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

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

In re:
CITY OF STOCKTON, CALIFORNIA,
Debtor.

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

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

Date: May 27, 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

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

**TO THE UNITED STATES TRUSTEE, ALL PARTIES AND THEIR COUNSEL OF
RECORD:**

On November 29, 2012, George O.J. Baker and the Interfaith Council of San Joaquin filed their Notice of Motion, Motion, Memorandum of Points and Authorities, and supporting papers on behalf of the Price Judgment Creditors seeking an order granting relief from the automatic stay imposed by these bankruptcy proceedings to allow Movants to seek enforcement of a stipulated judgment entered by the United States District Court for the Eastern District of California in the case of *Price, et al. v. City of Stockton, California, et al.*, Case No. CV S-02-0065 LKK KJM (“Price Judgment”). The hearing on the Motion was scheduled to take place January 8, 2013, at 9:30 a.m., before the Honorable Christopher M. Klein at the courthouse identified in the caption above. By agreement, the hearing was continued to April 9, 2013, then to May 21, 2013, and after that to July 16, 2013, again to September 10, 2013, once more to October 22, 2013, again to November 18, 2013, then to January 14, 2014, again to February 25, 2014, and after that to April 15, 2014 to accommodate the parties’ mediation efforts.

PLEASE TAKE NOTICE that George O.J. Baker and the Interfaith Council of San Joaquin, pursuant to their further agreement with the Debtor, City of Stockton, California, hereby continue the hearing on their Motion For Relief From Automatic Stay from April 15, 2014 to May 27, 2014 at 9:30 a.m., before the Honorable Christopher M. Klein at the courthouse identified in the caption above. In accordance with the parties’ agreement, the continuance of the hearing on the Motion For Relief From Automatic Stay filed by George O.J. Baker and the Interfaith Council of San Joaquin on behalf of the Price Judgment Creditors is without prejudice of any kind whatsoever to any of Movants’ rights in connection with their Motion.

PLEASE TAKE FURTHER NOTICE that any written opposition, objection, or response to the Motion should be filed with the Court pursuant to all applicable Federal Rules of Bankruptcy Procedure and Local Rules of Practice for the United States Bankruptcy Court for the Eastern District of California, and served upon all appropriate parties including, but not limited

1 to, counsel for the parties, counsel for the Price Judgment Creditors (via ECF or at the address
2 stated in the above caption), and Trustee's counsel. The timeframes for the filing of any such
3 written opposition, objection, or response to the Motion shall be calculated in accordance with the
4 continued hearing date of May 27, 2014.

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

25 Pursuant to Section 362 of the Bankruptcy Code, the *Price* Judgment Creditors
26 respectfully request that the Court enter an order granting relief from the automatic bankruptcy
27 stay to permit judicial enforcement of the *Price* Judgment.
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DATED: March 12, 2014

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PUBLIC INTEREST LAW PROJECT
CALIFORNIA RURAL LEGAL ASSISTANCE
WESTERN CENTER ON LAW AND POVERTY

By: /s/ Hilton S. Williams
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