

THE MORNING CALL

Vacant industrial site to be used for affordable housing

Lehigh Valley Industrial Park plans to buy Szilagyi Fuel site, clean and donate it

By **EVAN JONES** | ejones@mcall.com | The Morning Call
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Rachel Leon grew up in south Bethlehem and now represents it on City Council.

She's seen the neighborhood change over the years, evolving from an affordable place to live to one that's "becoming increasingly inaccessible to the very community that gave South Side its own vibe."

"There have been many conversations about how we go about addressing these new challenges as a community," said Leon, who is City Council's vice president.

On Wednesday, the city announced that 120 market-rate and affordable housing units will be built at the Szilagyi Fuel and Dancho sites at 1400-1441 E. Fourth St. near Wind Creek Bethlehem and Lehigh Valley Industrial Park VII in an area dubbed the Eastern Gateway. The project is a partnership between the city, Lehigh Valley Industrial Park Inc. and Pennrose developers.

"I remember a conversation I had with my mom just a couple of months ago about how we can actually be part of the solution," Leon said. "While we were talking about that, the Szilagyi site came up. She told me wouldn't it be amazing if something were done there?"

LVIP will buy the land, which totals 4 acres, for \$4 million. It will complete the required environmental assessment and remediation of the parcels, demolish buildings and then donate it to The Gateway on 4th development.

After securing funding through tax credit awards, Pennrose will build two four-story apartment buildings along with 16 townhomes. The first apartment building is planned to be finished by the end of 2027, while the second building and the townhomes would be completed in 2028.

Gateway on 4th would be Bethlehem's first tax-credit project since HDC Mid-Atlantic's Southside Lofts opened in 2014. The affordable homes will be available for residents at 20%-60% of the area median income, which is about \$13,780 to \$41,340 for one person, to \$19,660 to \$58,980 for a family of four.

LVIP President and CEO Kerry A. Wrobel said the organization has learned how to develop brownfield projects over the years and the Szilagyi site was one that always intrigued him, though it was never available. When the property was listed in December 2022, he was tipped off by his wife, Stacy, who noticed a for-sale sign, and he acted quickly.

“We look at this as a legacy project,” Wrobel said. “At LVIP, our initial legacy was saving the Bethlehem economy from the loss of Bethlehem Steel and diversifying the Lehigh Valley economy.”

He added that affordable housing plays an important role in that and credited housing advocate Alan Jennings, a former executive director of Community Action Committee, for inspiring him.

“There’s this tremendous demand for affordable housing,” Wrobel said. “And [Jennings] elements say somebody had to step up and do something different because the current model was failing. And I thought well, why not? Why not LVIP step up and be in a position to make a generous gift and be that difference-maker that Alan and others are looking for? So that adds to our legacy.”

Jennings said planning for such development goes back more than two decades.

“It’s doing plenty toward addressing a colossal need,” Jennings said, “and too few of our leaders have had the smarts to understand, the guts to undertake and the tenacity to pull it off. And that’s what we got in there today. Mayor [J. William] Reynolds has been great at pushing affordable housing in this city and I give him a lot of credit for having the judgment and the tenacity to really stand up to the resistance.”

Pennrose has more than 50 years of building affordable housing projects, including sites in the Lehigh Valley. Recently, it helped rebuild the Little Lehigh public housing complex in Allentown. This will be the company’s first project in Bethlehem.

“We do mixed income, we do affordable housing and really one of our core principles is working together with cities, with neighborhoods, with communities to deliver housing that is compatible with those neighborhoods,” Pennrose Regional Vice President Jacob Fisher said. “And here what is demanded is housing that is compatible with a neighborhood that is mixed income and will be attainable for people of a variety of incomes.”