

when we heard about the application. And the application has not been approved. But I can't give you the information right now. I can, of course, supply it to you.

Mr. WIDNALL. Well, Mr. Secretary, I understand that there have been one or two paper transactions on the whole property which have been in the hundreds of thousands of dollars, despite the fact these purchases were concerned with 165 acres while the city is acquiring only 144, part of which is under water. But until this came to my attention with regard to the city's action, such transactions were, I am told, still over \$200,000 less than the \$522,000 price tag to the city and the Federal Government. If a full explanation could be furnished for the record, I would welcome it.

Mr. SLAYTON. I think the record ought to show that this is an application that has been received and no action has been taken on this whatsoever in terms of approval or anything of that nature.

Mr. WIDNALL. I would certainly like a full documentation for the record as to the order of procedure in connection with this and what has been done by the authorities.

Mr. SLAYTON. We will supply that.

(The information referred to follows:)

STATUS REPORT RE VIRGINIA BEACH OPEN-SPACE LAND APPLICATION

On August 9, 1965, the Philadelphia regional office received an application from the city of Virginia Beach requesting a 20-percent grant of \$90,000 for the acquisition of 144 acres of property which was to be known locally as the Little Island Recreation Area. Shortly thereafter, the regional office acknowledged receipt of the application and authorized the city to undertake acquisition of the lands included in the application if the need arose. Such authorization is not a commitment of Federal assistance but does allow the applicant to proceed with acquisition at their own risk without adversely affecting the eligibility of the land for assistance, if at a later date, a Federal grant is approved. At the present time the application is under review.

In the latter part of September 1965 assertions appeared in the Virginia Observer to the effect that the price paid for the Little Island Recreation Area by the city was highly inflated and did not reflect current market value for similar lands in and around Virginia Beach. These assertions were brought to the attention of the Urban Renewal Commissioner who notified the Philadelphia regional office of the controversy over the application and instructed the regional director of urban renewal to follow up on the matter.

The regional office requested the city to provide two complete professional appraisals of the land for review as soon as possible. These appraisals were completed and delivered to the regional office in December 1965. Subsequently, the regional office has conducted a field review of the site and reviewed the appraisal reports submitted by the city. The city has been requested to provide additional information concerning the methods of appraisal used and supplemental information to complete the original appraisal reports. It is our understanding that this material is now being prepared for submission to the regional office by the appraisers.

It should be noted that in the interim since the submission of the application in August 1965, the Housing and Urban Development Act of 1965 modified the open-space land program and increased the percentage of Federal grant assistance available to a 50-percent level instead of the 20-percent level at which the city's application was originally submitted. Prior to any additional action being taken on the application, the city will have to update and revise their submission to comply with the provisions of the 1965 act. The regional office has not requested submission of a revised application pending complete review of the appraisals and determination of the fair market value of the land in question.

Mr. BARRETT. It is true that you have been hospitalized, is it not?

Mr. SLAYTON. Well, I was homeized, you might say.