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## California’s Sky-High Housing Prices Spur Charter School Default.

**Takeaways**

- Downtown College Prep, a charter school operator in San Jose, defaulted on $34 million of municipal bonds due to struggling to meet enrollment targets, which officials blame on the area’s high home prices deterring students.
- The high cost of living in San Jose, with a median home price of roughly $1.5 million, is pushing families out of the region and state, leading to declining student enrollment and harming the community.
- The school’s financial struggles are part of a larger trend, with 20 new charter school impairments added to Municipal Market Analytics’ database of distressed borrowers so far this year, making it a challenging sector for investors.

California’s Bay Area housing market has gotten so expensive, it’s threatening investors in a local charter school.

Downtown College Prep, a three-campus charter school operator in San Jose, defaulted on $34 million of municipal bonds earlier this month. The school caters to low-income, first-generation students and has been struggling to meet enrollment targets for years. With funding dependent on how many pupils attend, the school’s finances were pressured. School and local officials blamed the area’s high home prices for deterring students.

Continue reading.

**Bloomberg Business**

By Arvelisse Bonilla Ramos

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