

120-apartment project near South Bethlehem Greenway will rise on donated land

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BETHLEHEM, Pa. — A new 120-unit mixed-income housing development will soon take shape in a key section of Southside Bethlehem, city officials announced Wednesday.

“Today is one of the biggest days we've had in the city of Bethlehem for a long time,” said Mayor J. William Reynolds. “We would not be here without the work of those that came before us — mayors that came before us, nonprofits that worked on this before us.”

The Gateway on Fourth, as the planned complex is known, will include 120 units of housing at 1400-1414 E. Fourth St., spread across two four-story apartment buildings and four townhomes.

About one-third of the apartments will be offered for rent at market rates, while the remaining two-thirds will be held for families making between 20% and 60% of the area’s median income, as set by the U.S. Department of Housing and Urban Development.

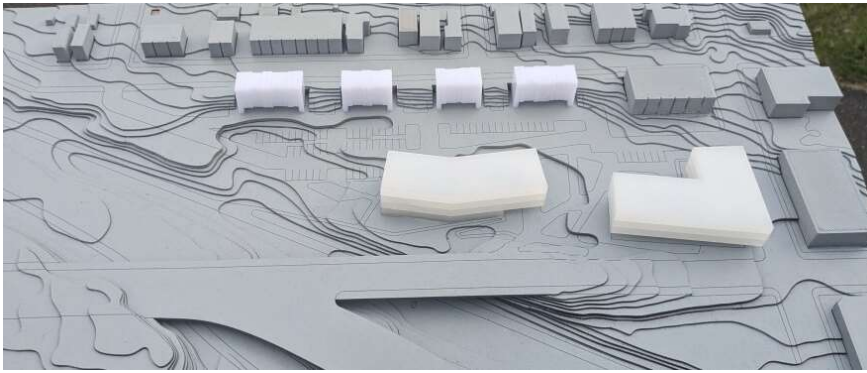
A one-bedroom affordable unit could cost between \$369 and \$1,107 using current income figures, according to a statement from the City of Bethlehem. Market-rate rents have not been set.

“This is mixed-income for a reason: because those are the best neighborhoods we have,” Reynolds said. “That's how people live with dignity. That's how you have high-quality institutions and services around.”

To help get the project off the ground, Lehigh Valley Industrial Park (LVIP) agreed to purchase 3.8 acres along East Fourth Street, home to now-shuttered Szilyagi Fuels and Bethlehem Tow and Services, for around \$4 million.

The organization has long been looking to use its redevelopment expertise for an affordable housing project and had considered the land on Fourth Street, LVIP President Kerry Wrobel said, but it was never for sale.

When he drove by the Szilyagi Fuels building one day in December 2022 and saw a “for sale” sign, he raced to his office to try to secure the land.



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A model of the Gateway on Fourth development, showing the four planned townhomes and two planned mid-rise apartments.

Once LVIP completes an environmental assessment of the parcels and cleans up any pollution they find, the organization will demolish the existing buildings and donate the vacant land to the developer overseeing construction, Philadelphia-based Pennrose.

Construction is planned in two phases, with one mid-rise building and two sets of four townhomes built in each phase. If the project successfully secures financing from housing credits allocated by the Pennsylvania Housing Finance Agency, construction on phase one could begin in fall 2026 and wrap up toward the end of 2027.

Plans for an “Eastern Gateway” welcoming visitors to the Southside have been brewing for years, said Reynolds, starting during the tenure of former Mayor John Callahan.

“The Gateway on Fourth is the story of the success of community-driven planning, both the Eastern Gateway plan that happened more than a decade ago and our Opening Doors plan that we just completed,” said Sara Satullo, Bethlehem’s deputy director of community development.

Officials also said the project would not have been possible without the city’s recent housing study, which showed a housing market in crisis.

Bethlehem Councilwoman Rachel Leon, born and raised in Southside, praised the project and recalled a conversation where her mother mentioned the Szilagyi Fuels site would be a prime spot for an affordable housing project.

“I said things like ‘Ah, the cost of land acquisition, you know, environmental remediation — all these are barriers.’ And I said, ‘Mom, it’s \$4 million dollars, there’s no way. No one is going to give the city a \$4 million property for nothing,” Leon said.

“I’m overcome with gratitude. This is a real step in the direction of keeping Southside financially accessible to the communities that would love to continue to call Southside home.”