

\$4M land donation to help bring 120 mixed-income apartments to South Bethlehem

- 69 News / April 10, 2024



A rendering of "The Gateway on 4th" in South Bethlehem's Eastern Gateway neighborhood.

BETHLEHEM, Pa. – A land donation worth more than \$4 million will help to bring a new mixed-income housing complex to Bethlehem, Mayor J. William Reynolds announced Wednesday.

Lehigh Valley Industrial Park (LVIP) is under agreement to buy the Szilagyi Fuel and Dancho sites at 1400-1414 E. 4th St., with plans to donate the land to help lower the cost of bringing 120 new apartments to South Bethlehem's Eastern Gateway.

The "Gateway on 4th" will offer both market-rate and affordable rental apartments, with one-, two-, and three-bedroom units. The proposal calls for two, four-story buildings with first-floor commercial space fronting East Fourth Street, and "neighborhood-compatible stacked townhomes" on the more residential East Fifth Street, according to a news release on the project.

LVIP will acquire the two industrial properties totaling 4 acres, complete the required environmental assessment and remediation of the parcels, and demolish buildings and structures. It will then donate the properties to the development of the housing.

LVIP, a private, nonprofit economic development corporation located in Bethlehem, has seven industrial parks in Northampton and Lehigh counties. The organization says its total investment in the donation will be in excess of \$4 million.

"This is what happens when institutions work together to solve the housing shortage facing our community, bringing new attainable and affordable homes to help alleviate our 2% rental vacancy rate," Mayor Reynolds said. "This is the exact sort of partnership our housing strategy plan Opening Doors calls for to make mixed-income housing possible."

The affordable homes will be available for residents at 20% to 60% of the area median income, about \$13,780 to \$41,340 for a one-person household and \$19,660 to \$58,980 for a four-person household, according to the news release. A one-bedroom affordable unit could cost between \$369 to \$1,107 per month, with market-rate rents to be determined.

"LVIP has been aware of the pressing need for high quality, affordable housing in the region," said Kerry A. Wrobel, president and chief executive officer of LVIP. "When two properties near LVIP VII were made available, we immediately recognized the opportunity to collaborate with the City of Bethlehem on a major housing initiative."

"Although housing is outside our typical focus, LVIP's Board is thrilled to take a leadership role in helping the City deliver on the vision for the Eastern Gateway," Wrobel said. "This becomes another legacy project for LVIP that will have a profound impact on the Bethlehem community and the region for years to come."

The city and LVIP have selected Pennrose to develop the two-phase community and then manage the property.

"We are honored to work closely with Mayor Reynolds, the City of Bethlehem, LVIP, and the local community to create 120 mixed-income rental homes as part of Bethlehem's transformation plan," said Jacob Fisher, regional vice president, Pennrose. "The Gateway on 4th will deliver high-quality housing, top-notch amenities, and on-site supportive services that will benefit residents and the local community for many years to come."

The development will be built over two phases, pending tax credit awards. Construction on the first phase is anticipated to begin in the fall of 2026. The city says housing development would be Bethlehem's first tax credit project since HDC Mid-Atlantic's Southside Lofts opened in 2014.