

COUNTY GOVERNMENT OF KISUMU



COUNTY ASSEMBLY OF KISUMU

SPECIAL SITTING

THE HANSARD

Official Report

SECOND ASSEMBLY – FOURTH SESSION

Thursday, 24th December, 2020

House met in the Main Chamber at 02:30 p.m.

(The Speaker (Hon. Elisha Jack Oraro) in the Chair)

PRAYERS

The Speaker (Hon. Oraro): Good afternoon Honourable Members?

COMMUNICATION FROM THE CHAIR

The Speaker (Hon. Oraro): Honourable Members, welcome to this session which is part of the Special Sitting which we gazetted for Wednesday, 23rd December, 2020 and Thursday, 24th December, 2020. I have one communication to make, we have received the scheduled for sports activities. That is the County Assembly Sports Association (CASA) activities which is scheduled to commence on 19th to 28th February, 2021. I want to urge all Members to assign themselves to particular disciplines. Kindly note that this time round, we will only be taking Members of the Assembly for different discipline.

I have had discussions with the Chair of Sports and the Clerk and we are of the opinion that, we shall form a team to look into the matter of the welfare of Members as they go for sports because we have received complaints that there is constrains whenever Members go for Sports. So, we will consider more days for players as compared to those who are not playing.

Hon. Members, during these activities, we shall also provide 10:00 O'clock tea for the players as compared to those who are not playing. So, if you want to enjoy the CASA 2021, please assign yourself to a particular discipline. I also want to urge Members to start practicing. We have Moi Sports Ground which is in place. I can see Hon. Seth Kanga here. He enjoys playing tug of war. I understand the Leader of Majority wanted to join you this time round. I don't know how prepared he is. Thank you.

(Laughter)

The Speaker (Hon. Oraro): Next order!

MOTION

CONTINUATION OF INTERRUPTED BUSINESS ON APPROVAL OF BORROWING OF KSHS 100 MILLION FROM SBM BANK BY THE COUNTY GOVERNMENT OF KISUMU.

BY

HON. KENNETH ONYANGO, LEADER OF MAJORITY

The Speaker (Hon. Oraro): Honourable Members, this is a continuation of debate that we had yesterday. This motion was adjourned because the Leader of Majority was tasked to go look for supportive documentary evidence and serve the Members with a number of facts. It is per the Standing Order No. 30 that explains the manner in which we need to handle the interrupted business.

The Speaker (Hon. Oraro): Proceed Hon. Leader of Majority.

Leader of Majority (Hon. Onyango): Thank you Mr. Speaker. Indeed, we adjourned so that I could furnish the Members with information regarding the intended borrowing of Kshs. 100,000,000.00. Mr. Speaker, the loan amount to be borrowed from the SBM Bank chargeable at interest rate of 13% per annum. Cumulatively, that will come to around Kshs. 8,000,000.00 and the repayment period is twelve months.

Mr. Speaker, that notwithstanding, I did provide the Members with the historical background that underpins this issue on how the National Housing Corporation came to run the said estates. I was able to post those documents on our wall as early as 5 a.m. today. I want to imagine that Members have acquainted themselves with the contents of the documents. I have also posted on the same wall the Memorandum of Understanding (MOU) between the County Government of Kisumu and

the National Housing Cooperation. It is that MOU that led to the issue of borrowing that we now want to do.

Mr. Speaker, if you go through that document, this initial payment of the said debt which is Kshs. 980,432,350, there is supposed to be a payment of 10%-20% and this is supposed to be done by 30th of this month. If that is not achieved then the whole place will be vacated. This means that the principal sum which arose from the court judgment which stands at Kshs. 1,228,103,460 will now start earning interest and that will be a burden to the County. That is the reason as to why it will be very important to deal with this matter expeditiously so that the County can move forward.

Mr. Speaker, I want to believe the information that I have now provided, gives the Members a better platform to make informed contribution and thereafter make decision on this matter. I want to plead with the Honourable Members, please kindly let us allow the County to go through this process so that we can get back the estates of Arina, Lumumba among others because what the National Housing Corporation had wanted was for us to default so that they take the said estates in exchange of the loan that the County Government owe them. I said yesterday and I want to reiterate it that if the valuation of the land where Arina stands using the current market price then it is in excess of Kshs. 2 billion. Which means the County will substantially lose what the National Housing Corporation intends to do. Let us look at this soberly and let us dispense with it so that the County can be given an opportunity to borrow this money and forward it to the National Housing Corporation before 30th of this month. Thank you, Mr. Speaker.

The Speaker (Hon. Oraro): Honourable Members, remember this is a continuation of yesterday's Motion. Therefore, we do not need a seconder. I had given opportunity to the Leader of Majority because he had been requested to provide this House with a number of facts which he has done.

Despite having contributed yesterday, I will give priority to those who had not contributed. I will also give an opportunity to three or four members who wish to react on the feedback by the Leader of Majority.

The Speaker (Hon. Oraro): Yes, Hon. Beatrice Odongo.

Hon. Beatrice Odongo: Thank you Mr. Speaker. Mr. Speaker, allow me to support the Motion of borrowing of Kshs 100 million from the SBM Bank by the Executive. Mr. Speaker, I am happy that at long last, the Leader of Majority has obtained documents that members sought to approve this borrowing.

Mr. Speaker, we all know the history of our Governor, Prof. Anyang' Nyong'o. He is a man of development. I want to urge Honourable Members the same way the Leader of Majority has indicated, that this money could open way for more investors to come to Kisumu. I want to urge Members that we pass this loan so that the Executive can access the money, do the payment within the given timelines and I believe, that before 2022, we shall have investors in Makasembo.

Mr. Speaker, as was stated by Hon. Okumu yesterday, it will give an opportunity to some locals to be landlords. I therefore wish to encourage members to support this because, whatever the Governor does is for the good of the county. At no time will the Governor bring something that could harm this county. Honourable Members, let us pass this Motion and move together in terms of development. Thank you Mr. Speaker, I support.

The Speaker (Hon. Oraro): Allow me to be biased again. I think Hon. Obonyo had not contributed. Hon. Jennifer

Hon. Obonyo: Asante sana Bw. Spika. Nimesimama kuunga mkono mjadala huu kwa sababu Gavana Nyong'o ni mtu wa maana, mtu mwenye akili. Gavana wetu amevalia njuga swala la kujenga kaunti yetu ili tuwe na nyumba bora. Kwa hivyo, naunga mkono mswada huu ili kaunti iweze kukopa pesa kwenye benki. Naunga mkono swala hili. Asante Bw. Spika.

The Speaker (Hon. Oraro): Hon. Olang'o Florence

Hon. Olang'o: Thank you Mr. Speaker. I stand to support the Motion. We have a Governor with vision and a planner per excellence. There is need to support the Governor in his development agenda in Kisumu county. I support.

The Speaker (Hon. Oraro): Hon. Ngeta. I think you had contributed yesterday?

Hon. Ngeta: No Mr. Speaker

The Speaker (Hon. Oraro): You had contributed but all the same, I had given some leeway for those with additional information pertaining to the support of the documents furnished by the Leader of Majority.

Hon. Ngeta: Thank you Mr. Speaker for allowing me to contribute on the subject at hand. I want to join my colleagues in supporting the Motion of borrowing funds to develop our County. Mr. Speaker, this is not just any borrowing but a step toward development in our county. This will remain in the annals of history as a step in the right direction and generations to come will appreciate the move.

Mr. Speaker, this is not just about us or the Executive but about the generation to come. We need to support this Motion and pass it as soon as possible. As we speak, everyone is happy about the developments currently ongoing in Kisumu. We want the Governor to extend this development to other towns as well. I support and wish everyone a Merry Christmas and Prosperous New Year.

The Speaker (Hon. Oraro): I had noticed Hon. Owiti, though I know you had contributed on this matter.

Hon. Owiti: Thank you Mr. Speaker, Sir. First, I want to thank our Majority Leader for moving swiftly to provide us with information that we direly needed yesterday. I want to say that it is

necessary to support this endeavour because it will go a long way in mitigating the housing problem we have had in the city for some time.

This is a short term borrowing that will indeed spur long term development. I want to urge the Executive that after we have approved this loan, let them be committed to its repayment. You will remember that, what is ailing us today is the failure of those in office then to pay the loan on time. I want to say that we as leaders should ensure that the loan is repaid on time so that it doesn't accrue more interest that will burden our county.

Mr. Speaker, looking at this loan, I believe that, this should be one of the procedures. We are not just looking at reclaiming back of Makasembo but we hope that other estates and other public land acquired illegally could be repossessed. Otherwise, based on the information provided, I support and agree that let us give the CEC Finance and the Housing Development Unit to access this short term borrowing to facilitate the construction of the low cost housing units at Makasembo Estate, thank you.

The Speaker (Hon. Oraro): Yes Hon. Beatrice Pamela. I have also noticed Hon. Linet Muga.

Hon. Beatrice Pamela: Thank you Mr. Speaker, I also want to support this issue of borrowing of the Kshs. 100 million by the County Government to offset the land and estate of Makasembo. My support is based on the facts that have been provided with the necessary information that was sought by the House yesterday and we are now sure that this is something that has been documented and we have a legal basis that in case of anything, we have something that we can fall back on.

Mr. Speaker, when I did my due diligence, I also found out that Makasembo Estate is under LAPTRUST Fund. This is because the Defunct Municipal Council owed LAPTRUST some money which the council swapped by giving out Makasembo Estate and the County Government as well as the then Municipal Council of Kisumu, owes the National Housing Corporation debt. According to the agreement, if the County Government of Kisumu pays the National Housing Corporation then, they would release the county from that debt. This therefore does not mean that the county would be losing because it's a case of owing 2 people debts which you pay one but yet to pay the other.

Mr. Speaker, as much as the LAPTRUST owns Makasembo Estate and wants to develop it, the county government must pay the National Housing Corporation for that development to happen. My desire is for the county government to find a way of paying the remaining debts so that it may take repossession of the remaining estates which their titles are still under the name of the County Government of Kisumu. This would also give the county a chance to own their houses without partnering. However, I would wish that the Leader of Majority clarifies some clause in part 2.3b of the MoU which if you allow me it reads; the full amount Kshs 980,432,350.00 shall be realized

on or before 31st December 2020. I was perturbed by this clause because we are left with a week to the lapse of the said date.

Hon. Ngeta: A Point of Information Mr. Speaker.

The Speaker (Hon. Oraro): Who do you want to inform?

Hon. Ngeta: I want to inform Hon. Beatrice.

The Speaker (Hon. Oraro): Hon. Beatrice Pamela do you want to be informed?

Hon. Beatrice Pamela: Alright.

The Speaker (Hon. Oraro): Hon. Ngeta, please proceed?

Hon. Ngeta: I want to inform my colleague that maybe she missed the point when the Leader of Majority was explaining the details on the paper laid, thank you Mr. Speaker.

The Speaker (Hon. Oraro): Thank you but she has requested the Leader of Majority to reply hence I believe he will rightly do so when we give him time. Otherwise Hon. Beatrice Pamela you can conclude your submissions.

Hon. Beatrice Pamela: Thank you Mr. Speaker, I think my colleague did not take much time to read through the documents on the wall because that is where my argument is based on. I would wish to request the Leader of Majority to ask the Executive what they intend to do with this clause 2.3 (b) on the timelines.

The Speaker (Hon. Oraro): Yes Hon. Kanga followed by Hon. Pamela Odhiambo.

Hon. Kanga: Thank you Mr. Speaker. Yesterday I rose citing the provisions of Standing Order No. 94 for the clarifications which the Leader of Majority did appropriately. I want to contribute as an elected Member representing these people as well as a person who has lived with these people being affected with this particular issue. Going by vision of Governor, and looking at bullet 10 of his Manifesto, which talks about Affordable Housing. It won't be an easy task moving people out of these houses to pave way for the construction of these houses. However, we are the same people who approved the manifesto of Prof. Peter Nyong'o. As elected Members we must support this despite some questions that were raised and in my ward as we are already beneficiaries of this and we negotiated with people residing in Anderson Estate and these people were compensated well and moved out of the estate paving way for the construction of up to 1200 units. I want to plead with Members to transfer the money they have in LAPTRUST to these houses because some of us will be defeated like Hon. Otura and we won't be seeing you in town not that you just stay in the village..

(Laughter)

Mr. Speaker, this is an opportunity for residents of Kisumu to own houses through this initiative and I want to tell you that what Prof. Anyang' Nyong'o is seeing while seated in Prosperity House what you cannot see even while standing at "Got Nyabondo" (Nyabondo hills). I plead with honorable Members to pass this in record time so that we can break for Christmas. Otherwise I wish you a Merry Christmas and a Prosperous New Year 2021.

The Speaker (Hon. Oraro): What is it Hon. Otura? Is it that you have been mentioned?

Hon. Otura: No please Mr. Speaker.

The Speaker (Hon. Oraro): Please proceed.

Hon. Otura: Thank you Mr. Speaker, I rose yesterday and my concerns have been addressed.

The Chief Whip (Hon. Misachi): Mr. Speaker.

The Speaker (Hon. Oraro): Yes, senior Member

The Chief Whip (Hon. Misachi): The Member contributing is not properly dressed.

The Speaker (Hon. Oraro): Serjeant-at-Arms, kindly assist Hon. Otura out to dress appropriately.

The Speaker (Hon. Oraro): Hon. Ojuok.

Hon. Ojuok: Thank you Hon. Speaker. It is unfortunate that by the time I was coming in, though I saw the document that was posted on our wall, I had contributed yesterday. But I want to react to the response to the clarifications we had sought yesterday.

Mr. Speaker, I saw the MoU, and as Hon. Beatrice has said, there are some gaps that I feel they should revisit and tighten and we need to highlight them. I want to emphasize that I fully support the issue of building houses. You will realise that a number of the houses we have here are very old and we want to ensure that this good idea is not affected by those little gaps. I urge the Leader of Majority that he shares with the Executive so that they can tighten all the loopholes and ensure the objective is achieved. I support. Thank you very much.

The Speaker (Hon. Oraro): Hon. Pamela Odhiambo

Hon. Pamela Odhiambo: Thank you Mr. Speaker. Going by the mood of the House, may I call the mover to reply?

The Speaker (Hon. Oraro): Hon. Leader of Majority.

The Leader of Majority (Hon. Onyango): Thank you Mr. Speaker. Yesterday I was under a lot of apprehension because of the direction to which the discussions were taking. But in retrospect, I now see that Members were absolutely right because we cannot rely on rumours when transacting business of this magnitude. I thank the Members who insisted that facts must be produced before this House. I did my best to do that. Going forward, I will always try to provide facts.

Hon. Beatrice Pamela has stated that, when you look at Clause 2.3 (b), it alludes to the full amount being realised on or before 31st of December. That may bring some confusion. But again, you realise when you look at 2.3 (a), it says the County Government of Kisumu shall settle 10 to 20 per cent. That is the initial settlement that we are obliged to do. But again, if you look at 3.2, it gives us some leeway to navigate this further. It says this Memorandum may be subject of review or amendment at any time and upon request in writing of one of the two parties.

Yesterday, the Majority Whip did allude that there were some high level discussions focussing on this matter. I don't want to go on record because I don't have facts on that. That is something that is not official and I cannot go on record as having said. But I want to assure Members that, discussions are still ongoing and that these clause, gives the county the leverage to renegotiate further and even to ask for waiver. Otherwise, I want to thank Members very much. I see the mood is palpable. I want to wish each and every one of you a Merry Christmas and a Prosperous New Year. Thank you so much.

The Speaker (Hon. Oraro): Hon. Members, we have come to the end of the debate which is on the request for approval by the Assembly on the borrowing by the executive of Ksh100 million from SBM Bank towards the payment to National Housing Corporation. This motion was moved by the Hon. Leader of Majority, seconded by the Hon. Majority Whip, proposed for debate. However, at some time, there was a Motion on Adjournment of the debate until various facts are provided, which the Leader of Majority did. As per our Standing Order, it is now time to put a question?

(Question put and agreed to)

The Speaker (Hon. Oraro): Hon. Members, the motion for request for consideration of approval of borrowing of Kshs 100 million by the County Government of Kisumu is hereby approved today Thursday, 24th December, 2020 at 16:08 hours.

Hon. Members, I cause the Clerk to make communication to the Executive regarding the same for execution.

The Speaker (Hon. Oraro): Next order!

ADJOURNMENT

The Speaker (Hon. Oraro): There being no any other business to transact, the House stands adjourned in line with the Annual House Calendar.

(House rose at 16:11 p.m.)

Addendum

Hansard Reporters

<i>Zablon Otiende</i>	-	<i>In-charge, Reporter</i>
<i>Edward Odanga</i>	-	<i>Reporter</i>
<i>Patrick Okoyo</i>	-	<i>Reporter</i>
<i>Jackline Otieno</i>	-	<i>Reporter</i>
<i>Fanuel Okode</i>	-	<i>Reporter</i>
<i>Jesca Otieno</i>	-	<i>Reporter</i>
<i>Dennis Ogolla</i>	-	<i>Reporter</i>