Developers of a housing project to be built with the aid of city funds were under orders from Mayor Robert F. Wagner today to break up a cozy arrangement that put the sales office for sought-after apartments in the office of Harlem Democratic leader J. Raymond Jones.

The World-Telegram disclosed exclusively yesterday that applicants for apartments in the cooperative project, slated to be built on Lenox Ave. between 134th and 135th Sts., had to file their applications and be interviewed at a desk only a few feet from one occupied by Mr. Jones, a top Wagner aide.

Jones currently is vying for Carmine De Sapio's seat as Tammany Hall boss.

Mayor Wagner late yesterday ordered the sales office for the project to get out of Mr. Jones' offices at the Carver Democratic Club, 1723 Amsterdam Ave.

Sees 'Nothing Wrong'...

At a press conference today in the Tammany clubhouse, Mr. Jones said there was 'nothing dishonest or wrong' in leasing part of his political office to a corporation formed to construct the apartment house.

He said the corporation—of which he is an officer—never used the space as a sales office, but merely to process applications by prospective owners of the middle-income apartments.

Despite his denial, the city's Housing and Redevelopment Board said it was removing all applications and other records from the Carver Democratic Club and carrying them to the real estate office of Daniel J. Burrows at 757 St. Nicholas Ave.

Mr. Burrows, who is president of the Carver club, described himself as the sales agent of the apartment project.

Mayor Steps in...

"The minute this came to my attention," the Mayor said, "I telephoned the Housing and Redevelopment Board and told them to take immediate steps. This is being done. In fact, I was advised by officials (of the board) that such action was under way."

J. Clarence Davis Jr., chairman of the board said:

"We have found no evidence the law is being violated. We believe, however, the sales office of this housing company should be relocated. We have directed the housing company to make certain that its sales office be transferred at once."

The 160-unit project is scheduled to be built under the Mitchell-Lama Act, which provides for city aid to private investors who build limited-profit, middle-income apartment houses.

Listed as first directors and incorporators of the housing firm planning the project—the firm is called Clayton Apartments Inc.—are Mr. Jones and Rep. Adam Clayton Powell (D., Harlem), longtime political cronies and major powers in Harlem Democratic politics.

The real estate firm handling applications for much-desired apartments is Burrows-King Inc. Not only is the firm's desk located close to Mr. Jones but a member of the Harlem politician's staff serves as a part-time employee of the real estate outfit, taking applications for apartments.

The desirability of the apartments can be judged from the fact that 148 of the 160 apartments to be available have been sold and there is a waiting list of 375 applicants.