people. He thought they were worried about small cities and having whole neighborhoods convert to more transitory housing with less stability in home ownership. Those are things other communities have experienced. In talking about giving to the developers, the development that we just heard from was not possible before we passed the ADU code. That use was not allowed in single family R1 zones and R2 zoning. The city was two years ahead of the state for the very benefits we heard about tonight. You are buying a unique product. We did not want to turn our single-family areas into duplexes. We want to facilitate a broad spectrum of housing types. This is not just about building code, fire code. This is a land use code issue. It's the use of homes, not necessarily the occupancy according to building or fire code. You can't eliminate one of these. They have to work together. The three codes that have to work together is the building code, the fire code and the land use code. It's timing and sequence.

Commissioner Lessing felt they had three options, do away with the code, keep it as is or modify it. He felt we need to keep harmony, balance with zoning, community and the vision of planning. Balance of those that made those decisions. Where does this product belong zoning wise? We need a balance of Idaho's guidelines. Take the 10,000 cap into consideration.

Commissioner Robertson agreed and stated he agreed with the thought process there. He has a detached ADU himself above a shop and thought if he was younger, he would have done the same thing as discussed earlier by living in the house and renting out the ADU for residual income. He could see both sides. He could understand the potential for making life better to get started with something like this.

Commissioner Roberts stated he was torn. He moved to Sugar City thirty years ago and could purchase a home on a single lot, but it was tight. His son is trying to get into his first home. Prices are high, he is renting to his siblings in his home. ADU's do help the homeowner, both sides of renters and homeowners do the upkeep. It's hard to expand investments. There hasn't been a downside to having renters in his neighborhood. When it comes to code, Mr. Owens questioned "is one defeating the other?" The ADU vs. duplex. Do we need to evolve the code defining that issue? Is there a way to modify it to bring those codes together? Putting these in single family neighborhoods can become a conflict. Do we become non-compliant? How do we make both work?

Chairman Haacke was in on the process of this, and it took months of wrestling with what this ADU code would look like. This code has always required owner occupancy and the fact that that has been questioned is interesting because it's an advantage for homeowners, not investments like that. Testimonies shared that it helped get them into homes. When it comes time to move on and you've built up equity, why not sell, put money somewhere else? ADU is to supplement income, build equity, when you're ready to move, cash out and cash into something else. If there is a bad market, you could lose some money. Mr. Haacke would like some modification.

Mr. Lessing suggested modifying code and not removing it. Maybe require homeowners living in the home for so many years.

Mr. Haacke stated there was a reason it is owner occupied, to supplement and provide housing for kids that want to come back home. He stated they also looked at tiny homes as an option when this code was made.

Mr. Robertson would like to modify and further investigate density requirements. Removing the owner occupancy is against everything they wanted. Maybe redefine this. Or sell? Good question on “why was code here in the first place?” We were forward thinking. Need ownership and rental. Consider the enforcement issue.

Mr. Hibbert stated the code is about neighborhood protection. ADU doubled density in the least dense zone. People were assured by owners that it wouldn't get out of hand. They didn't want traditional single-family homes being rented out. The city of Ririe is a good example, it's nearly all rentals. These are deliberate protections instead of financial decisions.

Motion by: Chandler Lessing to table the application for further discussion until July 16th.

Second by: Corey Roberts

All were in favor, motion carried.

Does this fit our comprehensive plan? Look at the comprehensive plan, state code, previous minutes discussing intent of the ADU code.

Discussion of Public Hearing:

2) Revisions to City Code 9-3-6 Land Use Table and City Code 9-6 Special Use Permits changing Special Use Permits to Conditional Use Permits

Commissioner Robertson stated that he felt the changes made sense to go to Conditional Use Permits.

Commissioner Lessing agreed.

Commissioner Roberts stated that someone can come in knowing if something is allowed or not and plan accordingly.

Mr. Hibbert clarified the example well, giving owners what they can do with their land.

Motion by: Rick Robertson to approve and recommend to council for approval of changing from special use permits to conditional use permits in the code.

Second by: Chandler Lessing

All were in favor, motion carried.

Approval of 6-4-2026 Minutes:

Motion to approve minutes made by: Cory Roberts

Second by: Rick Robertson

All were in favor, motion Carried.

Public Comment:

Dawson Klingler commented on the Comprehensive Plan – 20 years. Clarify definition on ADU and what legislation passed. ADU fits zoning. Code modification seems more like a Band-Aid, not a full solution and it could make enforcement side and verification worse not better. There is no one from the community here tonight against this.

Seth Klingler stated dictionary definition of an ADU says nothing about owner occupancy. Duplex is a two-family house.

Trevor Baggett stated that if our city was 10,000, we wouldn't be having this conversation. Drive down main street, some homes are not as maintained as their subdivision. Feels it is biased to renters versus owners. It should not be used as a bias of who is going to take care of their property better.

Josh Norman stated that the average home price is \$600,000 in this neighborhood. For anyone to think they are going to be uncared for, and the investments are not going to be watched over, is a bias of what we think a rental is. I only own one ADU, own homes in Ponderosa hoping to have kids come here. The homes in this neighborhood are expensive and the people renting are not riffraff. They couldn't afford the rent if they tried.

Ryan Rasmussen felt he had an answer to all questions discussed but in this due process and the way it works, knew he couldn't share answers with the commission. If we wait a month, how do you get information? Can we have discussions or share those things with the commission?

Mr. Hibbert stated that technically the hearing is still open so no, we could not. The commission can go do their own research. All discussion still needs to be in the public realm. He felt the board has been well educated as far as some of the issues. They can work with staff and legal counsel. We are in a public meeting, but the hearing is closed. We shouldn't be taking public comments on this issue.

Lucas Patey appreciated the comprehensive plan that was talked about for months to make this happen, to allow ADU's. Home purchasing is now difficult with the cost of housing. It's hard to find qualified buyers it works with.

Mr. Norman asked if the commission is not allowed to get information from them, but you are allowed to communicate with staff who are opposed, how is that fair and equal treatment?

Mr. Haacke explained that they (staff) are to take our current zoning and back it up and give the commission their perspective on what we currently have, and it makes sense that they are not recommending, because it is not owner occupied. It's also them looking at it with the homework they've done, and you can call it bias or not but working through them is probably the way it's going to help work through us because of the public hearing.

Mr. Norman stated it felt like unfair treatment.

Mr. Hibbert stated when they said "staff is against" that it was not fair, as we have to look out for the rights of the entire community including the protection of the people who were really opposed implementing ADU's in the first place. We carefully implemented that on purpose. Developers are looking at the building code only, not consulting the land use code which was what was changed to allow this. He stated they have tried to loosen code over the past three to four years to make less regulations to get more opportunities in town. You don't lose the investment when you decide you want to move on; the product you bought is still there in its entirety. You have the ability to sell that or keep it, but if you're going to take advantage of the ADU, you have to live there. This is done all over the nation. It has more impact on small communities.

End of Public Comments

Administrative Report:

Mr. Hibbert met with company wanting to put in a gas station. It is in process. Our sign code does not incorporate the sign they want to put in. We need a sign ordinance. Will need a public hearing. The company will offer full trucker facilities.

Mr. Haacke asked if we allowed the sign, could we revisit it yearly, the answer was no. We would like the development to be advertised as well. We need a code amendment. Taper sign heights with a minimum distance between signs. Other businesses coming in would also apply. They may have an RV dump station as well.

9:45 P.M.

Motion to adjourn meeting made by: Rick Robertson

Second by: Chandler Lessing

All were in favor, motion carried.