# RugDAO Prop House Proposal

This proposal is to establish a trial Prop House for RugDAO in cooperation with the Nouns DAO. Justification for Nouns DAO infrastructure is to maximize efficacy and expediency in "to-market" deployment of Prop House as well as promote the spirit of cooperation and utilization of technology already established in the Web3 community.

## What is a Prop House

Prop House is public infrastructure created and funded by [Nouns DAO](#) as an experimental approach for communities to deploy capital. Through funding rounds, communities auction off fixed amounts of capital to builders with the best ideas.

RugDAO would hold funding rounds in the "community house". In these funding rounds, builders can propose ideas to get funded. The flow is as follows:

1. A funding round is put up by a community. Each funding round has fixed amount of capital to be won (e.g. 1 ETH for 3 winners each) and is composed of a proposing and a voting period.
2. The proposal period begins. Builders can now propose ideas that they'd like to get funded for.
3. Proposing period ends and the voting period starts. Community token holders vote on their favorite proposals.
4. Voting period ends. The top voted proposals get funded!

Community houses are the places where communities host their funding rounds. Inside a house, you can view all active and inactive funding rounds.

## The Future Roadmap of RugDAO Prop House

The Prop House infrastructure allows for a wide variability in general or purpose driven initiatives to help streamline the building process. This platform allows community members to receive compensation from the DAO for creating tools, content, infrastructure, technology, culture, events, etc… This will become an increasingly autonomous and decentralized aspect of RugDAO and will aid in the scaling of the ecosystem.

One specific example of uses for the Prop House is Mandated Funding Rounds. Mandated Funding Rounds are those where builders are encouraged to propose ideas that abide by a specific ask from the community. For example, in the future, community driven programs like the Participate to Govern ($Rug Rewards) program could be discovered, funded and implemented through this platform without requiring Core Team budget or approval.

Upon the establishment of a permanent Prop House, the length of funding rounds (proposing and voting periods - which can be variable in length of time with the most common periods being 7 days for proposing and 5 days for voting), frequency of rounds and capital allocated are to be determined by the community and managed by the DAO Operational Council, whose responsibility it is to safeguard the DAO and provide the guardrails for sustainable growth.

This proposal requests that the Prop House is established and operated for a Trial Period consisting of 2 Funding Rounds until EOY 2022.

First funding round would occur in November and the second round in December. First round consists of a total budget allocation of 2.5 ETH and distributed as .5 ETH each for 5 top voted proposals. Second round consists of a budget allocation of 3 ETH to be distributed in 1 ETH purses to top 3 voted proposals.

The purpose of having variable rounds in our early trial is to test community engagement, value of proposals and the sustainability of the model. By gathering this data and determining if the DAO resources have been allocated to good stewards of our capital, we will be able to adapt for our specific use case and optimize the program to the RugDAO community.


## Logistics, Risk and Expectations

RugDAO Prop House will be open to all ETH wallet holders to propose. Only RDAO holders will be able to vote on Proposals. At the end of the voting period, proposals with the most votes from RDAO holders will be granted the funding. There are no quorum requirements or restrictions. This mechanism allows for the highest likelihood of success and accessibility to DAO funds and allows the Prop House to run autonomously and without constraint from the greater DAO.

Prop House grantees will be funded from the DAO Treasury (executed by the 9 established Multi-Sig Signers per the Governance Framework) upon the completion of the voting period. The following questions and answers are taken from Nouns Prop House FAQ and I believe that the process and justifications satiate the RugDAO application of this platform:

**Why do we award grantees upfront and not upon completion of deliverables?**

"Prop House aims to reduce friction for communities to deploy capital in order to build up their ecosystems. To that end, removing the logistics and subjective group judgment of whether or not a builder merits the award upon completion allows for communities to move faster.

Put another way, awarding the winners of a funding round up front is a trade-off between speed and execution against a sense of assurance from the community. We believe that for a meaningful amount of work-to-be-done, the trade-off is worth it."

**How can we assure that grantees will follow through with their proposals?**

While there is no way to guarantee that a proposer does not rug, communities that have relied on social reputation, relevant experience and thorough due-diligence during voting have successfully minimized fraudulent props to it being a rare occurrence.
Given good voting practices, communities can assume that a majority of the percentage of proposals will be successful while expecting a small percentage to fail.

**What can RugDAO expect from running a Prop House?**

Communities have seen a significant increase in engagement. More than getting specific things built - Prop House is about onboarding new builders to your community while at the same time giving all members something to actively contribute - allocating capital via voting.

## Summary

It is my belief that the implementation of a Prop House will signal growth, decentralization, community driven action, value to the community and individual builders within the community, and ultimately help to establish RugDAO as one of the leaders in NFT DAOs.

I want to reiterate the importance and privilege of being able to use the infrastructure already established by Nouns DAO and the impact that it will have in expediting the deployment of our own Prop House. Aside from the time and capital savings, it is my firm belief that building upon the successes of our web3 neighbors is a core tenet of Rug Radio and cooperating with Nouns is proof of our commitment to not only our RDAO holders, but the greater Web3 community.

All comments, questions, concerns, criticism and amendments welcome!