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12 GEORGE O.J. BAKER and
THE INTERFAITH COUNCIL OF SAN JOAQUIN

13
14 UNITED STATES BANKRUPTCY COURT
15 EASTERN DISTRICT OF CALIFORNIA
16 SACRAMENTO DIVISION

17 In re:
18 CITY OF STOCKTON, CALIFORNIA,
19 Debtor.

CASE NO. 12-32118
DC No. PH-1
Chapter 9

**NOTICE OF CONTINUED HEARING
ON MOTION FOR RELIEF FROM
AUTOMATIC STAY**

Date: September 30, 2014
Time: 9:30 a.m.
Judge: Hon. Christopher M. Klein
Dept.: 501 I Street, 6th Floor
Dept. C; Courtroom No. 35
Sacramento, CA 95814

1 Eastern District of California, and served upon all appropriate parties including, but not limited
2 to, counsel for the parties, counsel for the Price Judgment Creditors (via ECF or at the address
3 stated in the above caption), and Trustee’s counsel. The timeframes for the filing of any such
4 written opposition, objection, or response to the Motion shall be calculated in accordance with the
5 continued hearing date of September 30, 2014.

6 As demonstrated in Movants’ previously-filed Memorandum Of Points And Authorities,
7 and as summarized below, cause exists to order relief from the automatic bankruptcy stay to
8 enforce the *Price* Judgment before Judge Karlton in the United States District Court for the
9 Eastern District of California for at least three reasons. First, the *Price* Judgment requires the
10 construction of 340 lower income housing units to replace residences demolished as a result of
11 redevelopment. Only 161 of the replacement units have in fact been completed to date and, under
12 federal law, these are outstanding equitable obligations – not monetary debts – and are
13 accordingly not dischargeable in a bankruptcy proceeding. Second, the *Price* Judgment required
14 the creation of a \$1.45 million fund to be paid to eligible claimants for relocation assistance.
15 After five years, and well prior to the City’s bankruptcy filing, the remaining balance (which is
16 over \$1 million) was required to be set aside in a restricted fund of the Stockton Redevelopment
17 Agency, to be used only for construction of extremely low income housing. When California’s
18 redevelopment agencies were dissolved, the City of Stockton as “successor agency” – a legal
19 entity separate from the City itself – elected to assume the former relocation agency’s obligations.
20 The obligations in the *Price* Judgment regarding the relocation assistance fund are thus not
21 obligations of the City at all but, rather, of the City in its capacity as the “successor agency” and
22 are accordingly not properly included within this bankruptcy estate. Finally, any analysis of the
23 various factors that Courts consider in evaluating whether to grant relief from stay favors the
24 Price Judgment Creditors and their efforts to enforce the long-overdue obligations in the *Price*
25 Judgment.

26 Pursuant to Section 362 of the Bankruptcy Code, the *Price* Judgment Creditors
27 respectfully request that the Court enter an order granting relief from the automatic bankruptcy
28 stay to permit judicial enforcement of the *Price* Judgment.

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DATED: July 2, 2014

PAUL HASTINGS LLP
PUBLIC INTEREST LAW PROJECT
CALIFORNIA RURAL LEGAL ASSISTANCE
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By: _____ /s/ Peter C. Meier
PETER C. MEIER

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