



STAFF REPORT

TYPE: Zoning Map Amendment
PROJECT: 2056/2068 Chestnut Ave, Blue Ridge Abbey B&B
DATE: 2/5/2026

SYNOPSIS

Zoning Map Amendment from R3 to MU for operation of a hotel.

SITE INFORMATION

Address/Tax Map:	2056 Chestnut Ave (34-1-2-57-3 and 34-1-2-57-5) and 2068 Chestnut Ave (34-1-2-57-7)
Existing Zoning:	R3 Residential Limited
Existing land use:	Single-family residential with CUP for Bed & Breakfast (2025)
Proposed Zoning:	MU Mixed Use Condition of use only as hotel
Proposed land use:	Hotel
Size:	37,500 sq ft

Overview

2056 and 2068 Chestnut Ave are two single-family houses which were granted a Conditional Use Permit (CUP) for use as a Bed & Breakfast in January 2025. The house at 2068 Chestnut Ave was renovated and began operation as a B&B in late spring 2025, and the house at 2056 Chestnut Ave is still under renovation.

Daniel De Souza, on behalf of the LLC owning the Blue Ridge Abbey business, proposes to expand the inn by opening more guest rooms in the existing structures and by constructing eight cottages on the undeveloped south end of the property. This will require rezoning the property from R3 Residential to MU Mixed Use.

Required Approvals

- Zoning Map Amendment – Planning Commission recommendation and City Council approval
- Site Plan – Staff will review and approve the technical site plan, however, the site improvements are integral to the change in use and Zoning Map Amendment review by Planning Commission.
- Erosion & Sediment Control – The land disturbance is expected to exceed 10,000 sf, so and ESC plan will be required. The City’s 3rd party, AMT, will review.

Site

1. Overall Layout & function
 - a. Currently, 2068 (the main house) is owner-occupied and has five active guest rooms. There are additional rooms in the house that could have guest occupancy but they are limited by the CUP permit.
 - b. Currently, 2056 (the carriage house) is under complete renovation and not occupied at all, however the first-floor “owner suite” will be occupied by the

owner unless the property is rezoned. There are five guest rooms on the upper two floors which are under construction and slated for completion in March 2026.

- c. As proposed, 2056 and 2068 will combined have 16 guest rooms as well as the common dining, kitchen, and sitting spaces for the inn. Eight new cottages are proposed, constructed in a U-shape on the south end of the property (lots 3-4), for a total of 24 guest rooms. Each cottage is about 400 sq ft and will contain a sitting area, kitchenette, full bathroom, and bedroom. The cottages will open onto a landscaped central green.
2. Vehicular Circulation and Parking
 - a. 2056 and 2068 Chestnut currently provide nine off-street parking spaces in their separate driveways, without vehicles being blocked in. The site plan proposes 10 angle parking spaces along Chestnut Avenue in front of the proposed cottages. These parking spaces would be partly in the public ROW and partly on private property, but staff would count these as private off-street parking rather than public on-street parking. There are a total of 19 private off-street parking spaces.
 - b. Staff count 8 on-street parking spaces on the 21st St and Chestnut Ave frontages of this property, excluding the area of proposed angle parking. (The frontage of the proposed angle parking currently accommodates approximately 3 vehicles on-street, parallel.)
 - c. The off-street parking requirement for hotels is one space per bedroom plus one additional space for each two employees (703.03-1). For 24 rooms and 2 employees this equals 25 spaces.
 3. Trash Collection – cans set on the alley behind the carport building next to the cottages. Staff recommend multiple pick-ups per week for a business this volume if using cans.
 4. Landscaping, Water/Sewer, Signage are still TBD.

Analysis

The current zoning is R3 Residential Limited with a Conditional Use Permit (CUP) to operate two bed & breakfasts, one in each house. The CUP also included a list of additional conditions related to special events. The B&B began operations earlier in 2025 but only in the large house (2068); the smaller house is still under renovation, so only five rooms total have been available for occupancy thus far.

Zoning and Use

There is a documented need for transient accommodation in the City. Multiple plans including the downtown revitalization plan and the Recreation Economies for Rural Communities plan, included specific recommendations to pursue hotel/transient occupancy businesses to expand options and drive tourism in the City. In 2025, both the Bontex revitalization study and Main Street's economic analysis identified market gaps for hospitality. Additionally, at both the 11/12/2025 and 1/13/2026 Planning Commission meetings, the applicant noted the robust demand for their guest rooms. In the fall, they had to turn away dozens of guests due to lack of availability, and although the new rooms in the carriage house will not be available until March, they already have some booked.

The proposed use is a hotel with up to 24 rooms, including the two existing houses and eight new detached cottages. They plan for transient occupancy only and no accommodations would be for residency (30+ days). Please note that although the business will not look like a Marriott or Hilton hotel and it may continue to use terms such as “bed and breakfast” or “inn,” the correct zoning term for the proposed use is “hotel.”

The MU Mixed Use zone is the most logical choice for rezoning because the Magnolia Ave corridor is zoned MU and it allows hotels. The Comprehensive Plan Future Land Use Plan designates this location as Residential Medium Density, which aligns with its current zoning, but it is only half a block away from the edge of the existing MU zone. The downtown revitalization plan, among others, highlights the importance of the 21st Street corridor as the primary east-west axis in the City, providing some support for extension of the MU zone along this street. Because the MU zone is less than a block away, there is clear proximity to other non-residential uses, and downtown plans support development along the 21st St axis, this would not be considered “spot zoning.”

The MU zone allows a wide range of uses. Staff recommend the rezoning ordinance limit the uses of this property to hotel or single-family residential only. This would avoid surprises down the road if the inn should close, because with this condition, other non-residential uses (for example, retail, office, restaurant, etc.) would require further zoning or conditional use permit.

Further Analysis

Use

Because the bed & breakfast has thus far only operated with five rooms, it is hard to gauge the future level of pedestrian and vehicular activity of a 24-room hotel and its potential impact on the character and scale of the neighborhood. In theory there could be more than four times the level of activity on the site. Additionally, there could be more special events, of which there have only been a few to date. While the library across 21st Street receives daily vehicular traffic, and Forest Avenue has both MGCC and the Post Office as well as the White Tree Inn, Chestnut Ave remains residential in character and somewhat quieter. Staff have significant reservations about the proposed level of activity being appropriate for a residential neighborhood.

Design of Cottages

The proposal is for a Victorian-styled cottage court. The architectural details and form would echo the main house (2068 Chestnut), and the scale of the cottages would not overwhelm the other buildings in the neighborhood, but the architectural rhythm would be a departure from the detached single family homes that characterize this and nearby blocks. There is a small apartment building immediately south of the site, but its form and size echo a single-family home and so it blends in. Similarly, across 21st St is a three family dwelling, but it is a converted single family home and retains that appearance (the blue house at the corner). The entire west side of this block is detached single family homes.

Cottage courts can be an effective and attractive way to increase density in residential areas, but the site-specific design of the courts and their appearance in relation to nearby properties is critical because they are a different rhythm. This court is oriented away from the street and the cottages closest to Chestnut Ave do not face the street. The applicant states that they would

have windows facing the street, but the plans lack detail on what these elevations would look like, as well as details on the landscaping surrounding them. Staff believe that the cottages could be designed in such a way that, combined with effective landscaping such as medium/large trees, they could be attractive and unobtrusive. However, at this time the designs are not specific enough and there are not renderings or elevations to clearly understand the visual impact of the cottages.

From a process standpoint, staff will require more detailed landscaping plans from the applicant prior to site plan approval. Planning Commission/City Council can require these prior to making a decision if it feels like these are needed, or it may give general directions or recommendations regarding design or landscaping and allow submission later.

Parking

The 19 private off-street spaces do not meet the 25 that would be required per the letter of the code. The 8 on-street spaces should be considered when looking at the overall parking, but the availability of these spaces is unpredictable. With the robust demand that the applicant notes, many weekends the hotel would likely be fully-booked. In their CUP application the hotel committed to using the City public parking lot in the 2100 block of Magnolia Ave/Forest Ave for special events requiring more parking, but this would be hard to monitor and the frequency is unknown. As such, staff believe that some amount of additional off-street parking is needed.

Discussion and Recommendation

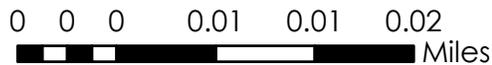
The concerns raised at the 1/13/2026 Planning Commission public hearing, as well as the 11/12/2025 Planning Commission meeting, are summarized as follows:

- Encroachment of commercial use into residential neighborhood, especially when there remain vacant sites & buildings downtown; inappropriateness of a zoning change
- Availability of street parking, including for the Methodist church and the children's library
- Safety of children walking to the library and playing in the neighborhood

However, some members of the public and the applicant noted that there have not been any safety problems with children thus far, nor have there been any documented parking problems, and neighbors have not noticed an increase in vehicular/pedestrian activity in the neighborhood since the B&B began operations.

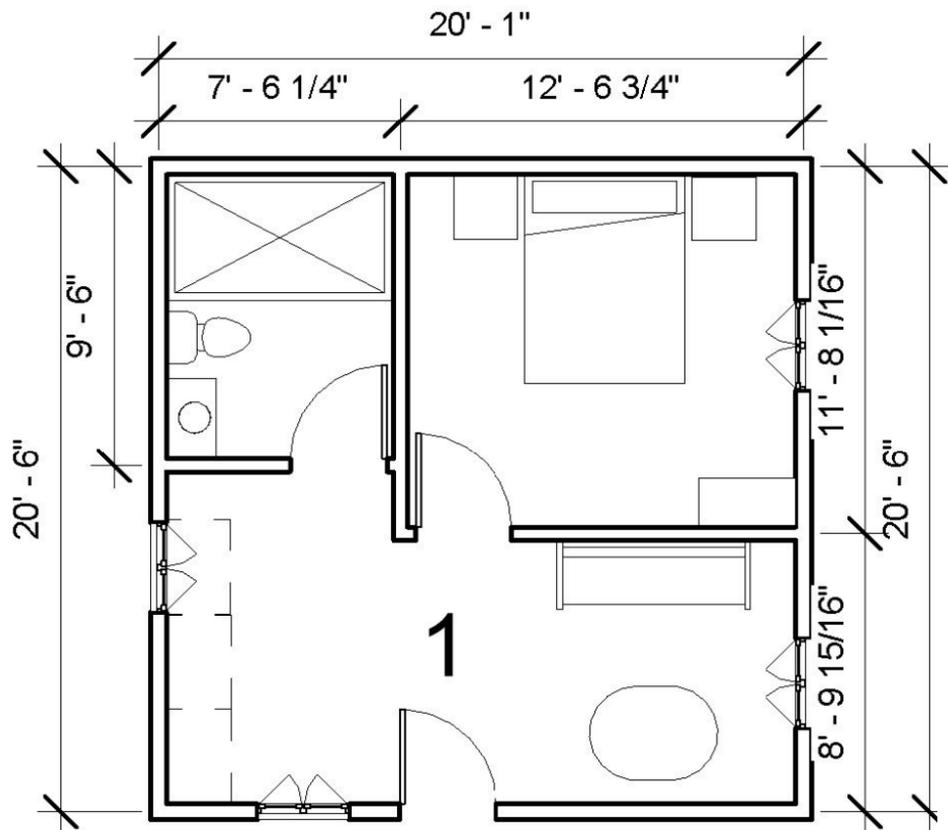
While staff strongly desire this business to thrive and be a part of the Buena Vista downtown business community, they remain concerned that the increase to 24 guest rooms is significant enough a jump to likely cause issues of parking or safety. Additionally, staff is concerned about the architectural appropriateness of the cottage design presented thus far. Staff recommend approval of rezoning the two existing houses (2056 and 2068 Chestnut Ave) to allow their operation as a hotel with 16 rooms, but staff do not recommend approval of the eight additional cottages at this time.

At its 1/13/2026 meeting, the Planning Commission made a motion to recommend approval of the staff recommendation stated above. The vote on this motion was 4 to 3 against the motion, therefore it failed. Thus, the PC does not send a recommendation of denial, but nor does it send a recommendation of approval of any component of the proposal.



2056 - 2068 Chestnut Ave





Small Home Suggestions



BLUE RIDGE ABBEY
Bed & Breakfast

Garden/Landscape Suggestions



BLUE RIDGE ABBEY
Bed & Breakfast



Evergreen Trees



Pavers



Bushes



Grass



Japanese Maple Tree



Rose Bush

Outdoor details



Fire Pit



Bench



Dog Waste Station

Why it this the Perfect Location

- Proximity to Main Street
- Proximity to I-81
- Perfectly located for a pit stop
- Size of the property
- Other non-single family properties nearby
- Ample Parking
- Historic appeal
- Flat lot
- Existing Infrastructure
- Safe part of town



BLUE RIDGE ABBEY
Bed & Breakfast