

Project name:

Optimistic Funding (Built on the Flashstake Protocol)

Author name and contact info:

- Zachary Dash
- me@zacharydash.com
- [@ZacharyDash](#) on TG + Twitter

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant:

Yes

L2 recipient address:

0x3144F26fBc2421e5E69f87Ff8c54799e60a4fBB9

Which Voting Cycle are you applying for?:

Cycle 8/9 (Had difficulty finding which cycle we are in)

Grant category: (DeFi, NFT, Tooling, Other)

DeFi + Public Goods

Is this proposal applicable to a specific committee?

Seems to fit within various DeFi Committees!

Project description (please explain how your project works):

You may have heard about [quadratic funding](#), but what about Optimistic Funding?

Optimistic Funding is a Dapp that allows you to donate to your favorite person, project, or public good at no cost to you

. Here is an image of what the dapp will look like (open for feedback on UX changes)

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In short, anyone can lock up money for a predetermined amount of time. The upfront yield (made possible by the [Flashstake](#) protocol) is then redirected to the person or project of your choice.

For example:

- Vitalik wants to support Agora
- Vitalik agrees to lock \$10,000 USDC until April 2nd
- \$250 of upfront yield is generated and immediately sent in full to Agora
- On April 2nd, Vitalik can withdraw 100% of his \$10,000 USDC

Notes:

- Over time, with usage of the platform, the upfront yield becomes real yield

(currently generated using Aave lending markets)

- While we may start with just sUSD or ETH, Vitalik can use multiple tokens SNX, CRV, etc

- The individuals behind this project are a fully public facing core of 10+ people who have been building together for 3+ years
- We have previously [received a grant](#) proposal from Aave previously to launch both [Flashstake.io](#) and [Flaave.xyz](#)

Project links:

- Website:
 - [flashstake.io](#) (protocol)
 - [blockzerolabs.io](#) (builders)
 - [flaave.xyz](#) (similar dapp)
 - [flashstake.io](#) (protocol)
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 - [flaave.xyz](#) (similar dapp)
- Twitter:
 - [twitter.com/flashstake](#)
 - [twitter.com/blockzerolabs](#)
 - [twitter.com/flashstake](#)
 - [twitter.com/blockzerolabs](#)
- Discord/Discourse/Community:
 - [Discord](#)
 - [Discord](#)
- Please include all other relevant links below:
 - Analytics: [Flashstake Dashboard ↗](#)
 - Docs: [Flashstake — Flashstake Protocol 0.2.0 documentation](#)
 - FAQ: [FAQ — Flashstake Protocol 0.2.0 documentation](#)
 - WP: [Flashstake V3 Whitepaper - Google Docs](#)
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 - FAQ: [FAQ — Flashstake Protocol 0.2.0 documentation](#)
 - WP: [Flashstake V3 Whitepaper - Google Docs](#)

Additional team member info (please link):

- Dash (<https://twitter.com/ZacharyDash>)
- Creator of Blockzero Labs
- Marketing, BD, UI/UX
- Creator of Blockzero Labs
- Marketing, BD, UI/UX
- Alex (<https://twitter.com/DeFiCh4d>)
- Economics, Protocol Architect, Strategy
- MSc. Global Finance with focus on algorithmic portfolio management and derivatives. Multiple times featured portfolio manager by the world's leading social trading site

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- Umar (<https://twitter.com/DevSalim>)
- Lead Developer
- Lead Backend
- Lead Solidity Dev
- Lead Developer
- Lead Backend
- Lead Solidity Dev
- Nick (<https://twitter.com/nmitchell11>)
- Project Lead
- Product Manager
- Project Lead
- Product Manager
- Steve (<https://twitter.com/steveious>)
- Quality Assurance
- Data/Analytics
- Quality Assurance
- Data/Analytics
- Ben
- Lead Front-end Dev
- Lead Front-end Dev
- Ed (<https://twitter.com/0xEdZ>)
- Head of Content
- Community Lead
- Head of Content
- Community Lead
- Luiz (<https://twitter.com/luizcordeiro>)
- UI/UX
- Graphic/Video Editing
- UI/UX
- Graphic/Video Editing
- Jacob (https://twitter.com/Barnett_Jakee)
- Website
- Marketing Coordinaton
- Website
- Marketing Coordinaton

- John (<https://twitter.com/johnvelasco>)
- HR
- Treasury
- HR
- Treasury
- Jorn (<https://twitter.com/jorndegen>)
- Advisory
- Advisory

Please link to any previous projects the team has meaningfully contributed to:

Together we built and launched [Flashstake](#), the protocol that makes Optimistic Funding possible – and [Flaave](#), the world's first market for flashlending. Many of the core members of this team are also founding members of [Blockzero Labs](#), we Web3 venture studio with products launched like the [Cryptonauts](#) collection and [Dropzero](#) – a gas-efficient token distribution dapp and

Relevant usage metrics (TVL, transactions, volume, unique addresses, etc. Optimism metrics preferred; please link to public sources such as Dune Analytics, etc.):

Some awesome analytics can be found here: [Flashstake Dashboard](#) ✂

Competitors, peers, or similar projects (please link):

Can't really think of any projects offering zero-loss donations/grants.

I think PoolTogether played around with collective donations before but can't find a source [Here's another website](#) we found that has a similar concept but donations are not immediately made upfront.

Is/will this project be open sourced?

Smart contracts are 100% public!

Optimism native?

Yes, this will be built 100% on Optimism

Date of deployment/expected deployment on Optimism:

The Flashstake protocol was already deployed on Optimism two weeks ago!

Pending approval of OP grant, we would expect a 2-4 week timeline to build/launch Optimistic Funding on Optimism.

Ecosystem Value Proposition:

What is the problem statement this proposal hopes to solve for the Optimism ecosystem?

- We want to build an easy way for users of Optimism to fund their favorite people and projects.

How does your proposal offer a value proposition solving the above problem?

- You can donate to people with time instead of money =)

Why will this solution be a source of growth for the Optimism ecosystem?

- Differentiator: Optimism will be the first/only place to perform zero-loss donations in web3, further separate itself from the other L2s and chains.
- Brand Building: Optimistic Funding grows the OP brand of good vibes, philanthropic ventures, and public goods.
- Sticky TVL: Each time someone uses Optimistic Funding, TVL on Optimism increases and is locked for long durations of time.

Has your project previously applied for an OP grant? If successful, please link to your previous grant proposal and provide a brief update on milestones achieved with the grant. If unsuccessful, and this is a resubmission, please specify how you have incorporated significant changes in accordance with feedback.

N/A

Number of OP tokens requested:

100,000 OP

Did the project apply for or receive OP tokens through the Foundation Partner Fund?:

No

If OP tokens were requested from the Foundation Partner Fund, what was the amount?:

N/A

How much will your project match in co-incentives? (not required but recommended, when applicable):

Our native token is \$FLASH. We are open to matching co-incentives but with a low liquidity token, we believe this would detract from the overall Optimistic Funding experience.

Essentially, after OP incentives are distributed over time, the dapp will continue to operate without any external stimulus or grants needed!

Proposal for token distribution: How will the OP tokens be distributed? (please include % allocated to different initiatives such as user rewards/marketing/liquidity mining. Please also include a justification as to why each of these initiatives align with the problem statement this proposal is solving.)

OP tokens will be used as an additional Optimistic Funding booster to jumpstart the dapp. Image below:

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We are looking for feedback here but currently, we are proposing the following usage:

- 50k OP to boost the sUSD Pool
- 50k OP to boost an ETH Pool

The tokens would be put to use immediately.

Over what period of time will the tokens be distributed for each initiative? Shorter timelines are preferable to longer timelines. Shorter timelines (on the order of weeks) allow teams to quickly demonstrate achievement of milestones, better facilitating additional grants via subsequent proposals.

OP tokens are only used if/when the Dapp is used. This means a donation must occur before OP tokens are used.

For this reason, it is not possible to know the exact period of time. We can, however, measure impact in terms of donations facilitated and TVL locked on Optimism, and outline this below.

We are open to returning any unused OP tokens if they are not utilized before a certain date.

Please list the milestones/KPIs you expect to achieve for each initiative, considering how each relates to incentivizing sustainable usage and liquidity on Optimism. Please keep in mind that progress towards these milestones/KPIs should be trackable.

We have three primary metrics to judge the success of this Dapp.

- Total People/Projects Supported: 200 Goal
- Total Donations Received: \$100,000 Goal
- TVL on Optimism: \$2M Goal

Through a combination of \$OP and upfront yield generated from the protocol, we believe offering a 20% APY for donors will encourage usage. This means, if a person locks \$10,000 for 3-months, the recipient would receive \$500 in Optimistic Funding.

If we incorporated a 3-month max timelock and all 100k OP tokens were used, this would result in roughly \$2M TVL.

Why will incentivized users and liquidity on Optimism remain after incentives dry up?

This is our favorite part about the Flashstaking protocol we are excited to talk about =)

While we are looking to utilize OP tokens to jumpstart the Optimistic Funding strategies, the Dapp and protocol becomes increasingly self-sufficient over time through external yield generating sources (i.e: Aave, Beefy Finance, etc).

Essentially, even after OP incentives are distributed over time, the dapp will continue to operate without any external stimulus or grants needed in the future!

How is this possible?

When a user locks up their USDC or ETH, these assets immediately begin generating yield through the likes of Aave (or other trustworthy protocols).

Block-by-block, this yield accumulates and makes matching yield available for future

Optimistic Funding. Therefore, we expect Optimistic Funding to live far beyond OP incentives and grants.

For those who like to get a little technical, here's a flow chart of the protocol under-the-hood.

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OP5

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Please provide any additional information that will facilitate accountability:(smart contracts addresses relevant to the proposal, relevant organizational wallet addresses, etc.)

- [AAVEv2-V1 Strategies — Flashstake Protocol 0.2.0 documentation](#)
- [AAVEv2-V2 Strategies — Flashstake Protocol 0.2.0 documentation](#)
- [AAVEv2-V3 Strategies — Flashstake Protocol 0.2.0 documentation](#)
- [AAVEv3 Strategies — Flashstake Protocol 0.2.0 documentation](#)
- [Overview — Flashstake Protocol 0.2.0 documentation](#)

Open Questions/Discussions for OP Community

While we are really excited to potentially build the OF dapp, there are likely many questions about the proposal above. One item we would like to get ahead of and openly discuss with the community revolves around the idea of Self-Donation Prevention

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Context

Optimistic Funding is built on an open and permissionless protocol called Flashstake. One of the benefits but also tradeoffs of this is we cannot control who people donate too.

tldr; From a smart-contract level, there's no technical way to prevent someone from "donating" to themselves.

There are, however, front-end limitations we could implement in place where the drop down is a nominated list of "approved" people or projects.

We aren't in love with the centralization and upkeep of this but if the OP community believes this is necessary, it is something we can implement.

We want to end by saying after reading through the governance documentation the last few days and watching the October 25th community call, it's awesome to see how retrospective you all are on making this proposal/funding process more efficient. No doubt a challenge to deal with all the inbound requests.

If there is anything we can do to make life easier for the delegates, please let us know! If it helps – happy to also writeup a report in the future on our friction points and experience coming through the current governance process through our fresh eyes =)