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Guarantee for the Nairobi City Council's
Woodley - Kibera Housing Project

1. In accordance with the provisions of the Loans (Guarantee) (Amendment) Act, 1968, the following information is laid before the National Assembly relating to a guarantee which the Government proposes to give to the Commonwealth Development Corporation (CDC) in respect of a loan of £400,000 sterling (K£342,858) for the construction of the Nairobi City Council's Woodley - Kibera Housing Project. The giving of this guarantee will bring the Government's total contingent liability for guarantees given under sub-section (3) (a) of this Act to a total of K£12,070,255.

2. This housing project is already under construction on 23 acres of vacant land lying between the existing Woodley Housing Estate and the railway in the vicinity of Kibera Station. It will provide houses both for rental and for purchase and will consist of 156 three-bedroom houses and 72 two-bedroom flats. The houses will be built in two storey terraces each having a living room, kitchen, toilet and store on the ground floor, and three bedrooms and a bathroom cum-toilet upstairs. At the rear there will be a self-contained servants quarter and a carport. The two bedroom flats will be built in four-storey blocks, the ground floor consisting of carports. Both houses and flats will be built to a high standard of finish and the approximate cost will be £4,000 and £3,000 respectively. The layout of the estate has been designed to reduce the cost of roads and other services and at the same time to provide ample open space between the blocks of flats and terrace houses, and also includes space for schools.. There is a considerable demand for houses in this price range.

3. The total cost of the project will be £842,550 for which finance will be found as follows:-

	K£
Loan of £400,000 sterling from CDC	342,858
Loan from Housing Finance Company of Kenya Ltd.	100,000
Balance from Nairobi City Council funds and from deposits by purchasers	339,692
	<hr/> <u>842,550</u>

4. The loan will be secured by a charge on the rates and revenue of the City Council and, in view of the considerable unsatisfied demand for housing in this category, the Government considers the risk of default on the part of Nairobi City Council in meeting its loan obligations to be small. Accordingly the House is asked to approve the proposal that the Government should guarantee repayment over a period of 20 years from March 1970 to March 1989 together with interest thereon at the rate of 8% per annum, of a loan of £400,000 sterling to be made by the Commonwealth Development Corporation of London, England to Nairobi City Council towards the cost of financing a housing scheme in the Woodley - Kibera area of Nairobi.
