

COUNTY GOVERNMENT OF KISUMU



COUNTY ASSEMBLY OF KISUMU

THE HANSARD

Official Report

THIRD ASSEMBLY – FOURTH SESSION

Tuesday, 19th November, 2025

House met in the Main Chamber at 2:30 p.m.

[The Temporary Speaker (Hon. Seth Okumu) in the Chair]

PRAYERS

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Honourable members, I direct the Serjeant-at-Arms, under Standing Order 32 (2), to ring the Quorum Bell for the first five minutes.

(The Quorum Bell was rung)

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Serjeant-at-Arms, could you please ring the Bell for a further five minutes?

(The Quorum Bell was rung)

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Madam Clerk, take us through the Orders of today.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Next order!!

COMMUNICATION FROM THE CHAIR

FLAG-OFF FOR CASA GAMES

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Thank you, Honourable Members. I have this communication to make from the Office of the Speaker. As you are all aware that we are having CASA Games that is happening in Meru County with the parade in Meru being done on Monday. The Office of the Clerk has written to all Members and I will read: Hon Members and staff, this is to notify you that we will be officially flagging-off teams on Friday, 21st November 2025 ahead of the upcoming CASA Games scheduled for 22nd to 29th November, 2025.

Flag-off details; the date is Friday, 21st November 2025. Time is 10 a.m. Venue is Assembly premise. Dress code is last year's tracksuits. All Honourable Members and staff are encouraged to attend and join us in giving our teams a warm and motivating send-off as they prepare to represent us in various sporting disciplines. Your presence and support will uplift their morale and reinforce our spirit of unity and excellence.

Let us come together and wish our teams great success. Once again, Hon Members, let us meet on Friday at 10 a.m. in the last year's tracksuit to flag-off the teams that are traveling to Meru for the CASA Games.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Next order!! Madam clerk.

PAPERS LAID

FINANCIAL STATEMENTS OF KISUMU COUNTY ASSEMBLY FOR THE QUARTER ENDED 30TH JUNE
2025

BY

HON. KENNEDY OOKO, MCA, AHERO

[LEADER OF MAJORITY]

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Yes, Hon Leader of Majority.

Majority Leader (Hon. Ooko, Ahero): Thank you, Mr. Speaker. Pursuant to the provisions of Section 166 (1) of the Public Finance and Management Act, 2012, I wish to table today Wednesday, 19th September 2025, Quarterly Report and Financial Statements of Kisumu County Assembly for the Quarter ended 30th June, 2025. Thank you.

The Temporary Speaker (Hon. Okumu): Thank you, Hon Members. I have received the Quarterly Report and Financial Statements of Kisumu County Government for the period ended June 30th, 2025, and I direct that this Report be taken to the Committee on Finance for processing for discussion in this House and we are giving them 14 days.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Next order!!

MOTION

PROPOSED DEBT SWAP BETWEEN THE COUNTY GOVERNMENT OF KISUMU AND THE NATIONAL HOUSING CORPORATION

BY

HON. RATIB BOITONE, MCA, NYALENDA “A”

CHAIRPERSON, LANDS, HOUSING, FISCAL PLANNING AND URBAN DEVELOPMENT COMMITTEE

The Temporary Speaker (Hon. Okumu): Honourable Ratib Boitone.

Hon. Boitone (Nyalenda A): Thank you, Mr. Speaker. Hon Speaker, I want to take this opportunity to Move a Motion on the report of the proposed debt for asset swap between the County Government of Kisumu and the National Housing Corporation, involving Ondiek Estate.

Hon Speaker and Hon Members, pursuant to the provisions of Article 185 (4) (a), read together with Section 8 and 9 of the County Governments Act, 2012 and the Standing Orders No 193 of the Kisumu County Assembly Standing Orders, the County Secretary submitted a letter dated 23rd January, 2025 Ref. CGK/CS/ADM/13/VOL.1/37 to the Clerk of the County Assembly requesting this County Assembly to approve the transfer of Ondiek Estate LR No. Kisumu Municipality/Block 9/29 & 9/115 to National Housing Corporation.

Consequently, the request for approval of the Debt Swap of Ondiek Estate was Tabled before this Hon. House and committed to the Committee on Lands, Physical Planning, Housing and Urban Development in accordance with Standing Orders No. 193 and was directed to investigate, inquire into and report on:

- i. the constitutionality and legality of the debt swap, and
- ii. the propriety of the proposed Debt Swap Transaction between the County Government of Kisumu and the National Housing Corporation.

The subject debt swap proposes the transfer of Ondiek Estate, comprising Land Reference Numbers Kisumu Municipality/Block 9/29 and Block 9/115, to the National Housing Corporation in full and final settlement of a historical housing debt allegedly inherited from the

defunct Municipal Council of Kisumu. The amount in question is pegged at Kenya Shillings Nine Hundred Eighty Million, Four Hundred Thirty-Two Thousand, Three Hundred Fifty (Kshs. 980,432,350) pursuant to a negotiated settlement arising from a court decree and subsequent Memorandum of Understanding (MoU) dated 15th September, 2020.

The subject matter for consideration by the Committee during its deliberations are summarized as follows:

- i. to examine the legal and regulatory framework underpinning the proposed transaction,
- ii. assess the sufficiency and admissibility of the evidentiary documentation provided,
- iii. determine compliance with applicable constitutional and statutory provisions, and
- iv. evaluate the potential legal and fiduciary implications for the County Government of Kisumu.

MANDATE AND COMPOSITION OF THE COMMITTEE

The Sectoral Committee on Lands, Physical Planning, Housing and Urban Development is established under Kisumu County Assembly Standing Order No. 193 and is required to inquire into and report on all matters relating to County planning and development, including statistics, land survey and mapping, boundaries and fencing; ensuring that development and location of industries and industrialization policies are well planned and properly executed; and monitor the spread and enhanced use of ICT in the County Government operations to increase transparency and accountability.

The sectoral committee on Lands, Physical Planning, Housing and Urban Development is composed of the following members and Secretariat:

1. Hon. Ratib Boiton	-	Chairperson
2. Hon Tom Nyaoke	-	Vice Chairperson
3. Hon. Joachim Oketch	-	Member
4. Hon Seth Kanga	-	Member
5. Hon. Nereah Okombo	-	Member
6. Hon George Abaja	-	Member
7. Hon. Moses Ochele	-	Member
8. Hon. Zackaria Okoyo	-	Member
9. Hon. James Were	-	Member
10. Mr. Harman Moses	-	Committee Clerk
11. Mr. Rodgers Wagude	-	Clerk assistant
12. Ms. Vallery Achieng	-	Hansard
13. Ms. Faith Judith	-	Serjeant-at-Arms

Mr. Speaker and Honourable members, the Committee expresses its sincere gratitude to all Hon. Members who diligently participated in the proceedings of this inquiry. Their dedication and contributions were instrumental in shaping the contents of this Report.

The Committee also acknowledges the invaluable support of the Office of the Speaker, the Clerk of the Assembly, the Directorate of Legislative Procedural and Committee Services, and the Committee Secretariat for logistical and administrative facilitation.

In accordance with Standing Order No. 182, it is now the solemn duty and privilege of this Committee to now present its Report for the consideration and adoption by this Honourable House.

LEGAL BASIS FOR CONSIDERATION OF THE DEBT SWAP OF ONDIEK ESTATE

Mr. Speaker and Honourable members, during the Committee's deliberations and investigations into the proposed debt swap between the County Government of Kisumu and the National Housing Corporation, the Committee was guided by applicable sources of law and legal precedent in order to assess the legality, constitutionality, and procedural propriety of the transaction. The laws cited herein provided the normative and procedural framework for evaluating the County's capacity to dispose of public land, undertake debt settlement arrangements, and ensure compliance with statutory obligations related to public finance, asset disposal, and citizen participation.

Mr. Speaker, Honourable members, the legal basis for this inquiry is therefore as follows—
The Constitution of Kenya. The Constitution, as the supreme law of the Republic, provides overarching legal and policy principles that govern the conduct of public affairs and the management of public resources.

The following provisions are particularly relevant: Article 10 on National Values and Principles of Governance mandates all public institutions to uphold the principles of transparency, accountability, participation of the people, and good governance in all decisions involving the use of public resources or assets.

Article 40 guarantees the right to property and applies not only to private citizens but also to public institutions such as County Governments. The disposal of such property must be undertaken in accordance with law, and the rights of third parties—including tenants and leaseholders—must be respected and protected. Article 196(1)(b) requires County Assemblies and County Governments to facilitate meaningful public participation and involvement in legislative and decision-making processes, including in the disposal of public assets. Article 201 outlines the principles of public finance. It requires that public finance be managed in a manner that is open, accountable, equitable, and that promotes responsible financial management.

Specifically, Sub-Article (d) provides for responsible financial management, including safeguarding public assets and preventing waste or abuse. Sub-Article (e) mandates that all expenditure must result in demonstrable value for money.

The Land Act, No. 6 of 2012. The Land Act gives effect to Article 68 of the Constitution and governs the administration and management of public land. Section 107 provides that the disposal of public land by a County Government may only occur upon; approval by the County Assembly; publication of the intention to dispose the land in the Kenya Gazette and a newspaper of nationwide circulation; and demonstration of public interest, including proper valuation and fair consideration.

Section 11 recognizes that County Governments are responsible for the management of public land, including land formerly held by defunct local authorities, as trustees on behalf of their residents.

The Land Registration Act, No. 3 of 2012. This statute establishes the legal framework for registration and transfer of interests in land. Section 24(a) provides that ownership of land shall vest only in the person registered as proprietor in the land register. Therefore, the absence of registration or title is fatal to any claim of ownership or capacity to transfer such land. Section 26(1) affirms that a certificate of title shall be taken by all courts as conclusive evidence of proprietorship, unless it is proven that it was obtained fraudulently or unlawfully.

The Public Finance Management Act, No. 18 of 2012. This Act regulates the prudent use and oversight of public resources and public debt. Section 104 imposes a duty on the County Government to manage its financial resources responsibly, including debts and public assets. Section 149 mandates the County Executive Committee Member for Finance to ensure that all public financial transactions comply with the law and deliver value for money. Sections 142–145 provide that all debt obligations must be properly recorded, reconciled, and settled within approved fiscal frameworks, and must not impair service delivery or the County’s budgetary sustainability.

The Public Procurement and Asset Disposal Act, No. 33 of 2015. This law governs the disposal of public assets, including public land. Sections 91 and 92 permit the disposal of assets to public entities by direct negotiation, provided the process is transparent, well-documented, and based on a credible and independent valuation. Section 104 permits alternative disposal methods where justified by public interest, provided that accountability and fairness are observed.

The Housing Act, Cap. 117. This statute regulates the operations of the National Housing Corporation and related housing schemes. Sections 11 and 12 empower NHC to extend loans to local authorities or County Governments for housing development; and take over, manage, or recover assets and housing units developed under such loans, especially in the event of default.

These provisions therefore form the basis for NHC's current interest in the Ondiek Estate and related estates, which were previously managed by the defunct Municipal Council of Kisumu.

The County Government Act, No. 17 of 2012. Section 115 mandates County Governments to establish mechanisms to facilitate effective public participation, including documentation of input from stakeholders and communities prior to critical decisions involving public land or resources.

Judicial Precedent. The Committee also considered relevant case law that has established clear judicial principles governing public land disposal, financial accountability, and procedural compliance. These include:

- a) *British American Tobacco Kenya Ltd v CS for Health & Others [2019] eKLR*, where the Supreme Court underscored that public participation must be meaningful, measurable, and not merely a formalistic process.
- b) *Okiya Omtatah Okoiti v Communications Authority of Kenya & Others [2020] eKLR*, where the High Court ruled that any disposal of public assets without proper valuation and transparent process constitutes a breach of constitutional duty.
- c) *Hunker Trading Co. Ltd v Elf Oil Kenya Ltd [2010] eKLR*, where the Court of Appeal affirmed that the so-called "Oxygen Principle" cannot be invoked to cure fundamental procedural and legal defects, such as lack of title or failure to comply with statutory requirements.

Mr. Speaker and Honourable members, these legal instruments and judicial decisions provided the foundation upon which the Committee assessed the proposed debt swap and the prayers sought. These laws guided the evaluation of whether the disposal of Ondiek Estate complies with legal norms, respects the public interest, and falls within the lawful powers of the County Government of Kisumu.

BACKGROUND INFORMATION ON THE MATTER OF DEBT SWAP OF ONDIEK ESTATE

Mr. Speaker and Honourable members, to fully comprehend the legal, financial, and procedural implications of the current proposal, the Committee first established a clear and undisputed factual timeline of the underlying obligation. This chronology traces the debt from its inception over half a century ago, through judicial intervention, to the present-day resolution before this Hon House.

THE ORIGIN OF THE OBLIGATION: THE 1968 LOAN AGREEMENT

Mr. Speaker and Honourable members, the financial relationship between the NHC and the defunct Kisumu Municipal Council originates from a loan agreement executed on 4th January 1968. The key particulars of this Debt agreement were as follows:

- a) THAT, the principal amount advanced by the NHC to the Municipal Council was 26,370 sterling pounds.
- b) THAT, the purpose of the loan was expressly for the construction of 45 residential houses, which were designated as Makasembo Estate Phase III.
- c) THAT, the agreement provided for an interest rate of 6.5% per annum on each loan installment, and further THAT it included a clause empowering the NHC to vary the interest rate at its sole discretion—an important contractual element that likely contributed significantly to the long-term escalation of the debt.

ACCRUAL, DISPUTE, AND JUDICIAL DETERMINATION

Mr. Speaker, Honourable members, following the promulgation of the Constitution of Kenya in 2010, the assets and liabilities of defunct local authorities, including the Kisumu Municipal Council, were transferred to the newly established county governments. Consequently, the CGK inherited the outstanding debt owed to the NHC.

Over the years, the loan defaulted, and the accrued principal and interest became a subject of significant dispute between the parties. This disagreement ultimately led to litigation. The matter was conclusively settled by the High Court of Kenya at Kisumu in Civil Case No. 26 of 2005. In a ruling delivered on 4th December 2019, the court made a definitive judicial finding on the quantum of the debt. It was declared that as of 31st March 2019, the amount owed by the successor entity (the CGK) to the NHC was Kshs. 1,028,103,460.90. This court-decreed sum represents an unassailable legal and financial baseline for all subsequent negotiations and settlement proposals. It is not a matter for debate but a legally established fact.

POST-LITIGATION NEGOTIATIONS: THE 2020 MEMORANDUM OF UNDERSTANDING

Mr. Speaker and Honourable members, in an effort to resolve the court-adjudicated debt, the CGK and the NHC entered into a Memorandum of Understanding (MoU) on 15th September 2020. This document represented the first formal, post-litigation attempt to structure a settlement. The key terms of the MoU were:

- i. **Negotiated Settlement Amount:** The parties agreed to a negotiated debt figure of Kshs. 980,432,350.
- ii. **Payment Conditions:** The CGK committed to making an initial payment of between 10% and 20% of the negotiated sum upon the NHC handing over Makasembo Estate.

The full settlement of the Kshs. 980,432,350 was to be completed on or before 31st December 2020.

Mr. Speaker, Honourable members, the legal status of this MoU is of paramount importance to the current deliberations. The agreement was conditional upon performance by a specific date. The CGK failed to meet the settlement deadline of 31st December 2020. In contract law, such a failure to perform constitutes a material breach, causing the agreement to lapse. Therefore, the terms of the 2020 MoU, including the negotiated debt figure of Kshs. 980,432,350, are no longer legally binding on either the CGK or the NHC. It is a historical document reflecting a failed settlement attempt, not a current and enforceable agreement.

THE CURRENT PROPOSAL: THE 2024 DEBT SWAP RESOLUTION

Mr. Speaker and Honourable members. the failure to execute the 2020 MoU allowed the debt to continue accruing interest, leading to the current, more complex proposal. This new arrangement emerged from resolutions passed by the CGK Executive Committee on 30th July 2024, and a Special Full Board of the NHC on 1st October 2024. This proposal fundamentally alters the settlement structure from a cash payment to a debt-for-asset swap.

The financial architecture of the current deal is detailed in the NHC Board resolution and differs significantly from the information presented to the Assembly by the County Executive. The following table provides a clear chronology of the debt figures and the components of the proposed swap, drawing directly from the provided documentation.

Metric	Amount (Kshs.)
1. Court Decreed Debt (as at 31 March 2019)	1,028,103,460.90
2. Lapsed MoU Negotiated Debt (2020)	980,432,350.00
3. Current Debt (as at 1 July 2024)	1,551,653,714.00
4. Adopted Value of Ondiek Estate (Land only)	900,000,000.00
5. Proposed Debt Write-Off by NHC	651,653,714.00
6. Net Settlement	900,000,000.00

Mr. Speaker, Honourable members, a serious discrepancy exists between the terms of the deal as resolved by the NHC Board and the information communicated to the County Assembly by

the County Secretary. In his letter of 23rd January 2025, the County Secretary informs the Assembly that the debt has been agreed at "Kshs. 980 million". This figure is demonstrably incorrect and misleading. The basis for this statement is the 2020 MoU, which, as established, has lapsed and is legally void. The NHC's own resolution, which forms the actual offer on the table, explicitly states the current debt is over Kshs. 1.55 billion

This is a substantive misrepresentation of the transaction's financial structure. By presenting an outdated and lower debt figure, the County Executive obscures the true magnitude of the County's liability, which has grown by over Kshs. 500 million since the 2019 court ruling. This prevents the Assembly from accurately assessing the scale of the proposed Kshs. 651 million debt write-off by the NHC and the true financial context of the swap. This lack of transparency undermines the principles of accountability and prudent financial management enshrined in the Public Finance Management Act, 2012, and compromises the Assembly's ability to conduct effective oversight.

LEGAL AND PROPRIETY ANALYSIS OF THE SUBJECT ASSET (ONDIEK ESTATE)

Mr. Speaker and Honourable members, the proposal before the Assembly is a debt-for-asset swap, a financial transaction designed to provide a definitive and mutually agreeable solution to the historical indebtedness. This section dissects the structure of the proposed transaction, examines the valuation of the asset in question, and confirms the measures taken to safeguard the rights of affected third parties.

Structure of the Transaction

Mr. Speaker, Sir, the Committee has found that the procedural framework of the proposed deal is straightforward and conclusive and involves two principal actions:

a) Asset Transfer

The County Government of Kisumu will transfer the full and unencumbered ownership of the properties collectively known as Ondiek Estate, which comprise Land Reference Numbers Kisumu Municipality/Block 9/29 (0.2 Ha) and Kisumu Municipality/Block 9/115 (4.99 Ha), to the National Housing Corporation.

b) Debt Extinguishment

In consideration for this transfer of property, the National Housing Corporation will accept the asset as a full and final settlement of the entire outstanding debt, which, as per the NHC Board Resolution of 1st October 2024, stands at Kshs. 1,551,653,714.

Upon the successful legal conclusion of this transaction, the County Government of Kisumu will be fully discharged of any and all past, present, and future liability to the NHC arising from the 1968 loan agreement and the subsequent judgment debt.

VALUATION OF ONDIEK ESTATE

Mr. Speaker, Sir, a central element in assessing the propriety of any asset swap is the valuation of the asset being relinquished. In this case, the Committee was presented with multiple valuation figures for Ondiek Estate, which required careful scrutiny as follows:

a) Joint Valuation Report

A valuation was conducted jointly by experts from the County Government of Kisumu and the National Housing Corporation. This collaborative report assessed the total market value of the property at Kshs. 1,097,014,800. This figure was broken down as follows:

- i. Value of Land: Kshs. 925,000,000
- ii. Value of Improvements (Buildings): Kshs. 171,184,400

b) Ministry of Lands Valuation

A separate valuation was conducted by the Director of Land Valuation at the Ministry of Lands, Public Works, Housing and Urban Development, dated 16th May 2023. This valuation focused solely on the land component and arrived at a significantly lower figure, placing the combined value of the two parcels of land at Kshs. 454,750,000 (Kshs. 432,250,000 for Block 9/115 and Kshs. 22,500,000 for Block 9/29). This report also made a crucial observation regarding the state of the existing structures, noting that they were in a "poor state of structural condition and state of repair and maintenance and in need of evident significant repairs."

c) Adopted Value for the Swap

The decisive figure for the purpose of this transaction is the one formally adopted by the NHC Board in its resolution of 1st October 2024. The Board resolved to accept the value of Ondiek Estate at Kshs. 900,000,000. This value was explicitly defined as being for the land excluding improvements.

The decision by the NHC Board to adopt the Kshs. 900 million figure is a highly strategic and concessional move that signals the true nature of this transaction. A purely commercial creditor, faced with conflicting valuations, might insist on the highest possible figure or demand a third-party arbitration to maximize its recovery. Instead, the NHC, a state corporation with a public mandate, has chosen a value that is closely aligned with the land-only component of the joint valuation.

This approach is logical from a redevelopment perspective. The Ministry of Lands report confirms that the existing buildings are dilapidated. For a developer like the NHC, these structures may represent little to no economic value and could even be considered a liability, given the potential costs of demolition and site clearance. The real value lies in the prime urban land.

More significantly, by accepting an asset valued at Kshs. 900 million as full settlements for a debt of Kshs. 1.55 billion, the NHC is effectively engineering a massive debt write-off for the benefit of the County. This indicates that the primary objective of the transaction is not to achieve a perfect, shilling-for-shilling asset-for-debt parity. Rather, the goal is to achieve a final, clean, and pragmatic resolution to a problematic intergovernmental liability. This is likely guided by a broader public policy imperative to unburden the County Government, resolve a long-standing issue, and unlock the land for future productive development that aligns with the NHC's housing mandate.

Mr. Speaker, the following table provides a clear comparison of the valuation figures considered.

Comparative Analysis of Ondiek Estate Valuations

Valuation Source	Date	Components Valued	Total Value (Kshs.)	Observation
Joint CGK-NHC Report	Not Specified	Land and Improvements	1,097,014,800	Land: 925,000,000; Improvements: 171,184,400
Ministry of Lands	16th May 2023	Land Only	454,750,000	Noted poor state of buildings.
NHC Board Resolution	1st October 2024	Land Only (Adopted Value)	900,000,000	This is the operative value for the debt swap.

SAFEGUARDING THE RIGHTS OF TENANT PURCHASERS

A crucial consideration in the transfer of any public housing estate is the protection of the vested rights of residents who may have entered into purchase agreements. Vide letter dated 24th July, 2025, the Committee sought and received assurances that this matter has been handled with the necessary due diligence.

The joint valuation report identified seven specific housing units that had been sold to individuals on Tenant Purchase Terms. These are units associated with parcel numbers 32, 33, 87, 88, 89, 90, and 114. Furthermore, pursuant to the letter dated 20th August, 2025 Ref. No.

NHC.6.2. (78) DM; the NHC has provided a comprehensive list of records for 53 tenants who acquired their properties through the Tenant Purchase Scheme.

Most importantly, the National Housing Corporation has provided a formal, written commitment to the County Assembly, stating that it will not interfere with the ownership of the tenant purchasers of Ondiek Estate. The NHC has explicitly acknowledged that the debt swap *excludes* those houses already sold on tenant purchase terms. This commitment ensures that the transaction is not only financially sound but also socially responsible and legally robust, as it respects and protects the private property rights that have already been legally established within the estate. This proactive measure prevents future legal challenges and ensures a just outcome for these homeowners.

FISCAL AND ECONOMIC IMPACT ASSESSMENT FOR THE DEBT SWAP OF ONDIEK ESTATE

Mr. Speaker and Honourable members, beyond the questions of legality and constitutionality, the Committee was further tasked with assessing the propriety of the proposed debt swap. This involved a practical evaluation of the transaction's wisdom and its tangible impact on the financial health and strategic interests of the County Government of Kisumu. The analysis, supported by the submissions from the County Executive Committee (CEC) Member for Finance concludes that the swap is not merely a legally necessary action but a profoundly beneficial and strategically astute financial maneuver for the County.

THE CASE FOR FISCAL PRUDENCE AND STRATEGIC GAIN

Mr. Speaker and Honourable members, the proposed transaction presents a unique opportunity to resolve a debilitating historical problem while simultaneously unlocking new potential for the County. It is a multifaceted solution that addresses a major liability and, in the same stroke, enhances the County's asset base and revenue-generating capacity.

Quantifiable Financial Benefits: The Committee has found that the direct financial gains for the County are substantial, immediate, and easily quantifiable as follows:

a) Complete Debt Extinguishment

The primary and most significant benefit is the complete and permanent elimination of a legally validated debt that currently stands at Kshs. 1,551,653,714. This removes a massive liability from the County's books, instantly improving its financial statements and creditworthiness.

b) Significant Debt Write-off

This transaction is structured such that an asset valued at Kshs. 900,000,000 is used to clear a debt of Kshs. 1,551,653,714. This results in a direct debt write-off of Kshs. 651,653,714 (i.e., Kshs. 1,551,653,714–Kshs. 900,000,000). And represents a direct financial gain for the County, a concession secured through negotiation that could never be achieved through a forced sale or court-ordered attachment.

c) Cessation of Perpetual Interest Accrual

The swap permanently halts the compounding interest that has caused the debt to balloon by over Kshs. 500 million in just five years. This stops the financial hemorrhage and prevents the liability from consuming an even greater share of the County's future resources.

Recovery of Income-Generating Assets: Mr. Speaker and Hon. Members, perhaps the most compelling argument for the propriety of this swap is that it is not merely an asset-for-debt exchange; it is also a major asset recovery operation. A key consequence of the agreement is that upon the finalization of the swap, the NHC will release its control over three other major housing estates and revert their management to the County Government of Kisumu. These estates are:

- i. Arina Estate: Comprising 525 residential units.
- ii. Mosque Estate: Comprising 91 residential and commercial units.
- iii. Argwings Kodhek Estate: Comprising 48 residential units.

This aspect of the transaction fundamentally transforms the County's balance sheet. It is an asset-lightening (Ondiek) and liability-eliminating action on one side, and a significant asset-gaining action on the other. The County is currently in a position where it is legally the owner of these estates, yet they are under the control of its creditor, the NHC, and generate no revenue for the County. In fact, the CEC Finance confirmed that due to this encumbrance, these estates were not even part of the assets formally handed over to the County Government during the transition in 2013.

The swap rectifies this anomalous situation. It uses one of these encumbered assets (Ondiek) to cancel the entire debt and, in doing so, formally repatriates the other three assets (Arina, Mosque, Kodhek) back to the County's full control and management. This move achieves several strategic objectives simultaneously: it cleanses the County's financial records of a toxic liability, it formalizes and strengthens the County's asset register by adding 664 housing units, and it hands the County direct control over a substantial portfolio of income-generating properties. This represents a strategic reset of the County's housing portfolio and its financial relationship with the NHC.

Enhancement of Own-Source Revenue

Mr. Speaker and Honourable members, the recovery of the Arina, Mosque, and Argwings Kodhek estates provides a direct and sustainable boost to the County's Own-Source Revenue (OSR). The CEC Member for Finance has confirmed that the rents currently collected by the NHC from these estates are based on historical rates set by the defunct Municipal Council. The current cumulative monthly rental income from these 664 units is a mere Kshs. 875,244.

The County Executive Committee Member, Finance and Economic Planning has given a firm undertaking that should the debt swap be approved and the estates reverted to the County, the rents will be immediately revalued to reflect current market rates. These revised charges will be incorporated into the subsequent County Finance Bill. This action will unlock a significant new revenue stream for the County, increasing its fiscal space and reducing its reliance on equitable share transfers from the national government. This enhancement of OSR is a critical step towards achieving the objectives of devolution and financial self-sufficiency.

Addressing Potential Challenge

Mr. Speaker and Honourable members, the Committee acknowledges the analysis of the CEC Finance, who identified a potential fiscal challenge associated with this transaction such as additional repair and maintenance costs of newly acquired estates. It is true that taking over the management of 664 housing units from Arina, Kodhek and Mosque, many of which may require renovation, will entail new recurrent expenditure for the County.

However, the Committee concurs entirely with the CEC's overall conclusion that there is an "overall economic gain" in the acquisition of these estates. The potential for enhanced revenue from market-rate rents far outweighs the projected maintenance costs. The new revenue stream will not only cover the necessary repairs and upkeep but will also provide a substantial surplus that can be channeled towards other development priorities for the people of Kisumu. The challenge of maintenance is a manageable operational issue, whereas the opportunity to clear Kshs. 1.55 billion debt and gain a major revenue source is a strategic financial imperative.

To provide a consolidated overview of the compelling financial case for this transaction, the following table summarizes the fiscal impact for the County.

Summary of Fiscal Impact for the County Government of Kisumu

Fiscal Impact Item	Description	Financial Value (Kshs.)	Status
LIABILITY ELIMINATED	Total outstanding debt to NHC fully settled.	1,551,653,714	GAIN

Fiscal Impact Item	Description	Financial Value (Kshs.)	Status
ASSET RELINQUISHED	Agreed value of Ondiek Estate (land only).	(900,000,000)	COST
DEBT WRITE-OFF	The difference between the debt and the asset value.	651,653,714	NET GAIN
ASSETS RECOVERED	664 housing units in Arina, Mosque, & Kodhek Estates.	Not Valued (Substantial)	GAIN
NEW REVENUE STREAM	Potential annual revenue from recovered estates after rent revision.	Substantial Increase from current Kshs. 10.5M/year	GAIN
COSTS AVOIDED	Future interest accrual and potential legal costs.	Significant & Ongoing	GAIN
NEW EXPENDITURE	Repair and maintenance for recovered estates.	To be budgeted	COST
OVERALL FISCAL OUTCOME			HIGHLY POSITIVE

CONSIDERATION OF DUE DILIGENCE AND PROCEDURAL INTEGRITY

Mr. Speaker and Honourable members, for a transaction of this magnitude to be considered proper, it must not only be financially and legally sound, but it must also have followed a clear and transparent procedural path. The Committee has reviewed the documentation to ascertain that the necessary internal governance steps have been taken by both the County Government and the National Housing Corporation.

Executive Committee Approvals: The proposal for the debt swap has been duly processed and approved through the established channels of the County Executive Committee. The Committee received;

- i. A Cabinet Memo dated 29th July 2024 confirms that the matter was presented to and approved by the County Cabinet. This memo explicitly approved the transfer of Ondiek Estate in its entirety to the NHC.
- ii. The minutes of the County Executive Committee Meeting held on 30th July 2024 show that the committee formally resolved to approve the swap of Ondiek Estate with the NHC.

Counterparty Approval. A binding agreement requires the formal consent of all parties. The Committee has confirmed that the National Housing Corporation has given its unequivocal approval to the transaction on the terms presented. The minutes of the NHC's special full board meeting held on 1st October 2024 contain a clear resolution to:

- i. Accept the debt swap for Ondiek Estate.
- ii. Adopt the joint valuation of the land at Kshs. 900 million.
- iii. Accept the swap as a final settlement of the debt.
- iv. Formally write off the remaining balance of Kshs. 651,653,714.

This resolution provides the County Government and this Assembly with the certainty that the proposal is solid, actionable, and has the full legal and institutional commitment of the counterparty.

PUBLIC PARTICIPATION

Mr. Speaker and Honourable Members, public participation is a national value and a constitutional prerequisite for major public decisions. The Committee notes that a public participation meeting was held on 27th May 2025 at the Ondiek Field, bringing together representatives from the NHC, the CGK, and the residents of Ondiek Estate.

The Committee, found that the provided minutes from this meeting are noted as being unapproved by either the secretary or the chairman. While this represents a minor procedural lapse in record-keeping, it does not invalidate the fact that the engagement took place. The core constitutional requirement is for participation to occur, and there is evidence of this. The formalization of the record is a subsequent administrative step. The Committee does not view this procedural gap as a fatal flaw that should derail a transaction of such immense public benefit.

However, to ensure the completeness and integrity of the public record, it is recommended that the Committee, through the Speaker's office, urges the County Executive to ensure that the minutes of the public participation meeting of 27th May 2025 are formally confirmed and adopted by the relevant parties at the earliest opportunity. This will complete the procedural file for this landmark transaction.

Management of Ancillary Issues

The Committee notes that the County Cabinet's approval memo also included a resolution to form a committee to investigate and collect debts owed by beneficiaries of the Migosi Site and Scheme Estates. The memo frames this as a measure to recover the loss the County has incurred as a result of transfer of Ondiek Estate.

While the Committee commends the Executive's initiative to pursue all outstanding county revenues, it is important to clarify the context. As demonstrated conclusively in Section 4 of this report, the Ondiek Estate transaction does not represent a "loss" to the County; on the contrary, it represents a massive net financial gain. The effort to recover arrears from the Migosi scheme should be viewed as a separate and prudent financial management initiative aimed at bolstering the County's general revenue account, rather than a direct compensation for the Ondiek swap. The success of the Ondiek swap is not contingent on the Migosi debt recovery, but both actions are consistent with a broader strategy of strengthening the County's financial position.

CONCLUSION AND RECOMMENDATIONS

Mr. Speaker and Honourable members, having conducted an exhaustive inquiry based on the provided documentary evidence and a thorough analysis of the governing legal framework, the Committee on Lands, Physical Planning, Housing and Urban Development has arrived at conclusions that form the basis of its final recommendation to the Hon House.

COMMITTEE FINDINGS

Mr. Speaker, Sir, the Committee finds as follows:

- i. THAT, the debt owed to the National Housing Corporation is a long-standing, legally validated, and rapidly growing liability. The High Court's judgment transformed it into an unavoidable legal obligation. The status quo, which allows interest to compound at an alarming rate, is financially unsustainable and poses a clear and present danger to the fiscal health of the County. A decisive resolution by this Hon. House is not merely advisable; it is imperative.
- ii. THAT, the proposed debt-for-asset swap represents a financially astute and highly beneficial transaction for the County Government of Kisumu. It provides exceptional value for money by utilizing an asset valued at Kshs. 900 million to extinguish a liability of over Kshs. 1.55 billion, thereby securing a debt write-off of more than Kshs. 651 million for the benefit of the County's taxpayers.

- iii. THAT, the transaction is fully constitutional, falling squarely within the County Assembly's mandate under Article 185(4) (a) of the Constitution to approve plans for the management of county resources. It is also legal, complying with the principles of the County Governments Act, 2012, and the Public Finance Management Act, 2012, which champion prudent management of public assets and liabilities.
- iv. THAT, the transaction is unequivocally proper. It achieves multiple strategic objectives simultaneously: it extinguishes a major liability, it secures a significant financial concession from a creditor, it recovers direct control over 664 valuable income-generating housing units, it creates a new and sustainable stream of Own-Source Revenue, and it does so while meticulously protecting the vested property rights of existing tenant purchasers.
- v. THAT, the proposal has followed the correct procedure, securing formal approvals from the County Executive Committee, and the Board of Directors of the National Housing Corporation. The requirement for public participation has been met, with a minor administrative lapse in record-keeping that can be easily rectified.

RECOMMENDATION

Mr. Speaker and Honourable Members, in light of the overwhelming evidence supporting the legality, constitutionality, and profound financial and strategic benefits of the proposed transaction, the Committee finds no grounds to withhold its approval. To the contrary, the Committee believes that approving this debt swap is a matter of urgent public interest and a demonstration of responsible fiscal stewardship.

Therefore, based on the exhaustive analysis and consideration contained within this report, it is hereby recommended that this Hon. House adopts this report approving the transfer of the properties known as LR NO. KISUMU MUNICIPALITY/BLOCK 9/29 & 9/115 (Ondiek Estate) from the County Government of Kisumu to the National Housing Corporation as a full and final settlement of the outstanding historical debt owed to the Corporation.

Mr. Speaker, before I call a Seconder of this Motion, allow me to mention a few things. Hon Speaker, we are talking about six hundred and sixty-four units (664) which sit in three Estates whose revenue will be reverted to Kisumu county. The Estates are Argwings Kodhek, Mosque and Arina which has four phases.

Mr. Speaker, a quick mathematics will yield something substantial. Take 664 units at the lowest price of ten thousand shillings per unit, will give us Kshs. 6,640, 000 per month, on the lowest. Mr. Speaker, I believe these houses are one bedroom, two bedrooms and three bedrooms. Here in

town, I am sure there is no one-bedroomed house that will go below Kshs. 10,000. We are talking of the least amount, which is Kshs. 10,000 and a total of Kshs. 6,640,000 every month. Look at the revenue that the County Government will be receiving and see what the County Government has been losing for the past half a century.

Secondly, Mr. Speaker, there has been a loggerhead between the County Government and the National Housing Corporation. It is high time this debt was sorted once and for all. We are talking about an agreement that was entered into in 1968, a year I believe most of us had not been born. From 1968 to date, we had had a series of back and forth, memoranda and court cases. Mr. Speaker, I think if the Assembly approves this Motion today, both the County and those we represent will be very happy.

Mr. Speaker, look at the amount that was supposed to be paid Kshs. 1.5 billion, which was reverted under a Memorandum of Understanding, to Kshs. 980 million. This would also save the County Government. Honourable Speaker, remember that there was a court decree which instructed the County Government to pay, if we do not approve this and the National Housing Corporation goes back to court, the County may be subjected to pay the full amount of Kshs. 1.5 billion. What will then happen? There is no project that will take place for the next two years. Remember this will be a court decree that must be obeyed.

Finally, Mr. Speaker, I want to mention what I called the oxygen principle. The oxygen principle is anchored under Article 159 (d) which says justice shall not be administered without undue regard to procedural technicalities. Look at the situation. The procedural technicalities which may rise on this matter will not bar justice to be administered. And the justice that will be administered here will be against the County Government of Kisumu.

Mr. Speaker, with that brief explanation, may I now call Hon Kennedy Ooko, the Leader of Majority Leader, to second. Thank you very much.

The Temporary Speaker (Hon. Okumu, Mca, East Seme): Yes, Majority Leader.

Leader of Majority (Hon. Ooko, MCA, Ahero): Thank you, Honourable Speaker. Hon Speaker, after going through the Report, I also want to confirm that the proposed transaction between the County Government and the National Housing Corporation follows the correct legal framework and having gone through the Board resolution provided, the Memorandum of Understanding and the Evaluation report, there is sufficient documentary evidence to support the transaction and I will also urge the Members to approve. Mr. Speaker, I second. Thank you.

The Temporary Speaker (Hon. Okumu, Mca, East Seme): Thank you members. A Motion has been Moved on adoption of the Report of Lands, Housing, Physical Planning and Urban Development Committee on their Proposed Debt for Asset Swap between County Government of Kisumu and the National Housing Corporation, a Motion Moved by the Chair of the

Committee, Hon Boitone and seconded by the Majority Leader. I propose that we open this Motion for debate.

The Temporary Speaker (Hon. Okumu, Mca, East Seme): Yes, Honiurable Ochele.

Hon. Ochele (MCA, East Kano Wawidhi): Thank you, Mr. Speaker, for allowing me to echo the sentiments by the Chair of the Committee of Lands, Planning, Physical Planning, Housing and Urban Development, Hon Boitone Ratib. Mr. Speaker, it is very interesting that today, my Chair has just decided to be a teacher, laying a lot of strong emphasis and heavy notes on every point he makes so that the students get to know the key areas where the examiners are keen on. Thank you, Chairperson. I think the emphasis have done about 30% of influencing Members into supporting the report.

I will say that, Mr. Speaker, I am a member of the Planning Committee and this is a matter which has been going on and forth, and several issues were of concern to most members of the Committee and indeed the report was to be Tabled even as early as this Calendar year. However, because of certain unexplained aspects, it had to be taken back. Sometimes we are ready, sometimes we are not ready, sometimes we even knock it on the Floor of the House based on the technicalities which were there.

Mr. Speaker, I want to commit that as the Report Laid today by my committee Chairperson, most of the grey areas have been tackled. And of great concern, Mr. Speaker, was the aspect of public participation. Earlier on, there was an element of public participation which was conducted by the National Housing Corporation themselves. However, the committee did not find this sitting pretty with them. Therefore, we insisted that for any sustainable public participation, the major stakeholder, which is Kisumu County Government, must be properly involved in any aspect of public participation. And, Mr. Speaker, that was done and indeed the public endorsed the arrangement between the County Government of Kisumu and the National Housing Corporation.

Mr. Speaker, there was this element of some tenants turned to be landlords by way of purchasing certain parcels. We were concerned if this was not taken care of, Mr. Speaker, then maybe in the middle of implementation by the National Housing Corporation, they would have interfered with the arrangement done by the new landlords within the said plots.

Mr. Speaker, by and large, by offloading the two blocks as indicated in the report and emphasized by the committee Chairperson, the Government of Kisumu would be saving a lot, though the Chair says it is at the lowest of Kshs. 10,000 per month per unit. However, I think there is a problem there because the current rate for these plots or these units is too low and I want to believe that as a House we should recommend that valuation, and we did discuss this as a committee, that the County Government upon resuming the management of the remaining three blocks should carry out valuation so that we know the current market price for these units.

By knowing the current market price, we will be revising the payments or the rent for these units and by that I think the County Government will be gaining a lot of revenue, not by suppressing the occupants but just being in tandem with the existing rates. I believe that recommendation should be taken seriously because if we give it at the current rate, the current rate is too low and it has taken several years before it was reviewed. Mr. Speaker, another aspect which I think as a House we should emphasize on, the three blocks which will be reverted to the County Government's management, sit in very economically fertile land and there are small units which we are reverting to the County Government.

If in future we can consider partnering with other willing developers so that we make modern structures, it is in the county that we now talk of modern housing. If we can go the modern housing way, then I think the value for the blocks should rise higher than estimated by the Chair. Therefore, the Government should look for serious developers to help us upgrade these blocks to modern standards.

Finally, Mr. Speaker, I know I have been in the House since morning and the Chair, being that he has been nursing this report as his baby, I think he was doubting if I would support the report. Therefore, therefore he went for the government representative in the House, the Majority Leader, so that he be assured that the report will be debated. Chair, I think I gave you my word that after doing all that we wanted, I am just on your side. Wbe are passing the report, it is a good thing and now it leaves no doubt in my mind that the County Government has gotten the best deal ever after ascertaining that everything else around the arrangement and around the MOU have been taken care of.

I support the report fully and Chair, just trust me, when things are good, I support, but when they are not good, I want to remain on the side of history that bad things are bad and must be rejected. This one is good and I support.

Thank you.

The Temporary Speaker (Hon. Okumu): Honourable Mildred Ajumbo.

Hon. Ajumbo (MCA, Central Seme): Thank you, Mr. Speaker. I rise to support the report by the Committee of Lands, Housing, physical planning and Urban development, on the Debt for Asset Swap between the County Government of Kisumu and the National Housing Corporation.

Mr. Speaker, as the Chairperson was reading and really stressing, I kept laughing because the Chair started by talking about when this debt was entered into, the agreement between the National Government and the former County Council Government in 1968, when many of us had not been born. The Chairperson kept pointing at the date and we were laughing with Hon Ochele, so he made us know that this is a long-term thing that has taken 50 years. Indeed, Mr. Speaker, the County is going through a lot of pending bills and a lot of debts, and it is common sense that this debt is written off. I have also seen the debt going into Ksh.1.6 billion, but I see

the debt that has been paid is Kshs. 900 million. That leaves us as a County with Kshs. 600 million to save, of course, on the three housing units.

I want to agree with Hon Ochele that it is true it has taken a long time since valuation of these houses were done. Therefore, it would be important if the valuation is done for these three units so that when the Chairperson is excited talking about Ksh10,000 being paid as rent for a month, and is saying the county is going to make Kshs. 6.4 million in a month, I found that very interesting for a whole Chairperson of Lands, Housing, Physical Planning and Urban Development to be excited that only Kshs. 6.4 million would really help improve this County.

Mr. Speaker, I think it is high time the county did a valuation for these housing units or entered into a partnership so that the housing valuation for the plot would go into billions of Kenyan shillings. This is because they stand on a very expensive plot. It is important that a valuation is done.

Finally, Mr. Speaker, I want to support the report because I can see there was public participation that took place. Indeed, if public participation did not take place, then it would not be easy to pass this report. Mr. Speaker, although the Chairperson did not attach the reports of the public participation, which I do not want to go into to make it appear that I am not supporting the report. Mr. Speaker, I support the report. Thank you.

The Temporary Speaker (Hon. Okumu): Yes, Honourable. Obaso.

Hon. Obaso (Nominated Member): Thank you, Mr. Speaker. I also rise in support of this debt-for-asset swap. Mr. Speaker, let me start by commending the committee for this well elaborated document. Initially we had so many question marks on this report with regards to public participation, where we wanted to make sure that the opinion of residents were well captured, and from this report we can attest to that everything was followed.

Mr. Speaker, I also want to take a note on what has been written here, that Arina and Argwings Kodhek Estates, when this thing will be done, then re-evaluation will be made. In addition, new rent estimations will be made. I think this is for the benefit of this County. It will also enhance our Own Source Revenue; which Kisumu County has really lost much from these buildings. These buildings should instead generate money that can help us in the financing developments of this County.

Mr. Speaker, I also want to note that; when the national government will be taking over of Ondiek estate, it will urbanize that area, and those old buildings will be done away with. In addition, through this, it will provide good buildings for the city because we are trying to make Kisumu to be clean with good infrastructure that it deserves. With those few remarks, Mr. Speaker, I support the report. Thank you.

(Silence)

The Temporary Speaker (Hon. Okumu, East Seme): Hon Members, we are debating on a Motion on the adoption of a report of Lands, Housing and Physical Planning and Urban Development Committee on the Proposed Debt for Asset Swap between County Government of Kisumu and National Housing Corporation.

Hon. Ochola (Nominated Member): Mr. Speaker, may I call to call the Mover to reply.

The Temporary Speaker (Hon. Okumu, East Seme): Yes, the Honourable Boitone Ahmed ‘Salim’.

Hon. Boitone (MCA, Nyalenda “A”): Hon. Speaker, I was just arising and when I heard the name ‘Salim’ I regain my seat because I do not know who ‘Salim’ is in this House.

The Temporary Speaker (Hon. Okumu, East Seme): Yes, Honourable Members for Nyalenda A Ward, I thought you, at one point misled the Speaker into believing that you had three names. However, now that you disowned it, I will go with ‘Hon Boitone Ahmed Oketch’. Thank you.

Hon. Boitone (Nyalenda A): Thank you, Hon Speaker. May I put it very straight. My name as captured in my National Identity is ‘Ratib Ahmed Boitone’. Hon Speaker, I want to thank the Leader of Majority for adding flesh to this report that I read. If we go this direction as a County, I think the Own Source Revenue that has been a problem in this County will be addressed. Thank you for the support that you have given. I thank you.

Hon Speaker, there is one aspect that I want to make very clear. The tenants who turn out to be Landlords, as was mentioned by Honourable Ochele. Yesterday, when we were doing benchmarking with the National Housing Corporation, they made it very clear that if a tenant does a sublease again, do not engage him. Go direct to the person who has been subleased. Enter into agreement with him and throw away that guy. That is the direction we want the County Government to take so that it will curb the problem of somebody sitting on Government Land, on Government Houses and making a million of shillings against what the County Government gets.

On valuation of the rents, I was just giving an example. The Kshs 10,000 was on the lowest side that I gave as an example. We are talking about 664 units on the lowest side of Kshs 10,000. Remember, the 664 unit contains one-bedroom houses, two-bedroom houses and three-bedroom units. On the lowest side, 664 units at Kshs 10,000 will give Kshs 6.64 million per month. Which translates to –Hon Ochele, I want you to pay attention to this because it is very key–Kshs 79, 680, 000 on the lowest side. The County Government is going to get more than Kshs 100 Million on the lowest side. Or let us talk of about Kshs 200 Million which will help us quite big in Own Source Revenue.

Mr. Speaker, whoever is asking untamed theory, something must have been wrong when election was being done. This is because I believe that even a common man on the ground knows what

the housing units in this town cost. Besides, we believe that in this direction, Hon. Members, we are headed in the right direction. Honourable Ochele, I like the way sometimes you have divergent opinion. A committee should not just go and move like animals without brains. Hon Ochele has always been having divergent opinion. However, this time round, he agrees with the committee because he understands the value that this report will give to the residents of Kisumu County as a whole.

It is not just about the area where these units are sitting, but the revenue will translate into developing all parts of this County. I also agree with Hon Ochele that there may be a partnership we are going to direct the County Government to go into partnership with the National Housing Corporation so that we develop those plots; that is Arina, Argwings Kodhek and Mosque. How would you feel when you sit somewhere and you see the County Government has storey building like the one that the LAPFUND has in Makasembo? That is what we are looking into. I believe even after we had already left this Assembly, this will be realized and this is going to be a legacy that we as a Member of the County Assembly gave a foundation.

Hon Speaker, I want to mention something about the public participation. The public participation that was conducted was sufficient to be Tabled as a Public Participation. I also mentioned in reference to the oxygen principle which I had explained. I want to thank the National Housing Corporation because they came in and worked together with the County Government to do a proper public participation which of course which was attended by the tenants from Ondiek Estate.

The aspect of protection of those who had bought pieces of land in Ondiek Estate will also be protected. I believe the National Housing Corporation will work side by side in also helping them. This was also discussed when we met with them. They will also help those who had bought pieces of land in this area to upgrade or develop the pieces of land that they have.

Finally, Hon Speaker, I believe that these efforts will also help in curbing the deficit we have in terms of housing in Kisumu and improve the area where Ondiek sits. And later, when improvement will be done on Arina, Mosque and Argwings Kodhek, it will provide affordable housing units to the people of Kisumu.

Hon Speaker, I want to thank all the Members who have contributed. I also want to take this opportunity to express my appreciation to the Hon Members, the Office of the Clerk and the Speaker for the support that we got during the exercise which was very intense to get the sufficient documentation and information that we needed so that we can bar and stop any litigation that may arise in future during this Debt Swap. Hon Speaker, I reply.

The Temporary Speaker (Hon. Okumu, East Seme): Thank you Members after that robust debate on the Motion, I want to put a question.

(Question put and agreed to)

The Temporary Speaker (Hon. Okumu, East Seme): Honourable members, the report by the Departmental Committee on Lands, Physical Planning, Housing and Urban Development on the Proposed Debt for Asset Swap between the County Government of Kisumu and the National Housing Corporation has been adopted, today, Wednesday, 19th November, 2025 at 15:41 hours. Thank you Hon Members. I direct that this Report reaches the department for necessary action.

The Temporary Speaker (Hon. Okumu, East Seme): Next order!!

MOTION

ADJOURNMENT OF THE COUNTY ASSEMBLY SITTINGS ON DEFINITE MATTER OF URGENT COUNTY IMPORTANCE, CASA GAMES UNTIL TUESDAY 2ND DECEMBER, 2025

BY

HON. OOKO KENNEDY, MCA, AHERO

[LEADER OF MAJORITY]

The Temporary Speaker (Hon. Okumu, East Seme): Yes, Honourable Majority leader.

The Leader of Majority (Hon. Ooko, Ahero): Hon Speaker, I rise to Move a Motion for adjournment to allow participation in the CASA games and cultural festival which will be held from 22nd to 29th November 2025 in Meru County.

Mr. Speaker and Hon Members, AWARE THAT the County Assemblies Sports Association (CASA) is an annual activity bringing together all the 47 county Assemblies in Kenya with the objective of promoting unity, team work and inter -county corporation through sports and cultural activities.

FURTHER AWARE THAT, the 6th Edition of the CASA Games and Cultural Festival is scheduled to be held in Meru County from 22nd to 29th November 2025 under the theme, Strengthening Legislative Bonds through Sports and Culture and that participants are required to travel to Meru on 22nd October 2025.

NOTING THAT, the participation of the Members of the County Assemblies and staff in the CASA Festival provides a unique platform for fostering teamwork, wellness and well-being among County legislatures across the country while promoting cultural exchange and unity. Organizing that effective participation in the event will necessitate the full involvement of Members and staff of the County Assembly.

Mr. Speaker, NOW THAT, the Members of this Assembly resolves to adjourn its Sittings until Tuesday, 2nd December, 2025 at 2.30pm to allow all Hon Members and staff of the County Assembly to fully participate in the 6th Edition of the CASA Games and Cultural Festival in

Meru County. Hon Speaker, I ask the Deputy Leader of Majority, Hon Lumumba, to second. Thank you.

The Temporary Speaker (Hon. Okumu, East Seme): Yes, Honourable Owade.

The Deputy Leader of Majority (Hon. Owade, South East Nyakach): Thank you, Mr. Speaker. Mr. Speaker, I rise to second the Motion of Adjournment, noting that we are expected to participate in the annual activities involving all County Assemblies across the Republic. It is only proper that our we also participate as a county assembly. I, therefore, encourage all our Members to attend and, where possible, take part in the disciplines in which our County will be competing.

Mr. Speaker, at this point, allow me to extend my best wishes to all Members and to the Kisumu County Assembly. I wish them great success and a victorious performance at this year's CASA Games in Meru. Thank you, Mr. Speaker.

The Temporary Speaker (Hon. Okumu, East Seme): Thank you. Hon Members, the Motion on Adjournment has been Moved by the Majority Leader and seconded by the Deputy Majority Leader. I now propose that we open this Motion for debate. Yes, Hon Obaso.

Hon. Obaso (Nominated Member): Thank you, Mr. Speaker. I also rise to support the Motion of Adjournment before this House. The activity we are about to undertake is important for our physical well-being, and it is essential that after period of intense and purposeful work, we take time to refresh and re-energize ourselves through such activities. This is indeed a valuable exercise, and I wish our teams the very best as they go to compete with other counties.

Moreover, Mr. Speaker, this event is not only about sports; it also provides an opportunity for us to exchange ideas and learn from our counterparts across the counties. Thank you, Mr. Speaker. I support.

The Temporary Speaker (Hon. Okumu, East Seme): Yes, Honourable Ajumbo.

Hon. Ajumbo (Central Seme): Thank you, Mr. Speaker. I have been advised that you call the Mover to reply.

The Temporary Speaker (Hon. Okumu, East Seme): Honourable Member, who advised you to call the Mover to reply?

Hon. Ajumbo (Central Seme): Mr. Speaker, I apologize. I wish to call the Mover to reply.

The Temporary Speaker (Hon. Okumu, East Seme): Thank you, Hon Members. Yes, Honourable Majority Leader.

Leader of Majority (Hon. Ooko, Ahero): Thank you, Mr. Speaker. Mr. Speaker, with your guidance, I rise to reply. This event will bring together people from diverse communities, ethnic backgrounds, religions, and cultures. In doing so, it will contribute significantly to fostering national cohesion and promoting unity in our country.

Hon Speaker, as Members of County Assemblies and staff attend this event and interact with their counterparts from other counties, it will enhance teamwork and strengthen our ability to work collaboratively. I urge Members to take note of the theme of this year's CASA Games, which is: Strengthening Legislative Power through Sports and Culture. As we adjourn, let us reflect on this important theme. With those remarks, Hon Speaker, I reply. Thank you.

The Temporary Speaker (Hon. Okumu, East Seme): Thank you, Hon Members. I want to refer ourselves to Standing Order No. 26 which reads:

“On the day when the County Assembly is scheduled to adjourn to a day other than the next normal Sitting day in accordance with the County Assembly calendar, the Leader of Majority or the Leader of Minority party or another Member of the County Assembly Business Committee, shall Move a Motion of adjournment which shall be debated for not more than three hours after which the County Assembly shall adjourn without question put”

ADJOURNMENT

The Temporary Speaker (Hon. Okumu, East Seme): Honourable members, therefore, this House stands adjourned until Tuesday, 02nd December, 2025 at 02.30 p.m.

(House rose at 3.58 p.m.)

Addendum

The Hansard Team

Zablon Otiende – Assistant Director, Information Services

Patrick Okoyo – Chief Hansard Reporter

Fanuel Okode – Chief Hansard Reporter

Jesca Otiemo – Chief Hansard Reporter

Edward Odanga – Senior Hansard Reporter

Jacklyne Otiemo – Senior Hansard Reporter

Vallery Achieng – Senior Hansard Reporter

Brian Omondi – Attache’