

VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST  
Form N-CSR  
December 30, 2008

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM N-CSR  
CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES  
Investment Company Act file number 811-7404  
Van Kampen California Value Municipal Income Trust**

(Exact name of registrant as specified in charter)  
522 Fifth Avenue, New York, New York 10036

(Address of principal executive offices) (Zip code)  
Edward C. Wood III  
522 Fifth Avenue, New York, New York 10036

(Name and address of agent for service)

Registrant's telephone number, including area code: 212-762-4000

Date of fiscal year end: 10/31

Date of reporting period: 10/31/08

Item 1. Report to Shareholders.

The Trust's annual report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940 is as follows:

Welcome, Shareholder

In this report, you will learn about how your investment in Van Kampen California Value Municipal Income Trust performed during the annual period. The portfolio management team will provide an overview of the market conditions and discuss some of the factors that affected investment performance during the reporting period. In addition, this report includes the trust's financial statements and a list of trust investments as of October 31, 2008.

**Market forecasts provided in this report may not necessarily come to pass. There is no assurance that the trust will achieve its investment objective. Trusts are subject to market risk, which is the possibility that the market values of securities owned by the trust will decline and that the value of trust shares may therefore be less than what you paid for them. Accordingly, you can lose money investing in this trust.**

**Income may subject certain individuals to the federal Alternative Minimum Tax (AMT).**

**NOT FDIC INSURED  
NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY**

**OFFER NO BANK GUARANTEE**

**MAY LOSE VALUE  
NOT A DEPOSIT**

Performance Summary as of 10/31/08

**California Value Municipal Income Trust**

**Symbol: VCV**

**Average Annual  
Total Returns**

	<b>Based on NAV</b>	<b>Based on Market Price</b>
Since Inception (4/30/93)	3.74%	3.86%
10-year	1.36	2.14
5-year	3.40	2.77
1-year	29.96	28.65

**Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please visit [vankampen.com](http://vankampen.com) or speak with your financial advisor. Investment returns, net asset value (NAV) and common share market price will fluctuate and trust shares, when sold, may be worth more or less than their original cost.**

NAV per share is determined by dividing the value of the trust's portfolio securities, cash and other assets, less all liabilities and preferred shares, by the total number of common shares outstanding. The common share market price is the price the market is willing to pay for shares of the trust at a given time. Common share market price is influenced by a range of factors, including supply and demand and market conditions. Total return assumes an investment at the beginning of the period, reinvestment of all distributions for the period in accordance with the trust's dividend reinvestment plan, and sale of all shares at the end of the period. The Trust's advisor has waived or reimbursed fees and expenses from time to time; absent such waivers/reimbursements the Trust's returns would have been lower.

The Lehman Brothers California Municipal Bond Index is a broad-based statistical composite of California municipal bonds. The Index is unmanaged and its returns do not include any sales charges or fees. Such costs would lower performance. It is not possible to invest directly in an index.

Trust Report

**For the 12-month period ended October 31, 2008**

### **Market Conditions**

The broad financial markets were highly volatile throughout the reporting period as the credit crisis intensified, the housing market continued to decline, and the economy appeared headed into recession. In early September 2008, investor confidence plummeted and the markets began a downward spiral following the government's takeover of Fannie Mae and Freddie Mac and the bankruptcy of Lehman Brothers. In the weeks that followed, several other financial institutions were forced into mergers, rescued by government loans, or failed altogether as the value of their assets severely eroded. The credit markets became paralyzed as banks refused to lend while investors fled risky assets in favor of Treasury securities. In an effort to unlock the credit markets, the federal government interceded with various supportive measures including a \$700 billion bailout plan.

The municipal bond market had already been under pressure for several months prior to September, due in part to the credit rating downgrades of various monoline bond insurers and the deterioration of the auction rate and variable rate markets. The failure of Lehman Brothers, however, prompted a wave of forced selling in the municipal market as leveraged buyers, mutual funds and brokerage firms began deleveraging, putting significant pressure on prices and severely eroding liquidity. As a result, municipal yields rose, particularly on the long end of the yield curve, far exceeding those of comparable Treasuries by the end of the period. For the three-month period ended October 31, 2008, the short end of the curve outperformed the long end by roughly 1,000 basis points. The disparity in performance was even greater over the one-year reporting period as the short end outperformed by more than 1,800 basis points. As would be expected in the risk-averse and volatile environment, higher-quality municipal bonds outperformed lower-quality issues. For the overall period, high yield municipal spreads widened from approximately 170 basis points to 410 basis points.

The state of California still benefits from its large and diverse economic base, above average wealth levels, and historically strong employment growth. However, the state faces many challenges from its large exposure to the housing crisis, falling tax revenues, and recent budgetary shortfalls. The state typically leads the national economy and its financial performance will be monitored closely.

**Performance Analysis**

The Trust's return can be calculated based upon either the market price or the net asset value (NAV) of its shares. NAV per share is determined by dividing the value of the Trust's portfolio securities, cash and other assets, less all liabilities and preferred shares, by the total number of common shares outstanding, while market price reflects the supply and demand for the shares. As a result, the two returns can differ, as they did during the reporting period. On an NAV and a market price basis, the Trust underperformed the Lehman Brothers California Municipal Bond Index (the Index).

**Total return for the 12-month period ended October 31, 2008**

<b>Based on NAV</b>	<b>Based on Market Price</b>	<b>Lehman Brothers California Municipal Bond Index</b>
29.96%	28.65%	4.32%

*Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. Investment return, net asset value and common share market price will fluctuate and Trust shares, when sold, may be worth more or less than their original cost. See Performance Summary for additional performance information and index definition.*

The Trust held an overweight to lower- and non-rated bonds relative to the Index, which is comprised entirely of investment-grade issues. This allocation to the lower-quality segment of the market hindered performance as the flight to quality that persisted throughout most of the reporting period led higher-quality issues to outperform. In particular, overweights to lower-rated dedicated tax and tobacco bonds held back relative returns as these sectors struggled during the period. Additionally, holdings in triple-B rated hospital bonds detracted as spreads in the sector widened from 100 basis points to 300 basis points by the end of October. The Trust's yield-curve positioning was also disadvantageous. We maintained an overweight exposure to the longer end of the municipal yield curve, which underperformed the short end of the curve as the curve steepened.

Other positions, however, were additive to performance for the period. Holdings in municipal auction rate securities with zero durations (a measure of interest-rate sensitivity) were additive to performance as the yield on these securities remained well above those of long-maturity municipal bonds.

The Trustees have approved a procedure whereby the Trust may, when appropriate, repurchase its shares in the open market or in privately negotiated transactions at a price not above market value or NAV, whichever is lower at the time of purchase. This may help support the market value of the Trust's shares.

*There is no guarantee that any sectors mentioned will continue to perform as discussed herein or that securities in such sectors will be held by the Trust in the future.*

**Ratings Allocations as of 10/31/08 (Unaudited)**

AAA/Aaa	20.0%
AA/Aa	43.8
A/A	6.3
BBB/Baa	18.8
B/B	0.1
Non-Rated	11.0

**Top 5 Sectors as of 10/31/08 (Unaudited)**

Tax Allocation/Increment	15.3%
Single-Family	10.9
Special Tax Districts	9.1
Public Education	8.6
Master Tobacco Settlement	7.9

Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the sectors shown above. Ratings are as a percentage of total investments. Sectors are as a percentage of total long-term investments. Securities are classified by sectors that represent broad groupings of related industries. Van Kampen is a wholly owned subsidiary of a global securities firm which is engaged in a wide range of financial services including, for example, securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services. Rating allocations based upon ratings as issued by Standard and Poor's and Moody's, respectively.

### **Portfolio Management Changes**

Van Kampen California Value Municipal Income Trust is managed by members of the Adviser's Municipal Fixed Income team. The Municipal Fixed Income team consists of portfolio managers and analysts. Current members of the team jointly and primarily responsible for the day-to-day management of the Trust's portfolio are Robert W. Wimmel, William Black, and Mark Paris, each an Executive Director of the Adviser. Mr. Wimmel has been associated with the Adviser in an investment management capacity since 1996 and began managing the Trust in November 2001. Mr. Black has been associated with the Adviser in an investment management capacity since 1998 and began managing the Trust in December 2007. Mr. Paris has been associated with the Adviser in an investment management capacity since 2002 and began managing the Trust in May 2008.

### **For More Information About Portfolio Holdings**

Each Van Kampen trust provides a complete schedule of portfolio holdings in its semiannual and annual reports within 60 days of the end of the trust's second and fourth fiscal quarters. The semiannual reports and the annual reports are filed electronically with the Securities and Exchange Commission (SEC) on Form N-CSRS and Form N-CSR, respectively. Van Kampen also delivers the semiannual and annual reports to fund shareholders, and makes these reports available on its public Web site, [www.vankampen.com](http://www.vankampen.com). In addition to the semiannual and annual reports that Van Kampen delivers to shareholders and makes available through the Van Kampen public Web site, each fund files a complete schedule of portfolio holdings with the SEC for the trust's first and third fiscal quarters on Form N-Q. Van Kampen does not deliver the reports for the first and third fiscal quarters to shareholders, nor are the reports posted to the Van Kampen public Web site. You may, however, obtain the Form N-Q filings (as well as the Form N-CSR and N-CSRS filings) by accessing the SEC's Web site, <http://www.sec.gov>. You may also review and copy them at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling the SEC at (800) SEC-0330. You can also request copies of these materials, upon payment of a duplicating fee, by electronic request at the SEC's e-mail address ([publicinfo@sec.gov](mailto:publicinfo@sec.gov)) or by writing the Public Reference section of the SEC, Washington, DC 20549-0102.

You may obtain copies of a trust's fiscal quarter filings by contacting Van Kampen Client Relations at (800) 341-2929.

**Proxy Voting Policy and Procedures and Proxy Voting Record**

You may obtain a copy of the Trust's Proxy Voting Policy and Procedures without charge, upon request, by calling toll free (800) 341-2929 or by visiting our Web site at [www.vankampen.com](http://www.vankampen.com). It is also available on the Securities and Exchange Commission's Web site at <http://www.sec.gov>.

You may obtain information regarding how the Trust voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 without charge by visiting our Web site at [www.vankampen.com](http://www.vankampen.com). This information is also available on the Securities and Exchange Commission's Web site at <http://www.sec.gov>.



### Investment Advisory Agreement Approval

Both the Investment Company Act of 1940 and the terms of the Fund's investment advisory agreement require that the investment advisory agreement between the Fund and its investment adviser be approved annually both by a majority of the Board of Trustees and by a majority of the independent trustees voting separately.

At meetings held on April 15, 2008 and May 8, 2008, the Board of Trustees, and the independent trustees voting separately, considered and ultimately determined that the terms of the investment advisory agreement are fair and reasonable and approved the continuance of the investment advisory agreement as being in the best interests of the Fund and its shareholders. In making its determination, the Board of Trustees considered materials that were specifically prepared by the investment adviser at the request of the Board and Fund counsel, and by an independent provider of investment company data contracted to assist the Board, relating to the investment advisory agreement review process. The Board also considered information received periodically about the portfolio, performance, the investment strategy, portfolio management team and fees and expenses of the Fund. Finally, the Board considered materials it had received in connection with fee waivers currently in place for the Fund and materials it had received in connection with the share repurchase program currently in place for the Fund. The Board of Trustees considered the investment advisory agreement over a period of several months and the trustees held sessions both with the investment adviser and separate from the investment adviser in reviewing and considering the investment advisory agreement.

In approving the investment advisory agreement, the Board of Trustees considered, among other things, the nature, extent and quality of the services provided by the investment adviser, the performance, fees and expenses of the Fund compared to other similar funds and other products, the investment adviser's expenses in providing the services and the profitability of the investment adviser and its affiliated companies. The Board of Trustees considered the extent to which any economies of scale experienced by the investment adviser are shared with the Fund's shareholders, and the propriety of breakpoints in the Fund's investment advisory fee schedule. The Board of Trustees considered comparative advisory fees of the Fund and other investment companies and/or other products at different asset levels, and considered the trends in the industry. The Board of Trustees evaluated other benefits the investment adviser and its affiliates derive from their relationship with the Fund. The Board of Trustees reviewed information about the foregoing factors and considered changes, if any, in such information since its previous approval. The Board of Trustees discussed the financial strength of the investment adviser and its affiliated companies and the capability of the personnel of the investment adviser, and specifically the strength and background of its portfolio management personnel. The Board of Trustees reviewed the statutory and regulatory requirements for approval and disclosure of investment advisory agreements. The Board of Trustees, including

the independent trustees, evaluated all of the foregoing and does not believe any single factor or group of factors control or dominate the review process, and, after considering all factors together, has determined, in the exercise of its business judgment, that approval of the investment advisory agreement is in the best interests of the Fund and its shareholders. The following summary provides more detail on certain matters considered but does not detail all matters considered.

**Nature, Extent and Quality of the Services Provided.** On a regular basis, the Board of Trustees considers the roles and responsibilities of the investment adviser as a whole and for those specific portfolio management, support and trading functions servicing the Fund. The trustees discuss with the investment adviser the resources available and used in managing the Fund and changes made in the Fund's portfolio management team and the Fund's portfolio management strategy over time. The trustees also discuss certain other services which are provided on a cost-reimbursement basis by the investment adviser or its affiliates to the Van Kampen funds including certain accounting, administrative and legal services. The Board has determined that the nature, extent and quality of the services provided by the investment adviser support its decision to approve the investment advisory agreement.

**Performance, Fees and Expenses of the Fund.** On a regular basis, the Board of Trustees reviews the performance, fees and expenses of the Fund compared to its peers and to appropriate benchmarks. In addition, the Board spends more focused time on the performance of the Fund and other funds in the Van Kampen complex, paying specific attention to underperforming funds. The trustees discuss with the investment adviser the performance goals and the actual results achieved in managing the Fund. When considering a fund's performance, the trustees and the investment adviser place emphasis on trends and longer-term returns (focusing on one-year, three-year and five-year performance with special attention to three-year performance) and, when a fund's weighted performance is under the fund's benchmark, they discuss the causes and where necessary seek to make specific changes to investment strategy or investment personnel. The Fund discloses more information about its performance elsewhere in this report. The trustees discuss with the investment adviser the level of advisory fees for this Fund relative to comparable funds and other products advised by the adviser and others in the marketplace. The trustees review not only the advisory fees but other fees and expenses (whether paid to the adviser, its affiliates or others) and the Fund's overall expense ratio. The Board has determined that the performance, fees and expenses of the Fund support its decision to approve the investment advisory agreement.

**Investment Adviser's Expenses in Providing the Service and Profitability.** At least annually, the trustees review the investment adviser's expenses in providing services to the Fund and other funds advised by the investment adviser and the profitability of the investment adviser. These profitability reports are put together by the investment adviser with the oversight of the Board. The trustees discuss

with the investment adviser its revenues and expenses, including among other things, revenues for advisory services, portfolio management-related expenses, revenue sharing arrangement costs and allocated expenses both on an aggregate basis and per fund. The Board has determined that the analysis of the investment adviser's expenses and profitability support its decision to approve the investment advisory agreement.

**Economies of Scale.** On a regular basis, the Board of Trustees considers the size of the Fund and how that relates to the Fund's expense ratio and particularly the Fund's advisory fee rate. In conjunction with its review of the investment adviser's profitability, the trustees discuss with the investment adviser how more (or less) assets can affect the efficiency or effectiveness of managing the Fund's portfolio and whether the advisory fee level is appropriate relative to current asset levels and/or whether the advisory fee structure reflects economies of scale as asset levels change. The Board has determined that its review of the actual and potential economies of scale of the Fund support its decision to approve the investment advisory agreement.

**Other Benefits of the Relationship.** On a regular basis, the Board of Trustees considers other benefits to the investment adviser and its affiliates derived from its relationship with the Fund and other funds advised by the investment adviser. These benefits include, among other things, fees for transfer agency services provided to the funds, in certain cases research received by the adviser generated from commission dollars spent on funds' portfolio trading, and in certain cases distribution or service related fees related to funds' sales. The trustees review with the investment adviser each of these arrangements and the reasonableness of its costs relative to the services performed. The Board has determined that the other benefits received by the investment adviser or its affiliates support its decision to approve the investment advisory agreement.

**Van Kampen California Value Municipal Income Trust**  
**Portfolio of Investments n October 31, 2008**

<b>Par Amount (000)</b>	<b>Description</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Value</b>
	<b>Municipal Bonds 200.2%</b>			
	<b>California 194.2%</b>			
\$ 2,000	Abag Fin Auth For Nonprofit Corp CA Insd Rev Ctf Lincoln Glen Manor Sr Citizens (CA MTG Insd)	6.100 %	02/15/25	\$ 1,968,580
1,205	Alameda Cnty, CA Wtr Dist Rev Rfdg (MBIA Insd)	4.750	06/01/20	1,172,513
2,000	Aliso Viejo, CA Cmnty Fac Dist Spl Tax No 2005-01 Glenwood at Aliso	6.000	09/01/38	1,522,580
1,000	Allan Hancock CA Jt Cmnty College Dist Election 2006, Ser A (FSA Insd)	4.375	08/01/31	817,760
3,540	Anaheim, CA Pub Fin Auth Lease Rev Cap Apprec Pub Impt Proj, Ser C (FSA Insd)	*	09/01/32	756,640
4,250	Anaheim, CA Redev Agy Tax Alloc Rfdg Merged Redev Proj Area, Ser A (FSA Insd) (a)	5.000	02/01/31	3,907,344
4,120	Apple Valley, CA Redev Agy Tax Alloc Proj Area No 2 (AMBAC Insd)	5.000	06/01/37	3,485,767
2,790	Banning, CA Cmnty Redev Agy Tax Alloc Merged Downtown (Radian Insd)	5.000	08/01/23	2,365,892
2,510	Bay Area Govt Assn CA Lease West Sacramento, Ser A (Syncora Gtd)	5.000	09/01/24	2,308,497
895	Benicia, CA Uni Sch Dist, Ser B (MBIA Insd)	*	08/01/18	535,291
1,510	Brea & Olinda, CA Uni Sch Dist Ctf Partn Rfdg, Ser A (FSA Insd)	5.500	08/01/20	1,528,195
3,535	Brea, CA Redev Agy Tax Alloc Rfdg, Ser A (AMBAC Insd)	5.500	08/01/20	3,559,639
865	Burbank, CA Pub Fin Auth Rev Golden St Redev, Ser A (AMBAC Insd)	5.250	12/01/23	826,767
3,000	California Cnty, CA Tob Sec Agy Tob Asset Bkd Los Angeles Cnty Sec (c)	0/5.450	06/01/28	1,769,340
2,000	California Cnty, CA Tob Sec Agy Tob Merced Cnty Rfdg, Ser A	5.125	06/01/38	1,223,000
5,000	California Cnty, CA Tob Sec Agy Tob Merced Cnty Rfdg, Ser A	5.250	06/01/45	3,014,850
2,000	California Ed Fac Auth Rev CA College Arts	5.000	06/01/35	1,314,640
1,000	California Ed Fac Auth Rev Pitzer College, Ser A	5.000	04/01/30	868,340
1,445	California Ed Fac Auth Rev Pooled College & Univ, Ser B	5.250	04/01/24	1,118,791
170		6.625	06/01/20	182,590

	California Ed Fac Auth Rev Pooled College & Univ, Ser B (Prerefunded @ 6/01/10)			
345	California Ed Fac Auth Rev Pooled College & Univ, Ser B (Prerefunded @ 6/01/10)	6.750	06/01/30	371,217
1,500	California Ed Fac Auth Rev Univ of Redlands, Ser A	5.000	10/01/31	1,266,705
1,000	California Hlth Fac Fin Auth Rev Providence Hlth & Svc, Ser C (d)	6.500	10/01/33	1,013,710
10,000	California Hlth Fac Fin Auth Rev Sutter Hlth, Ser A (a)	5.000	11/15/42	8,068,800

10

*See Notes to Financial Statements*

---

**Van Kampen California Value Municipal Income Trust**  
**Portfolio of Investments n October 31, 2008** *continued*

<b>Par Amount (000)</b>	<b>Description</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Value</b>
	<b>California (Continued)</b>			
\$ 2,300	California Hsg Fin Agy Rev Home Mtg, Ser E (FGIC Insd) (AMT)	5.000 %	02/01/24	\$ 1,914,359
8,480	California Hsg Fin Agy Rev Home Mtg, Ser G (AMT) (a)	4.950	08/01/23	6,922,945
13,400	California Hsg Fin Agy Rev Home Mtg, Ser I (AMT) (a)	4.800	08/01/36	9,355,478
7,000	California Hsg Fin Agy Rev Home Mtg, Ser I (AMT) (a)	4.875	08/01/41	4,857,475
2,500	California Hsg Fin Agy Rev Home Mtg, Ser J (AMT)	5.050	08/01/27	2,000,550
5,150	California Hsg Fin Agy Rev Home Mtg, Ser M (AMT) (a)	4.700	08/01/36	3,520,617
3,000	California Hsg Fin Agy Rev Multi-Family Hsg III, Ser A (MBIA Insd) (AMT)	5.850	08/01/17	2,958,360
3,755	California Hsg Fin Agy Rev, Ser B (AMT)	5.000	02/01/28	3,004,150
1,000	California Muni Fin Auth Ed High Tech High Chula Vista, Ser B (e)	6.000	07/01/28	794,180
1,000	California Pollutn Ctl Fin Auth Pollutn Ctl Rev Gas & Elec Rfdg, Ser A (MBIA-IBC Insd)	5.900	06/01/14	1,078,060
4,500	California Pollutn Ctl Fin Auth Solid Waste Disp Rev Waste Mgmt Inc Proj, Ser B (AMT)	5.000	07/01/27	3,025,710
2,500	California Pollutn Ctl Fin Auth Solid Waste Disp Rev Waste Mgmt Inc Proj, Ser C (AMT) (f)	5.125	11/01/23	1,792,975
25	California Rural Home Mtg Fin Auth Single Family Mtg Rev Mtg Bkd Sec Pgm, Ser B (GNMA Collateralized) (AMT)	6.150	06/01/20	25,413
40	California Rural Home Mtg Fin Auth Single Family Mtg Rev Mtg Bkd Sec Pgm, Ser B (GNMA Collateralized) (AMT)	6.250	12/01/31	40,694
5	California Rural Home Mtg Fin Auth Single Family Mtg Rev Mtg Bkd Sec Pgm, Ser C (GNMA Collateralized) (AMT)	7.500	08/01/27	5,086
15	California Rural Home Mtg Fin Auth Single Family Mtg Rev, Ser C (GNMA Collateralized) (AMT)	7.800	02/01/28	15,274
1,060	California Spl Dist Assn Fin Corp Ctf Part Spl Dist Fin Pgm, Ser KK (FSA Insd)	5.800	11/01/29	1,064,039
9,000	California St Dept Vet Affairs Home Pur Rev, Ser A (AMT) (a)	4.950		