Total population is some 2,500, including 1,800 children. The Schilling Manor School, located in the Capehart area, will be overcrowded this year (capacity is 900) and it will be necessary to send 300 children to schools in Salina.

The entire operation (excluding the commissary) is being handled with less than 60 full-time personnel.

Appendix E—The Residential Housing Issue

In 1960, some 6 percent of Salina's dwelling units were vacant (821 out of 14,304). A post office survey on December 4, 1964, showed an increase in vacancies to 1,400—or 9 percent of the inventory at that time. True, there remained a substantial number of below standard dwellings, but the thought of combining an existing high vacancy rate with the loss of some 2,500 Air Force families and the addition of the 735 Air Force-owned Capehart units was a matter of frightening concern.

The first to feel the impact were the Air Force families who had bought homes and were then ordered out—during the period of major drops in market values. The majority of these individuals had purchased homes in the $9,000 to $18,000 price range, with the enlisted personnel occupying the lower portion of the price range. A phenomenon known as the "equiteer" arrived on the scene. This individual would approach the Air Force member and offer to relieve him of his mortgage obligations and pay a nominal sum for his equity. The serviceman, concerned about his credit rating, would often jump at the deal. Unfortunately, he was rarely aware of his contingent liability to reassume payment in the event the new buyer failed to meet the mortgage obligations. The equiteer would often rent the house, fail to make any mortgage payments, and pocket the rental proceeds. Then the serviceman, at his new base, having forgotten about his home in Salina, would receive the bill—not only for the current mortgage payment but all those which had been missed.

Many servicemen, who had FHA-insured or VA-guaranteed mortgages, approached these agencies requesting that they be relieved of both the dwelling and the mortgage. FHA, generally, accepted a deed in lieu of foreclosure. VA because of its dependence on a revolving fund, was unable to do so where there was a significant difference in market values and mortgagee balances.

All in all, the serviceman homeowner ordered from Schilling in the spring and summer of 1965 had a rough financial time—both in disposing of his home and in avoiding the need for making house payments in two locations, at his new base and back in Salina.

As noted elsewhere, the 735 Capeharts were withdrawn from excess and, as long as they are used for the "waiting wives" program, they will not impact on the residential housing picture of Salina.

With regard to the dwelling units in Salina, another post office survey was conducted on September 16, 1965. At that time, it was estimated that, of 15,588 possible postal deliveries, some 3,321 or 21.3 percent were vacant. Of these 2,578 were residences, 743 were apartments, and 37 were mobile homes.

In order to determine real estate trends since the closing of Schilling, interviews were made with the past president of the Salina Real Estate