

THE MORNING CALL

Bethlehem to break ground on 120-unit affordable housing project next year after receiving \$16 million subsidy

FACADE RENDERING
TOP OF 4TH ST



4TH ST GATEWAY DESIGN UPDATE | DECEMBER 2024

An Architect's rendering of the Gateway on Fourth affordable housing project in Bethlehem, expected to open its doors in 2028. (Photo courtesy of WRT | Planning + Design)

By Lindsay Weber | liweber@mcall.com | The Morning Call

PUBLISHED: October 16, 2025 at 7:00 AM EDT

A major affordable housing development in South Side Bethlehem — the city's first in 10 years — will break ground next year after receiving \$16 million in tax credits to push the project forward.

Called Gateway on Fourth, the project will bring 120 units at 1400-1441 E. Fourth St. At least two-thirds of the units will be designated as “affordable” for people who make 60% or less of the area median income, according to a news release. The project is a partnership between the city, Lehigh Valley Industrial Park, which bought and donated the land, and Pennrose developers, which specializes in subsidized affordable housing.

The \$16 million in tax credits, awarded by the Pennsylvania Housing Finance Agency, will help move forward “phase one” of the project, which will be a 44-unit mid-rise building at East Fourth and William streets, including a clinic run by Neighborhood Health Centers of the Lehigh Valley on the first floor; and a 16-unit townhome building along East Fifth.

“Recognizing we cannot solve our regional housing crisis alone, our administration has been laser focused on building innovative coalitions to bring more attainable and affordable homes into our community,” said Bethlehem Mayor J. William Reynolds in a written statement. “Bethlehem’s first tax credit award in more than a decade is something for our entire city to celebrate.”

Construction on the first phase will begin at the end of 2026, and wrap up in early 2028. The city expects to begin welcoming residents into units by the end of 2028.

The project will complement the city of Bethlehem’s comprehensive affordable housing strategy, called “Opening Doors.” Reynolds has called the city’s lack of attainable housing a “crisis”; between 2019 and 2023, the median home sale price nearly doubled from \$182,000 to \$302,000, and median monthly rent skyrocketed from \$1,354 to \$1,910, according to citywide data.

Gateway on Fourth will begin to address that crisis, officials said. The homes will be rented to residents earning between 20% to 60% of area median income, which is between \$14,040 to \$42,120 for a one-person household and \$20,040 to \$60,120 for a four-person household. Rents will range from \$279 for a one-bedroom apartment to up to \$1,442 for a three-bedroom.

“LVIP is so proud to be partnering with Mayor Reynolds and his staff and Pennrose on this transformational housing initiative,” said Kerry A. Wrobel, LVIP president, in a statement. “We’re thrilled [the Pennsylvania Housing Finance Agency] shares our vision for Gateway on Fourth.”

The total cost of Gateway on Fourth is estimated to be around \$29 million with funding from the Pennsylvania Housing Finance Agency, the Redevelopment Assistance Capital Program and the city of Bethlehem, among other sources.

“We look forward to breaking ground on this transformative project and working with our partners to address the critical need for affordable housing in the Lehigh Valley,” said Jacob Fisher, Pennrose regional vice president, in a statement.

Pennrose developers will apply for further tax credits to fund the second phase, which will bring a second 44-unit apartment building and 16 townhomes, and is still pending a construction and completion date.

The last time the city unveiled a tax credit affordable housing project was 2014, when South Side Lofts, operated by HDC Mid-Atlantic, opened its doors.