

DEVELOPMENT FEASIBILITY STUDY

# 343 East 66th Street / 1225 First Avenue

Lenox Hill, Upper East Side, Manhattan, NY 10065  
*Zoning & Building Department Regulatory Analysis*

Prepared Exclusively For:  
Prospective Development Partners

**DMB Properties**

April 2026 | Confidential



1225 1 Avenue



343 East 66 Street

# Executive Summary

This feasibility study evaluates the maximum development potential of the property at **343 East 66th Street (a/k/a 1225 First Avenue)** in the Lenox Hill section of Manhattan's Upper East Side, based on current New York City Department of Buildings regulations, the NYC Zoning Resolution, and the recently adopted *City of Yes for Housing Opportunity* amendments (effective December 2024).

The site is zoned R10/C1-9, supporting a base residential Floor Area Ratio (FAR) of 10.0 and up to FAR 12.0 under the new Universal Affordability Preference (UAP) program. On a 3,750 SF corner lot with dual street frontage on First Avenue (wide street) and East 66th Street (narrow street), the analysis finds a maximum buildable gross area of 37,500 to 45,000 SF, yielding a building of approximately 14 to 21 stories depending on program and regulatory path chosen.

## KEY FINDINGS AT A GLANCE

<b>Lot Area</b>	3,750 SF (50 ft × 75 ft corner lot)
<b>Zoning District</b>	R10 / C1-9 commercial overlay
<b>Base FAR (Market Rate)</b>	10.0 → 37,500 SF maximum floor area
<b>UAP Bonus FAR (w/ Affordable)</b>	12.0 → 45,000 SF maximum floor area
<b>Max Building Height (QH)</b>	215 ft on wide street (with qualifying ground floor)
<b>Estimated Floors</b>	14–21 stories (varies by program)
<b>Estimated Residential Units</b>	18–30 units (varies by floor plate)
<b>Sliver Law</b>	Does NOT apply (both street walls ≥45 ft)

# Site & Lot Analysis

## PROPERTY IDENTIFICATION

<b>Street Address</b>	343 East 66th Street, New York, NY 10065
<b>Alternate Address</b>	1225 First Avenue
<b>Borough / Block / Lot</b>	Manhattan (Borough 1)
<b>Neighborhood</b>	Lenox Hill, Upper East Side
<b>Current Owner</b>	White Mountain Realty Corporation
<b>Existing Structure</b>	6-story pre-war walk-up, built 1910
<b>Existing Units</b>	29 total (25 residential + 4 commercial)

## LOT DIMENSIONS & CONFIGURATION

<b>Lot Frontage (First Ave)</b>	50 ft (wide street, ~100 ft mapped width)
<b>Lot Frontage (E 66th St)</b>	75 ft (narrow street, ~60 ft mapped width)
<b>Total Lot Area</b>	3,750 SF (50 ft × 75 ft)
<b>Lot Type</b>	Corner lot — dual street frontage
<b>Street Classification</b>	First Ave = Wide Street (≥75 ft); E 66th = Narrow Street (<75 ft)

The corner lot configuration is a significant advantage. Dual street frontage provides light and air on two exposures, allows for a prominent building entrance on First Avenue, and triggers the wide-street height bonus under Quality Housing rules. The lot’s position at the intersection also avoids the interior-lot rear yard penalty that would otherwise consume up to 30 feet of depth.

## Zoning Regulatory Framework

### R10 Zoning District

R10 is New York City’s highest-density general residential zoning district. It permits the greatest residential floor area ratio and offers developers a choice between two regulatory pathways: Quality Housing regulations (contextual rules promoting wide, high-lot-coverage buildings) or Tower-on-a-Base regulations (permitting slender towers that penetrate the sky exposure plane above a contextual street-wall base). Height factor regulations do not apply in R10.

### FLOOR AREA RATIO (FAR)

Use / Program	FAR	Max Floor Area
Residential (market rate)	10.0	37,500 SF
Residential (w/ UAP affordable)	12.0	45,000 SF
Community Facility	10.0	37,500 SF
Commercial (C1-9 overlay)	2.0	7,500 SF

**FAR Justification:** The base residential FAR of 10.0 is established by NYC Zoning Resolution Section 23-15 for R10 districts. The 12.0 FAR bonus is available through the Universal Affordability Preference (UAP) program, which replaced the former Voluntary Inclusionary Housing (VIH) program under the City of Yes for Housing Opportunity amendment adopted by the NYC Council on December 5, 2024. UAP provides a 20% increase in maximum permitted floor area ( $10.0 \times 1.20 = 12.0$ ) in exchange for dedicating the additional floor area to permanently affordable housing at a weighted average of 60% of Area Median Income (AMI), with at least 20% of affordable units at or below 40% AMI.

## C1-9 Commercial Overlay

The C1-9 commercial overlay permits ground-floor retail (FAR 2.0, or 7,500 SF) below residential use. Commercial uses are limited to one or two floors and must be located below the residential portion. This is consistent with the existing ground-floor retail configuration (Dunkin' Donuts, hair salon) and supports income generation during pre-development.

## Height & Bulk Regulations

### Option A: Quality Housing Program

Quality Housing (QH) regulations produce wide, high-lot-coverage buildings set at or near the street line, consistent with the traditional street-wall character of Upper East Side avenues. For a corner lot on a wide street in an R10 district, QH provides the most generous height envelope.

#### QUALITY HOUSING HEIGHT PARAMETERS

Parameter	Wide Street (1st Ave)	Narrow Street (66th)
Minimum Base Height	125 ft	60 ft
Maximum Base Height	155 ft	125 ft
Required Setback Above Base	10 ft	15 ft
Maximum Building Height	215 ft*	185 ft

*\* 215 ft applies to buildings providing a qualifying ground floor (minimum 13 ft floor-to-ceiling height at grade). Without a qualifying ground floor, the maximum is 210 ft on a wide street.*

**Height Justification:** These height parameters are prescribed by ZR Section 23-66 (Quality Housing Height and Setback Requirements). The 215 ft maximum on a wide street is established for R10 districts within 100 feet of a wide street frontage, with a qualifying ground floor per ZR 23-662. Since this corner lot has its entire footprint within 100 ft of First Avenue, the 215 ft maximum applies to the full building envelope. The narrow-street limit of 185 ft governs any portion set back from 66th Street beyond the wide-street zone.

### Option B: Tower-on-a-Base

Tower regulations (ZR 23-651) allow a building to penetrate the sky exposure plane above a required contextual street-wall base. For this lot, which fronts on a wide street and is less than 10,000 SF, tower regulations provide unique advantages.

#### TOWER-ON-A-BASE PARAMETERS

<b>Base Height (wide street)</b>	60–85 ft (continuous along street line)
<b>Tower Setback — Wide Street</b>	10 ft from First Avenue street wall
<b>Tower Setback — Narrow Street</b>	15 ft from E 66th Street street wall
<b>Tower Lot Coverage</b>	Max 40% of lot area (1,500 SF)
<b>Small Lot Exception</b>	For lots ≤10,000 SF, coverage limit relaxed or waived
<b>55% Rule</b>	At least 55% of total floor area must be below 150 ft

**Tower Analysis:** Under standard tower rules, the tower portion may cover no more than 40% of the zoning lot (1,500 SF on this 3,750 SF lot). However, for zoning lots of less than 10,000 SF, the coverage limit is relaxed under ZR 23-651, potentially allowing the tower to cover a larger percentage of the lot. This is critical for this site’s viability under tower rules. Additionally, at least 55% of the total floor area must be located below a height of 150 feet, which guides the floor-plate distribution between base and tower portions. The tower has no fixed height cap, but the FAR limit effectively constrains total building height. With a 2,000–2,400 SF tower floor plate, the building could reach approximately 200–250 ft.

**Sliver Law Analysis (ZR 23-692)**

The Sliver Law restricts the height of buildings with a street wall less than 45 feet wide. This restriction does NOT apply to this property. The lot has a 50 ft frontage on First Avenue and a 75 ft frontage on E 66th Street—both street walls exceed the 45 ft threshold. Furthermore, under Quality Housing rules, even buildings with a street wall narrower than 45 ft are exempt from the Sliver Law provided the width of the street wall at the maximum base height is at least 45 feet.

**Rear Yard & Open Space Requirements**

Under ZR 23-47, residential buildings in R10 districts require a minimum rear yard of 30 feet. For this corner lot, the rear yard is measured from the interior lot line (the side opposite the primary street frontage). Since the lot has two street frontages, the rear yard applies only to the interior lot lines (north and/or west), not to the First Avenue or 66th Street faces.

**Impact on buildable footprint:** Assuming the 30 ft rear yard is required along the north interior lot line (the line parallel to 66th Street), the buildable depth is reduced from 50 ft to approximately 20 ft on the interior side. However, corner lot rules in R10 allow for more flexible rear yard configurations. Under Quality Housing, the building may occupy up to 100% of the lot at the base and step back above, effectively filling the entire lot footprint at lower floors. The rear yard equivalent may be provided at upper stories through setback, allowing a larger ground-floor and lower-story footprint of approximately 3,200–3,500 SF.

# Maximum Development Calculations

## Scenario Analysis

The following scenarios illustrate the range of achievable development programs based on the two regulatory pathways and the two FAR levels (market rate at 10.0 and UAP bonus at 12.0). All scenarios assume full demolition of the existing 6-story structure.

Scenario	Max GSF	Floors	Height	Units	Key Assumptions
QH Market Rate	37,500	14–15	~150 ft	20–25	FAR 10.0; full lot coverage at base; setback above 125–155 ft
QH + UAP	45,000	18–21	~210 ft	25–30	FAR 12.0; 20% affordable; approaches 215 ft height limit
Tower Market	37,500	16–20	~200 ft	18–22	FAR 10.0; 85 ft base + tower; smaller tower floor plates
Tower + UAP	45,000	20–25	~250 ft	22–28	FAR 12.0; tallest configuration; slender luxury tower

### DETAILED FLOOR-BY-FLOOR BREAKDOWN: QUALITY HOUSING AT FAR 12.0

This scenario represents the maximum buildable program under the most favorable regulatory pathway and is the recommended development approach:

Floor Level	Floor Plate	Cumulative SF
Ground (retail + lobby)	~3,400 SF (91% coverage)	3,400 SF
Floors 2–5 (below base setback)	~3,400 SF each	17,000 SF
Floors 6–12 (base to setback zone)	~3,200 SF each	39,400 SF
Floors 13–18 (above setback)	~2,200 SF each (after 10–15 ft setback)	~45,000 SF
Mechanical penthouse	Per code (excluded from FAR)	N/A

**Calculation:** 3,750 SF lot × 12.0 FAR = 45,000 SF gross floor area. At an average floor plate of approximately 2,500–3,400 SF (varying with setback), the building achieves 18–21 stories. With a 15 ft qualifying ground floor and 10.5 ft typical residential floor-to-floor height, the total building height reaches approximately 15 + (17 × 10.5) = 193.5 ft to 15 + (20 × 10.5) = 225 ft. The program should be calibrated to stay within the 215 ft maximum on the wide-street frontage.

### UNIT COUNT ANALYSIS

Assuming approximately 20% loss to core (elevator, stairs, corridors, walls) and mechanical systems:

Metric	FAR 10.0	FAR 12.0
Gross Floor Area	37,500 SF	45,000 SF
Net Saleable Area (~80%)	30,000 SF	36,000 SF
Avg Unit Size: 1,200 SF (luxury)	25 units	30 units
Avg Unit Size: 1,500 SF (boutique)	20 units	24 units
Avg Unit Size: 1,800 SF (full-floor)	16–17 units	20 units

## City of Yes Impact Analysis

The City of Yes for Housing Opportunity, adopted December 5, 2024, is the most significant zoning text amendment since the Zoning Resolution’s original passage in 1961. Several provisions directly impact this site’s development potential:

- **Universal Affordability Preference (UAP):** Replaces the former Voluntary Inclusionary Housing program in R10 districts. Provides 20% FAR bonus (10.0 to 12.0) for projects dedicating the additional floor area to permanently affordable housing at a weighted average of 60% AMI. In R10, UAP affordable units may be located off-site, providing flexibility.
- **Height Increases:** UAP buildings receive corresponding height increases to accommodate the additional floor area, which may allow additional stories beyond the base QH height limit.
- **485-x Tax Abatement Alignment:** The new 485-x tax abatement (replacing the expired 421-a) works in tandem with UAP requirements, providing significant property tax benefits for projects that include affordable housing.
- **Parking Reduction:** City of Yes eases parking mandates in transit-rich areas. This site, within two blocks of the F/Q at Lexington/63rd and three blocks of the 4/5/6 at 68th–Hunter College, is expected to qualify for reduced or eliminated parking requirements, freeing additional buildable area.

## Regulatory Constraints & Considerations

### Building Code Requirements

- **Elevator:** Buildings over 6 stories require at least one elevator. For a 14–21 story residential building, plan for 2 elevators (one passenger, one service/freight), consuming approximately 200–250 SF of core per floor.
- **Stairs:** Two means of egress (two stairwells) required for residential buildings over 3 stories. Each stairwell requires approximately 100–120 SF per floor.
- **Sprinklers:** Full sprinkler system required for all new residential buildings in NYC.
- **Mechanical Systems:** Mechanical space (HVAC, electrical, water) is typically excluded from FAR calculations. Plan for a mechanical penthouse and possible cellar mechanical room.

- **Accessibility (ADA/Local Law 58):** All common areas and a portion of units must be accessible or adaptable. Lobby, corridors, and at least one elevator must meet accessibility standards.
- **Local Law 97 (Emissions):** New construction should target all-electric systems to comply with NYC’s carbon emissions limits, which become increasingly stringent through 2030 and 2035.

## Adjacent Development Coordination

The Hakimian Organization has assembled a 13,000 SF site at 1209–1213 First Avenue, directly across East 66th Street to the south. Early coordination could enable shared crane access, construction staging rights, and a potential “zoning lot merger” that could significantly increase the combined development’s buildable area and design flexibility. If both sites were combined into a single zoning lot, the merged lot area of approximately 16,750 SF at FAR 12.0 would yield up to 201,000 SF of developable floor area—a transformative scale for Lenox Hill.

## Recommended Development Strategy

Based on the analysis of zoning regulations, building code requirements, market conditions in Lenox Hill, and the new City of Yes framework, the recommended development path is:

1. **Quality Housing Program with UAP Bonus (FAR 12.0):** Maximizes buildable area at 45,000 SF while qualifying for 485-x tax abatement and UAP height bonuses. The wide-street QH envelope allows a building up to 215 ft (approximately 20 stories).
2. **18–21 Story Building:** With a qualifying ground floor (~15 ft) for retail and lobby, upper floors at ~10.5 ft floor-to-floor, and a full-lot-coverage base stepping back above 125–155 ft.
3. **25–30 Luxury Residential Units:** Average unit size of 1,100–1,400 SF for the market-rate portion, with affordable UAP units potentially located off-site per R10 rules.
4. **Pursue Hakimian Coordination:** A zoning lot merger with the adjacent Hakimian site could dramatically increase development potential and create a landmark-scale project.

### DEVELOPMENT SUMMARY

<b>Lot Area</b>	3,750 SF
<b>Zoning</b>	R10 / C1-9
<b>Recommended FAR</b>	12.0 (UAP)
<b>Max Gross Floor Area</b>	45,000 SF
<b>Estimated Net Saleable</b>	~36,000 SF (80% efficiency)
<b>Number of Floors</b>	18–21 stories
<b>Building Height</b>	~195–215 ft
<b>Estimated Unit Count</b>	25–30 units
<b>Ground Floor Retail</b>	~3,400 SF
<b>Regulatory Path</b>	Quality Housing + UAP

<b>Sliver Law</b>	Not applicable
<b>Parking Required</b>	Reduced/none (transit-rich)

## REGULATORY SOURCES & CITATIONS

- NYC Zoning Resolution, Article II, Chapter 3 (R10 Regulations) — ZR 23-15, 23-47, 23-65, 23-651, 23-66, 23-692
- NYC Department of City Planning: R10 Tower & Quality Housing District Guides
- City of Yes for Housing Opportunity — Adopted December 5, 2024 (Universal Affordability Preference)
- NYC HPD: Universal Affordability Preference (UAP) Fact Sheet, 2025
- NYC Department of Finance: Property Tax Records — 343 E 66th St (lot dimensions)
- NYC Building Code 2022 — Elevator, egress, sprinkler, and accessibility requirements

## DISCLAIMER

*This feasibility study is prepared for informational purposes only and does not constitute a formal zoning analysis, architectural plan, or legal opinion. All calculations are based on publicly available zoning data, NYC Department of Finance lot records, and the NYC Zoning Resolution as amended through April 2026. Actual buildable area may vary based on DOB review, ULURP actions, environmental review (CEQR), and site-specific conditions. A licensed architect and zoning attorney should be retained to confirm all development parameters prior to acquisition or filing.*