

A Contract, Almost: Levy and Board Are Hung Up on Housing

By EDWARD WYATT

Three months after the Board of Education voted unanimously to appoint Harold O. Levy as chancellor of the city's school system, Mr. Levy and the board have yet to agree on contract terms, mainly because of differences over how much he will be paid for a housing allowance.

City officials said yesterday that only a few details remained to be worked out on the contract, which would pay Mr. Levy \$245,000 a year for two years and would include a monthly housing allowance of \$7,000 to \$10,000. Another obstacle to completing the contract is that Mr. Levy is on vacation, the officials said.

A draft version of a contract was forwarded to City Hall several weeks ago, and officials there initially raised questions about why a housing allowance was necessary at all, giv-

en that in 1990 the Board of Education bought a town house in Brooklyn for use as the official residence of school chancellors.

That house has been empty since Rudy Crew moved out last spring; Mr. Levy, who owns an apartment on the Upper West Side, has said that he does not want to move.

Yesterday, Deputy Mayor Anthony P. Coles, who oversees education matters for Mayor Rudolph W. Giuliani, said he believed that providing Mr. Levy with a substantial housing allowance made sense, particularly because he could earn much more money in the private sector.

"A housing allowance is something that has been made available routinely to chancellors," Mr. Coles said. "The proposal here is to lease the chancellor's residence and use that as the source of the housing

allowance for the chancellor."

But some Board of Education members disagreed. "The man does not need a housing allowance," said Jerry Cammarata, the board's Staten Island representative. "This was created for individuals who we were displacing and bringing to New York. The intent and the spirit of it would be undermined to actually have this in the contract. The intent is being flouted and that kind of hurts and sends the wrong message."

The Daily News reported on the dispute about the chancellor's housing allowance yesterday.

In April, a month before the Board of Education voted to upgrade Mr. Levy's status from interim chancellor, William C. Thompson Jr., president of the Board of Education, said he thought the board should consider selling the residence.

With real estate prices having appreciated considerably in the 10 years since the Board of Education bought the building for \$995,000, Mr. Thompson said, it made more sense to sell the house and put the proceeds in an income-generating account that would provide for a housing allowance for future chancellors.

Yesterday, Mr. Thompson said he thought that such a plan remained the most prudent course for the board, although the building had not been placed on the market.

"There has been some ground work done," for a possible sale, Mr. Thompson said, including determining how a fund could be structured to use some of the proceeds for education and some for a housing annuity.

A spokeswoman for Mr. Levy would not comment on the contract while it was still under discussion.