



Photographs by GINA FERAZZI Los Angeles Times

RENTS rose at Shady Lane Apartments in El Cajon after it was bought by a real estate fund in which pension systems invested billions.

Pension systems stoke rising rents

At the Shady Lane Apartments in the suburbs east of San Diego, the carpet could be worn, the appliances old. But with some of the cheaper rents around, the complex was a relatively affordable home for an increasingly priced-out working class.

Then, in 2021, the nonprofit that owned the 112-unit property sold it. In less than three years, the new owners raised rent for vacant units 21 percentage points more than landlords in nearby neighborhoods, according to data from a real estate research firm. On average, available homes at the complex went from less expensive than the surrounding area to more expensive.

Existing tenants saw change too. Rubin Flournoy, a supervisor at a city water treatment plant, said he's seen his rent climb roughly twice as much annually since the sale. What he didn't know was that the new owners had a surprising funding source: people like himself.

The El Cajon complex had been sold, according to research firm Co-Star and commercial loan reports, to a giant real estate investment fund managed by the private equity firm Blackstone. Investors in the

They pour billions into funds that buy apartments, charge much more, Times finds.

By Andrew Khouri and Ben Poston



RUBIN FLOURNOY says he has seen his rent at Shady Lane climb roughly twice as much annually since the sale in 2021.

fund include the California State Teachers' Retirement System and other public pension funds across the country.

"I didn't know that [public pensions] did these types of investments," said Flournoy, a member of the San Diego City Employees' Retirement System. "I mean, I am being affected because somebody else's pension is doing it. So I'm quite sure that my pension is doing the same thing to somebody else."

Across the country, public pension funds are pouring billions of dollars into higher risk real estate investment funds that are managed by private companies and target outsize returns. Investment experts say the trend is driven by a variety of factors, including a long-running goal of portfolio diversification and a more pressing need by underfunded public pension systems to boost returns to pay members what they've promised.

Such pension investment in multifamily housing increased nearly sevenfold between 2011 and 2023, according to one measure tracked by the consulting firm Ferguson Partners.

[See **Pensions**, A6]

Harris funded to fight in key states

Campaign can afford to shore up 'blue wall' and compete in Sun Belt battlegrounds.

By KEVIN RECTOR

Vice President Kamala Harris' late entry into the presidential race against former President Trump reset the political playing field in important ways, giving Democrats a promising boost in polling and a huge infusion of cash and volunteers. But it didn't change everything.

In a nation of more than 330 million people, the 2024 election — just like the 2016 and 2020 elections before it — will almost certainly be decided by a relatively small number of voters in a handful of battleground states, political experts said.

When Hillary Clinton lost to Trump in 2016, it was by fewer than 80,000 votes across Wisconsin, Michigan and Pennsylvania combined. When President Biden beat Trump in 2020, it was by fewer than 50,000 votes across Wisconsin, Arizona and Georgia.

Now, Harris is in a high-speed race to start executing her own path to victory through the nation's battlegrounds, which include Pennsylvania, Michigan and Wisconsin — three of the "blue wall" of states that lean Democratic — and Georgia, North Carolina and Arizona, in the nation's Sun Belt.

This week, she is expected to pick her running mate — possibly from one of those states — and begin holding major rallies in places such as Philadelphia, Detroit, Raleigh, N.C., and Savannah, Ga.

Amid the high-stakes number-crunching that [See **Harris**, A11]

'Last of a breed': The secret life and stunning capture of 'El Mayo'

By KEEGAN HAMILTON

As a guy who grew up in Chicago in the 1990s, Margarito "Jay" Flores said he'll never forget the time he got to shake Michael Jordan's hand.

The only celebrity encounter that trumped his meeting with the NBA legend, he said, came while he was one of the most prolific drug traffickers operating in the United States for Mexico's Sinaloa cartel.

The notorious Joaquín "El Chapo" Guzmán was already becoming a household name as leader of Mexico's most powerful cartel, responsible for shipping billions of dollars in cocaine, heroin, meth and other drugs around the globe.

But it was El Chapo's longtime partner, Ismael "El Mayo" Zambada, whom Flores and his twin brother,

Pedro, revered.

"It was a big deal to me," Flores, 43, said in a recent phone conversation, recalling his first in-person meeting with Zambada in May 2005. "Chapo will always be Chapo, but there is someone who is a little bit bigger."

North of the border, Zambada, 76, remains a relative unknown, but in Mexico and the world of organized crime, the Sinaloa kingpin has achieved an almost mythic status. He has reigned in the shadows as cartel godfather since the 1980s, outlasting multiple presidents, surviving countless assassination attempts and routinely slipping through the fingers of would-be captors. Long after El Chapo was arrested, convicted in the U.S. and locked away on a life sentence, El Mayo remained free and ruled as top boss.

[See **'El Mayo'**, A4]

AI robot zaps weeds at a furious pace

Such technology cuts down on herbicide use, but would also uproot farmworkers.

By HAYLEY SMITH

SALINAS, Calif. — The smell of burnt vegetation wafted through a lettuce field here one recent summer morning as nearly 200 farmers, academics and engineers gathered to witness the future of automated agriculture.

Thirteen hulking machines with names like "Weed Spider" and "Mantis" crawled through rows of romaine. One used artificial



NIC COURRY For The Times

THIS Salinas field was fertilized by a robot. Another machine can ID weeds and vaporize them with lasers.

intelligence cameras to scan the crops and spray them with herbicides. Another zapped weeds with lasers. Yet another deployed robotic arms to cultivate and pick through the foliage.

"It's a hurdle for people to get over, but the reality is, the numbers don't lie," said Tim Mahoney, a field representative for Carbon Robotics, a Seattle-based company that created one of the machines on display — a 9,500-pound apparatus known as the LaserWeeder.

The massive machine uses deep-learning AI models to scan fields and identify weeds in real time before vaporizing them with more than 30 high-powered lasers, [See **Agriculture**, A10]

9 militants killed in the West Bank

Israel conducts strikes as cease-fire talks in Cairo reportedly yield nothing new. **WORLD**, A3

The Southland's 50 best beaches

Explore the treasures of 200-mile coastline from Santa Barbara down to San Diego. **WEEKEND**, L4

Weather

Sunny and warm. L.A. Basin: 90/65. **B9**

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