

VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST  
Form N-CSRS  
June 28, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-CSRS

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)

1221 Avenue of the Americas, New York, New York 10020

---

(Address of principal executive offices) (Zip code)

Ronald Robison  
1221 Avenue of the Americas, New York, New York 10020

---

(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: 4/30/05

Item 1. Report to Shareholders

The Trust's semi-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'll learn about how your investment in Van Kampen California Value Municipal Income Trust performed during the semiannual 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 April 30, 2005.

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



# Edgar Filing: VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST - Form N-CSRS

## Trust Report

FOR THE 6-MONTH PERIOD ENDED APRIL 30, 2005

Van Kampen California Value Municipal Income Trust is managed by the Adviser's Municipal Fixed Income team.(1) Current members include Joseph Piraro and Robert Wimmel, Vice Presidents of the Adviser; and John Reynoldson, Executive Director of the Adviser.

### MARKET CONDITIONS

The six-month period ended April 30, 2005, was characterized by continued short-term interest rate increases. As crude oil prices reached record highs, the prospect of rising inflation also cast a shadow. The Federal Open Market Committee (the "Fed") raised the federal funds target rate 100 basis points during the period through a series of four "measured" 0.25 percent tightenings to 2.75 percent by the end of April. Although rates in the short and intermediate areas of the yield curve shifted upward as the Fed tightened, long-term interest rates fell as buyers did not seem deterred by the prospect of rising inflation. As a result, the yield curve (the difference between short and longer-term yields) flattened and the long end of the municipal market handily outperformed the shorter end.

The municipal market in total posted positive returns during the period, though it was not uniformly strong. In contrast to the strong showing by longer-term bonds, shorter-term municipals were hampered by the Fed's tightening and turned in a flat to slightly negative showing. Within the investment-grade segment of the market, yield differentials between BBB-rated and AAA-rated municipal securities were slightly wider, though BBB-rated securities still outperformed high grades due to their higher coupons, while securities rated below investment grade strongly outperformed as investors sought out their higher yields.

The Fed's interest rate hikes did not appear to dampen investors' appetites for municipal bonds, as net inflows into municipal bond funds topped \$290 million during the period. The supply of new issues was modest during the closing months of 2004 (the first two months of the period) before soaring in the opening months of 2005 as long-term issuers rushed to bring securities to market in anticipation of additional interest rate increases in the near term.

From a credit perspective, the state of California has made some positive strides. The California government's measures to stem current and projected budget deficits have been met with broad approval by investors. This in turn has resulted in improved demand for California bonds and a general rise in bond prices. However, the state faces notable challenges to achieving fiscal balance. For example, the governor's declining popularity could hinder his plans for resolving the state's deficit.

(1) Team members may change without notice at any time.

2

During the period, the state maintained its position as the leading issuer of new municipal debt. More than half of the new issuance which came to market was protected by credit insurance, which was helpful for us as we attempted to put cash to work.

### 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, by the total number of common shares outstanding, while market

## Edgar Filing: VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST - Form N-CSRS

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 basis, the trust outperformed its benchmark index, the Lehman Brothers California Municipal Bond Index. On a market price basis, the trust underperformed its benchmark. (See table below.)

TOTAL RETURNS FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2005

BASED ON NAV	BASED ON MARKET PRICE	LEHMAN BROTHERS CALIFORNIA MUNICIPAL BOND INDEX
3.24%	0.24%	2.35%

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 uses leverage to enhance its dividend to common shareholders. The trust borrows money at short-term rates through the issuance of preferred shares. The proceeds are reinvested in longer-term securities, taking advantage of the difference between short- and longer-term rates. The Fed's policy of raising interest rates throughout the period made the trust's borrowing activity more expensive. These expenses, however, were more than offset by the positive performance of the bonds held by the trust.

During the reporting period, we remained focused on keeping the portfolio's credit quality high. 80 percent of the bonds in the portfolio were rated AAA at the close of the period. However, as high-yield spreads have continued to tighten, lower quality bonds tended to perform better. Additionally, due to our concerns about the long-term merits of tobacco bonds, we do not include them in the portfolio. This decision prevented the trust from participating in the short-term rebound experienced by tobacco and other lower-rated bonds during the period.

One of our primary strategies in managing the trust was to take advantage of compelling opportunities in the 25- to 30-year segment of the market. We

3

focused here on purchasing securities with premium (that is, above-market) coupons and moderate interest rate sensitivity.

Our purchases of these securities were funded by the proceeds of sales of several shorter-maturity positions, many of which had been refunded during the period. This was part of our ongoing strategy of positioning the trust for an environment of rising short-term interest rates by limiting the trust's exposure to that segment of the market. As part of this strategy, we also kept the trust's duration (a measure of interest rate sensitivity) below that of the market.

The portfolio remained well diversified across the major sectors of the

## Edgar Filing: VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST - Form N-CSRS

California municipal market. We continued to favor the essential services segments of the market, while avoiding the housing sector out of concerns about those bonds' structural characteristics and remained especially selective regarding the health care sector. We also avoided zero coupon bonds. Public education, public building and tax districts represented the portfolio's top exposures.

There is no guarantee the security sectors mentioned will continue to perform well or be held by the trust in the future.

TOP FIVE SECTORS AS OF 4/30/05		RATINGS ALLOCATION AS OF 4/30/05	
Public Education	15.8%	AAA/Aaa	80.0%
Public Building	14.7	AA/Aa	7.1
Tax District	14.0	A/A	3.0
Transportation	13.0	BBB/Baa	9.9
Water & Sewer	11.7		

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.

4

### 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 by filing the schedule electronically with the Securities and Exchange Commission (SEC). The semiannual reports are filed on Form N-CSRS and the annual reports are filed on Form N-CSR. Van Kampen also delivers the semiannual and annual reports to trust 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 trust 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, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling the SEC at 1-800-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 1-800-847-2424.

PROXY VOTING POLICIES AND PROCEDURES AND PROXY VOTING RECORD

The trust's policies and procedures with respect to the voting of proxies relating to the trust's portfolio securities and information on how the trust voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available without charge, upon request, 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>.

6

VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

PORTFOLIO OF INVESTMENTS -- APRIL 30, 2005 (UNAUDITED)

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
	MUNICIPAL BONDS 158.3%			
	CALIFORNIA 146.6%			
\$2,000	A B C CA Uni Sch Dist Cap Apprec Ser B (FGIC Insd).....	*	08/01/21	\$ 936,880
1,610	A B C CA Uni Sch Dist Cap Apprec Ser B (FGIC Insd).....	*	08/01/22	713,777
1,000	Abag Fin Auth For Nonprofit Corp CA Ctf Part Childrens Hosp Med Ctr (AMBAC Insd).....	5.875%	12/01/19	1,118,209
1,000	Abag Fin Auth For Nonprofit Corp CA Insd Rev Ctf Lincoln Glen Manor Sr Citizens (CA MTG Insd)....	6.100	02/15/25	1,068,510
1,000	Abag Fin Auth For Nonprofit Corp CA Multi-Family Rev Hsg Utd Dominion Ser A Rfdg (AMT) (Variable Rate Coupon) (Asset Gty Insd).....	6.400	08/15/30	1,071,180
1,000	Abag Fin Auth For Nonprofit Corp CA Multi-Family Rev Hsg Utd Dominion Ser B Rfdg (Variable Rate Coupon) (Asset Gty Insd).....	6.250	08/15/30	1,075,770
1,485	Anaheim, CA City Sch Dist Election 2002 (FGIC Insd).....	5.375	08/01/20	1,624,902
2,000	Bay Area Toll Auth CA Toll Brdg Rev San Francisco Bay Area Ser D.....	5.000	04/01/17	2,149,740
1,500	Beverly Hills, CA Pub Fin Auth Lease Rev Ser A (MBIA Insd).....	5.250	06/01/12	1,676,760
1,390	Brea & Olinda, CA Uni Sch Dist Ctf Part Ser A Rfdg (FSA Insd) (a).....	5.500	08/01/19	1,551,754
1,510	Brea & Olinda, CA Uni Sch Dist Ctf Part Ser A Rfdg (FSA Insd) (a).....	5.500	08/01/20	1,663,038
2,000	Burbank, CA Pub Fin Auth Rev Golden State Redevelop Proj Ser A (AMBAC Insd).....	5.250	12/01/19	2,185,460
1,500	Burbank, CA Pub Fin Auth Rev Golden State Redevelop Proj Ser A (AMBAC Insd).....	5.250	12/01/23	1,623,210
1,000	California Edl Fac Auth Rev CA College Arts (b).....	5.000	06/01/35	1,000,000
1,000	California Edl Fac Auth Rev Golden Gate Univ (b).....	5.000	10/01/36	1,000,850
1,000	California Edl Fac Auth Rev Pitzer College Ser			

Edgar Filing: VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST - Form N-CSRS

	A.....	5.000	04/01/35	1,020,830
1,000	California Edl Fac Auth Rev Pooled College & Univ Proj Ser B.....	6.750	06/01/30	1,092,320
1,000	California Edl Fac Auth Rev Pooled College & Univ Proj Ser B.....	5.250	04/01/24	1,021,630
240	California Edl Fac Auth Rev Student Ln CA Ln Pgm Ser A (AMT) (MBIA Insd).....	6.000	03/01/16	252,569
1,000	California Hsg Fin Agy Rev Multi-Family Hsg III Ser A (AMT) (MBIA Insd).....	5.850	08/01/17	1,035,850
2,000	California Infrastructure & Econ Dev Bk Rev Bay Area Toll Brdgs First Lien Ser A (FGIC Insd)....	5.000	07/01/29	2,099,020
1,000	California Pollutn Ctl Fin Auth Pollutn Ctl Rev Gas & Elec Ser A Rfdg (MBIA Insd).....	5.900	06/01/14	1,171,580

See Notes to Financial Statements

7

VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

PORTFOLIO OF INVESTMENTS -- APRIL 30, 2005 (UNAUDITED) continued

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
-----				
	CALIFORNIA (CONTINUED)			
\$ 140	California Rural Home Mtg Fin Auth Single Family Mtg Rev Mtg Bkd Secs Pgm Ser B (AMT) (GNMA Collateralized).....	6.150%	06/01/20	\$ 140,476
20	California Rural Home Mtg Fin Auth Single Family Mtg Rev Mtg Bkd Secs Pgm Ser C (AMT) (GNMA Collateralized).....	7.500	08/01/27	20,592
55	California Rural Home Mtg Fin Auth Single Family Mtg Rev Mtg Bkd Secs Ser A2 (AMT) (GNMA Collateralized).....	7.950	12/01/24	55,501
2,400	California St (AMBAC Insd).....	6.400	09/01/08	2,663,904
1,000	California St (FGIC Insd).....	5.000	10/01/23	1,059,060
1,000	California St (MBIA Insd) (a).....	5.000	02/01/26	1,050,630
1,585	California St Pub Wks Brd Dept Corrections Ser C.....	5.000	06/01/09	1,695,871
1,000	California St Pub Wks Brd Dept Corrections Ser C.....	5.500	06/01/23	1,094,770
2,000	California St Pub Wks Brd Univ CA Institute Proj C.....	5.000	04/01/26	2,119,500
1,255	California St Rfdg (XLCA Insd).....	5.500	03/01/11	1,403,667
2,000	California St Univ Rev Syswise Ser A (AMBAC Insd).....	5.000	11/01/28	2,118,700
1,000	California St Vet Bd Ser BH (AMT) (FSA Insd)....	5.400	12/01/15	1,047,180
2,000	California St Vet Bd Ser BH (AMT) (FSA Insd)....	5.400	12/01/16	2,081,540
1,000	California Statewide Cmty Dev Huntington Mem Hosp (Connie Lee Insd).....	5.750	07/01/16	1,053,160
1,085	Cathedral City, CA Pub Fin Auth Rev Cap Apprec Ser A (MBIA Insd) (a).....	*	08/01/32	276,599
1,085	Cathedral City, CA Pub Fin Auth Rev Cap Apprec Ser A (MBIA Insd) (a).....	*	08/01/33	262,353
2,000	Central Vly Fin Auth CA Cogeneration Proj Rev Carson Ice-Gen Proj Rev (MBIA Insd).....	5.000	07/01/17	2,127,340
1,500	Chaffey, CA Uni High Sch Dist Ser C (FSA			

Edgar Filing: VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST - Form N-CSRS

	Insd).....	5.000	05/01/27	1,576,185
1,440	Chino Basin, CA Regl Fin Auth Rev Muni Wtr Dist Swr Sys Proj (AMBAC Insd).....	7.000	08/01/08	1,621,498
1,230	Compton, CA Uni Sch Dist Election of 2002 Ser B (MBIA Insd).....	5.500	06/01/25	1,370,872
1,110	Compton, CA Uni Sch Dist Election of 2002 Ser B (MBIA Insd).....	5.000	06/01/29	1,170,040
1,965	Contra Costa Cnty, CA Ctf Part Merrithew Mem Hosp Proj Rfdg (MBIA Insd).....	5.500	11/01/22	2,104,829
1,250	Corona Norco, CA Uni Sch Dist Cap Apprec Ser B (FSA Insd).....	*	09/01/16	769,062
1,595	Corona Norco, CA Uni Sch Dist Cap Apprec Ser B (FSA Insd).....	*	09/01/17	928,880
1,735	Corona Norco, CA Uni Sch Dist Cap Apprec Ser B (FSA Insd) (a).....	*	09/01/18	956,054

8

See Notes to Financial Statements

VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

PORTFOLIO OF INVESTMENTS -- APRIL 30, 2005 (UNAUDITED) continued

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
	CALIFORNIA (CONTINUED)			
\$2,000	East Bay, CA Muni Util Dist Wtr Sys Rev Sub.....	5.250%	06/01/19	\$ 2,138,840
1,000	El Monte, CA Wtr Auth Rev Wtr Sys Proj (AMBAC Insd).....	5.600	09/01/29	1,108,710
1,000	El Monte, CA Wtr Auth Rev Wtr Sys Proj (AMBAC Insd).....	5.600	09/01/34	1,108,710
1,000	Fairfield Suisun, CA Uni Sch Dist Spl Tax Cmnty Fac Dist No 5 New Sch (FSA Insd).....	5.375	08/15/29	1,075,970
3,000	Florin, CA Res Consv Dist Cap Impt Elk Grove Wtr Svc Ser A (MBIA Insd).....	5.000	09/01/33	3,145,980
1,010	Folsom Cordova, CA Uni Sch Dist Fac Impt Dist No 1 Cap Apprec Ser A (AMBAC Insd) (a).....	*	10/01/19	524,160
1,060	Folsom Cordova, CA Uni Sch Dist Fac Impt Dist No 1 Cap Apprec Ser A (AMBAC Insd) (a).....	*	10/01/21	492,699
6,000	Foothill/Eastern Corridor Agy CA Toll Rd Rev Cap Apprec Rfdg.....	*	01/15/30	1,409,220
5,000	Foothill/Eastern Corridor Agy CA Toll Rd Rev Cap Apprec Rfdg.....	*	01/15/31	1,105,750
2,950	Foothill/Eastern Corridor Agy CA Toll Rd Rev Cap Apprec Sr Lien Ser A (Escrowed to Maturity).....	*	01/01/27	1,068,785
3,000	Foothill/Eastern Corridor Agy CA Toll Rd Rev Conv Cap Apprec Rfdg (c).....	5.875	01/15/27	2,509,110
1,000	Foothill/Eastern Corridor Agy CA Toll Rd Rev Rfdg.....	5.750	01/15/40	1,022,500
1,000	Galt Schs Jt Pwrs Auth CA Rev High Sch & Elem Sch Ser A Rfdg (MBIA Insd).....	5.750	11/01/16	1,088,410
1,115	Garden Grove, CA Pub Fin Auth Rev Ctf Part Wtr Svcs Cap Impt Pgm (FSA Insd).....	5.000	12/15/23	1,189,995
1,500	Glendale, CA Uni Sch Dist Ser C (FSA Insd).....	5.500	09/01/19	1,650,315
2,000	Golden St Tob Sec Enhanced Asset Bkd B (AMBAC Insd).....	5.000	06/01/43	2,043,280



Edgar Filing: VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST - Form N-CSRS

2,000	Industry, CA Urban Dev Agy Tax Alloc Civic Rec Indl No 1 Rfdg (MBIA Insd).....	5.500	05/01/14	2,115,600
1,000	Irvine, CA Pub Fac & Infrastructure Auth Assmt Rev Ser B (AMBAC Insd).....	5.000	09/02/22	1,036,310
1,000	La Quinta, CA Fin Auth Loc Ser A (AMBAC Insd)...	5.250	09/01/24	1,089,640
1,420	La Quinta, CA Redev Agy Tax Alloc Redev Proj Area No 1 (AMBAC Insd).....	5.000	09/01/22	1,517,682
1,600	La Quinta, CA Redev Agy Tax Alloc Redev Proj Area No 1 Rfdg (MBIA Insd).....	7.300	09/01/08	1,821,104
1,145	Larkspur, CA Sch Dist Cap Apprec Ser A (FGIC Insd) (a).....	*	08/01/21	536,364
1,020	Larkspur, CA Sch Dist Cap Apprec Ser A (FGIC Insd).....	*	08/01/24	403,849
1,255	Larkspur, CA Sch Dist Cap Apprec Ser A (FGIC Insd) (a).....	*	08/01/25	468,893

See Notes to Financial Statements

9

VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

PORTFOLIO OF INVESTMENTS -- APRIL 30, 2005 (UNAUDITED) continued

PAR  
AMOUNT  
(000)

	DESCRIPTION	COUPON	MATURITY	VALUE
-----				
	CALIFORNIA (CONTINUED)			
\$1,000	Long Beach, CA Bd Fin Auth Lease Rev Rainbow Harbor Refin Proj Ser A (AMBAC Insd).....	5.250%	05/01/24	\$ 1,072,030
1,685	Long Beach, CA Bd Fin Auth North Long Beach Redev Proj Ser A (AMBAC Insd).....	5.375	08/01/21	1,835,083
1,000	Long Beach, CA Harbor Rev Ser A (AMT) (MBIA Insd).....	5.000	05/15/25	1,047,860
1,000	Los Angeles, CA Ctf Part Dept Pub Social Svcs Ser A (AMBAC Insd).....	5.500	08/01/31	1,080,410
1,000	Los Angeles, CA Ctf Part Sr Sonnenblick Del Rio W L. A. (AMBAC Insd).....	6.000	11/01/19	1,142,290
1,000	Los Gatos, CA Jt Uni High Sch Election of 1998 Ser C (Pre-Refunded @ 6/01/12) (FSA Insd).....	5.000	06/01/27	1,117,600
3,650	Manhattan Beach, CA Uni Sch Dist Cap Apprec Ser B (FGIC Insd).....	*	09/01/22	1,611,840
2,400	Metropolitan Wtr Dist Southn CA Auth Ser B2 (FGIC Insd).....	5.000	10/01/26	2,532,336
3,240	Midpeninsula Regl Open Space Dist CA Fin Auth Rev Cap Apprec Second Issue (AMBAC Insd).....	*	08/01/26	959,429
3,180	Mount Diablo, CA Uni Sch Dist (FSA Insd).....	5.000	08/01/26	3,334,453
1,000	Novato, CA Uni Sch Dist (FSA Insd).....	5.000	08/01/27	1,057,230
1,000	Orange Cnty, CA Wtr Dist Rev Ser B (MBIA Insd).....	5.000	08/15/24	1,061,570
1,000	Oxnard, CA Harbor Dist Rev Ser B.....	6.000	08/01/24	1,060,280
1,230	Palm Desert, CA Fin Auth Tax Alloc Rev Proj Area No 2 Ser A Rfdg (MBIA Insd) (a).....	5.000	08/01/21	1,317,896
1,100	Pasadena, CA Area Cmnty College Dist Election of 2002 Ser A (FGIC Insd).....	5.000	06/01/21	1,184,953
1,000	Pomona, CA Ctf Part Mission Promenade Proj Ser AE (AMBAC Insd).....	5.375	10/01/32	1,075,800
3,350	Port Oakland, CA Port Rev Ser G (AMT) (MBIA			

Edgar Filing: VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST - Form N-CSRS

	Insd).....	5.375	11/01/25	3,541,318
1,000	Rancho Cucamonga, CA Redev Agy Tax Alloc Rancho Redev Proj (FSA Insd).....	5.250	09/01/20	1,072,250
1,960	Riverside Cnty CA Ctf Part Cap Impt Family Law Ser A Rfdg (FGIC Insd) (a).....	5.000	11/01/23	2,091,222
2,000	Sacramento Cnty, CA Santn Dist Fin Auth Rev Ser A Rfdg (AMBAC Insd).....	5.500	12/01/16	2,299,020
1,360	Sacramento Cnty, CA Wtr Fin Auth Rev Agy Zones 40 41 Wtr Sys Proj (AMBAC Insd) (a).....	5.000	06/01/17	1,477,722
2,000	Sacramento, CA City Fin Auth Rev Cap Impt (AMBAC Insd).....	5.000	12/01/33	2,087,160
700	Sacramento, CA Cogeneration Auth Cogeneration Proj Rev Proctor & Gamble Proj.....	6.375	07/01/10	717,178
2,000	San Bernardino, CA Jt Pwrs Fin Auth Ctf Part (MBIA Insd).....	5.500	09/01/20	2,194,040
1,000	San Diego, CA Pub Fac Fin Auth Swr Rev (FGIC Insd).....	5.000	05/15/20	1,011,570

10

See Notes to Financial Statements

VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

PORTFOLIO OF INVESTMENTS -- APRIL 30, 2005 (UNAUDITED) continued

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
-----				
	CALIFORNIA (CONTINUED)			
\$1,500	San Francisco, CA City & Cnty Arpt Commn Intl Arpt Rev Second Ser 30 Rfdg (XLCA Insd).....	5.250%	05/01/16	\$ 1,652,595
2,000	San Francisco, CA City & Cnty Arpt Commn Intl Arpt Rev Second Ser Issue 12-A (AMT) (FGIC Insd).....	5.800	05/01/21	2,069,100
1,000	San Jose, CA Fin Auth Lease Rev Convention Ctr Proj Ser F Rfdg (MBIA Insd).....	5.000	09/01/17	1,077,380
1,600	San Leandro, CA Ctf Part Lib & Fire Stations Fin (AMBAC Insd).....	5.700	11/01/20	1,778,592
1,220	Simi Vly, CA Cmnty Dev Agy Tax Alloc Tapo Canyon & West End Proj Rfdg (FGIC Insd) (a).....	5.250	09/01/20	1,326,713
1,285	Simi Vly, CA Cmnty Dev Agy Tax Alloc Tapo Canyon & West End Proj Rfdg (FGIC Insd) (a).....	5.250	09/01/21	1,395,497
1,350	Simi Vly, CA Cmnty Dev Agy Tax Alloc Tapo Canyon & West End Proj Rfdg (FGIC Insd) (a).....	5.250	09/01/22	1,462,118
2,250	South Tahoe CA Jt Pwr Fin Redev Proj Area No 1 Ser A Rfdg (AMBAC Insd) (b).....	5.000	10/01/28	2,349,675
935	Stanton, CA Multi-Family Rev Hsg Contl Garden Apts (AMT) (Variable Rate Coupon) (FNMA Collateralized).....	5.625	08/01/29	983,377
1,260	Sweetwater, CA Auth Wtr Rev (FSA Insd).....	5.500	04/01/17	1,393,560
2,000	University of CA Ctf Part San Diego Campus Proj Ser A.....	5.250	01/01/32	2,091,160
1,000	University of CA Rev Resh Fac Ser E (AMBAC Insd).....	5.000	09/01/19	1,073,810
1,000	Woodland, CA Fin Auth Lease Rev Cap Proj Rfdg (XLCA Insd).....	5.000	03/01/25	1,050,290
				-----

Edgar Filing: VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST - Form N-CSRS

				149,280,385
				-----
	PUERTO RICO 9.5%			
5,000	Puerto Rico Comwlth Hwy & Tran Auth Hwy Rev Ser			
	Y Rfdg (FSA Insd).....	6.250	07/01/21	6,347,150
1,000	Puerto Rico Comwlth Hwy & Tran Rev Tran Rev Sub			
	(FGIC Insd).....	5.250	07/01/16	1,109,890
2,000	Puerto Rico Elec Pwr Auth Pwr Rev Ser II (XLCA			
	Insd).....	5.375	07/01/17	2,237,360
				-----
				9,694,400
				-----

See Notes to Financial Statements

11

VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

PORTFOLIO OF INVESTMENTS -- APRIL 30, 2005 (UNAUDITED) continued

PAR AMOUNT (000)	DESCRIPTION	COUPON	MATURITY	VALUE
-----				
	U. S. VIRGIN ISLANDS 2.2%			
\$1,000	Virgin Islands Pub Fin Auth Rev Gross Rcpt Taxes			
	Ln Nt Ser A.....	6.375%	10/01/19	\$ 1,140,350
1,000	Virgin Islands Pub Fin Auth Rev Gross Rcpt Taxes			
	Ln Nt Ser A.....	6.500	10/01/24	1,138,770
				-----
				2,279,120
				-----
	TOTAL LONG-TERM INVESTMENTS 158.3%			
	(Cost \$149,511,907).....			161,253,905
	SHORT-TERM INVESTMENTS 3.1%			
	(Cost \$3,133,000).....			3,133,000
				-----
	TOTAL INVESTMENTS 161.4%			
	(Cost \$152,644,907).....			164,386,905
	LIABILITIES IN EXCESS OF OTHER ASSETS (2.5%).....			(2,525,292)
	PREFERRED SHARES (INCLUDING ACCRUED DISTRIBUTIONS) (58.9%).....			(60,009,864)
				-----
	NET ASSETS APPLICABLE TO COMMON SHARES 100.0%.....			\$101,851,749
				=====

Percentages are calculated as a percentage of net assets applicable to common shares.

\* Zero coupon bond

(a) The Trust owns 100% of the bond issuance.

(b) Security purchased on a when-issued or delayed delivery basis.

(c) Security is a "step-up" bond where the coupon increases or steps up at a

Edgar Filing: VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST - Form N-CSRS

predetermined date.

AMBAC--AMBAC Indemnity Corp.

AMT--Alternative Minimum Tax

Asset Gty--Asset Guaranty Insurance Co.

CA MTG--California Mortgage Insurance

Connie Lee--Connie Lee Insurance Co.

FGIC--Financial Guaranty Insurance Co.

FNMA--Federal National Mortgage Association

FSA--Financial Security Assurance Inc.

GNMA--Government National Mortgage Association

MBIA--Municipal Bond Investors Assurance Corp.

XLCA--XL Capital Assurance Inc.

12

See Notes to Financial Statements

VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

FINANCIAL STATEMENTS

Statement of Assets and Liabilities

April 30, 2005 (Unaudited)

ASSETS:

Total Investments (Cost \$152,644,907).....	\$164,386,905
Cash.....	17,795
Receivables:	
Interest.....	2,089,746
Investments Sold.....	1,619,500
Other.....	1,297
	-----
Total Assets.....	168,115,243
	-----

LIABILITIES:

Payables:	
Investments Purchased.....	5,875,208
Investment Advisory Fee.....	72,520
Income Distributions--Common Shares.....	16,907
Other Affiliates.....	6,991
Trustees' Deferred Compensation and Retirement Plans.....	230,520
Accrued Expenses.....	51,484
	-----
Total Liabilities.....	6,253,630
Preferred Shares (including accrued distributions).....	60,009,864
	-----

NET ASSETS APPLICABLE TO COMMON SHARES..... \$101,851,749

NET ASSET VALUE PER COMMON SHARE (\$101,851,749 divided by  
6,043,220 shares outstanding)..... \$ 16.85

NET ASSETS CONSIST OF:	
Common Shares (\$.01 par value with an unlimited number of shares authorized, 6,043,220 shares issued and outstanding).....	\$ 60,432
Paid in Surplus.....	88,812,473
Net Unrealized Appreciation.....	11,741,998
Accumulated Net Realized Gain.....	848,088
Accumulated Undistributed Net Investment Income.....	388,758
	-----
NET ASSETS APPLICABLE TO COMMON SHARES.....	\$101,851,749
	=====
PREFERRED SHARES (\$.01 par value, authorized 100,000,000 shares, 2,400 issued with liquidation preference of \$25,000 per share).....	\$ 60,000,000
	=====
NET ASSETS INCLUDING PREFERRED SHARES.....	\$161,851,749
	=====

See Notes to Financial Statements

13

VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

FINANCIAL STATEMENTS continued

Statement of Operations  
For the Six Months Ended April 30, 2005 (Unaudited)

INVESTMENT INCOME:	
Interest.....	\$ 3,799,476
	-----
EXPENSES:	
Investment Advisory Fee.....	439,624
Preferred Share Maintenance.....	84,145
Trustees' Fees and Related Expenses.....	19,281
Legal.....	14,737
Custody.....	6,025
Other.....	69,781
	-----
Total Expenses.....	633,593
	-----
NET INVESTMENT INCOME.....	\$ 3,165,883
	=====
REALIZED AND UNREALIZED GAIN/LOSS:	
Net Realized Gain.....	\$ 848,381
	-----
Unrealized Appreciation/Depreciation:	
Beginning of the Period.....	12,404,860
End of the Period.....	11,741,998
	-----
Net Unrealized Depreciation During the Period.....	(662,862)
	-----
NET REALIZED AND UNREALIZED GAIN.....	\$ 185,519
	=====
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS.....	\$ (491,520)
	=====
NET INCREASE IN NET ASSETS APPLICABLE TO COMMON SHARES FROM OPERATIONS.....	\$ 2,859,882

=====

14

See Notes to Financial Statements

VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

FINANCIAL STATEMENTS continued

Statements of Changes in Net Assets (Unaudited)

	FOR THE SIX MONTHS ENDED APRIL 30, 2005	FOR THE YEAR ENDED OCTOBER 31, 2004
	-----	-----
FROM INVESTMENT ACTIVITIES:		
Operations:		
Net Investment Income.....	\$ 3,165,883	\$ 6,429,904
Net Realized Gain.....	848,381	563,195
Net Unrealized Appreciation/Depreciation During the Period.....	(662,862)	2,692,779
Distributions to Preferred Shareholders:		
Net Investment Income.....	(452,872)	(461,595)
Net Realized Gain.....	(38,648)	(183,995)
	-----	-----
Change in Net Assets Applicable to Common Shares from Operations.....	2,859,882	9,040,288
Distributions to Common Shareholders:		
Net Investment Income.....	(2,918,714)	(6,221,108)
Net Realized Gain.....	(524,522)	(2,174,844)
	-----	-----
NET CHANGE IN NET ASSETS APPLICABLE TO COMMON SHARES FROM INVESTMENT ACTIVITIES.....	(583,354)	644,336
FROM CAPITAL TRANSACTIONS:		
Value of Common Shares Issued Through Dividend Reinvestment.....	-0-	225,716
	-----	-----
TOTAL INCREASE/DECREASE IN NET ASSETS APPLICABLE TO COMMON SHARES.....	(583,354)	870,052
NET ASSETS APPLICABLE TO COMMON SHARES:		
Beginning of the Period.....	102,435,103	101,565,051
	-----	-----
End of the Period (Including accumulated undistributed net investment income of \$388,758 and \$594,461, respectively).....	\$101,851,749	\$102,435,103
	=====	=====

See Notes to Financial Statements

15

VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

FINANCIAL HIGHLIGHTS (UNAUDITED)

# Edgar Filing: VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST - Form N-CSRS

THE FOLLOWING SCHEDULE PRESENTS FINANCIAL HIGHLIGHTS FOR ONE COMMON SHARE OF THE TRUST OUTSTANDING THROUGHOUT THE PERIODS INDICATED.

	SIX MONTHS ENDED APRIL 30, 2005	----- 2004	----- 2003
NET ASSET VALUE, BEGINNING OF THE PERIOD.....	\$ 16.95	\$ 16.84	\$ 17.02
Net Investment Income.....	.52	1.07	1.12
Net Realized and Unrealized Gain/Loss.....	.03	.54	.03
Common Share Equivalent of Distributions Paid to Preferred Shareholders:			
Net Investment Income.....	(.07)	(.08)	(.09)
Net Realized Gain.....	(.01)	(.03)	-0-(f)
Total from Investment Operations.....	.47	1.50	1.00
Distributions Paid to Common Shareholders:			
Net Investment Income.....	(.48)	(1.03)	(1.11)
Net Realized Gain.....	(.09)	(.36)	(.07)
NET ASSET VALUE, END OF THE PERIOD.....	\$ 16.85	\$ 16.95	\$ 16.84
Common Share Market Price at End of the Period.....	\$ 14.96	\$ 15.50	\$ 16.67
Total Return (a).....	0.24%*	1.32%	10.83%
Net Assets Applicable to Common Shares at End of the Period (In millions).....	\$ 101.9	\$ 102.4	\$ 101.6
Ratio of Expenses to Average Net Assets Applicable to Common Shares (b).....	1.26%	1.42%	1.43%
Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares (b).....	6.31%	6.40%	6.56%
Portfolio Turnover.....	10%*	11%	25%
SUPPLEMENTAL RATIOS:			
Ratio of Expenses to Average Net Assets Including Preferred Shares (b).....	.79%	.89%	.90%
Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares (c).....	5.41%	5.94%	6.04%
SENIOR SECURITIES:			
Total Preferred Shares Outstanding.....	2,400	2,400	2,400
Asset Coverage Per Preferred Share (d).....	\$67,442	\$67,686	\$67,320
Involuntary Liquidating Preference Per Preferred Share.....	\$25,000	\$25,000	\$25,000
Average Market Value Per Preferred Share.....	\$25,000	\$25,000	\$25,000

\* Non-Annualized

(a) Total return assumes an investment at the common share market price at the beginning of the period indicated, reinvestment of all distributions for the period in accordance with the Trust's dividend reinvestment plan, and sale of all shares at the closing common share market price at the end of the period indicated.

(b) Ratios do not reflect the effect of the dividend payments to preferred shareholders.

Edgar Filing: VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST - Form N-CSRS

(c) Ratios reflect the effect of the dividend payments to preferred shareholders.

(d) Calculated by subtracting the Trust's total liabilities (not including the preferred shares) from the Trust's total assets and dividing this by the number of preferred shares outstanding.

(e) As required, effective November 1, 2001, the Trust has adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began accreting market discount on fixed income securities. The effect of this change for the year ended October 31, 2002 was to increase net investment income per share by \$.01, decrease net realized and unrealized gains and losses per share by \$.01 and increase the ratio of net investment income to average net assets applicable to common shares by .05%. Per share, ratios and supplemental data for periods prior to October 31, 2002 have not been restated to reflect this change in presentation.

(f) Amount is less than \$.01.

16

YEAR ENDED OCTOBER 31,

2002 (e)	2001	2000	1999	1998	1997	1996	1995
\$ 17.02	\$ 15.92	\$ 14.92	\$ 16.76	\$ 15.94	\$ 15.09	\$ 14.80	\$ 12.64
1.17	1.16	1.16	1.13	1.13	1.13	1.14	1.12
(.05)	1.15	1.03	(1.87)	.83	.82	.21	2.21
(.13)	(.31)	(.35)	(.28)	(.33)	(.33)	(.34)	(.40)
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
.99	2.00	1.84	(1.02)	1.63	1.62	1.01	2.93
(.99)	(.90)	(.84)	(.82)	(.81)	(.77)	(.72)	(.77)
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
\$ 17.02	\$ 17.02	\$ 15.92	\$ 14.92	\$ 16.76	\$ 15.94	\$ 15.09	\$ 14.80
\$ 16.16	\$ 15.92	\$13.8125	\$13.6875	\$ 15.875	\$ 14.25	\$ 12.375	\$ 12.00
7.95%	22.12%	7.10%	-9.11%	17.39%	21.89%	9.28%	15.04%
\$ 102.6	\$ 102.6	\$ 96.0	\$ 90.0	\$ 101.1	\$ 96.1	\$ 91.0	\$ 89.3
1.49%	1.71%	1.77%	1.74%	1.75%	1.81%	1.86%	1.96%
7.00%	7.08%	7.64%	6.99%	6.93%	7.38%	7.66%	8.17%
21%	10%	22%	19%	17%	23%	33%	41%
.93%	1.06%	1.07%	1.07%	1.09%	1.10%	1.11%	1.14%
6.23%	5.19%	5.34%	5.24%	4.90%	5.23%	5.36%	5.25%
2,400	2,400	2,400	2,400	1,200	1,200	1,200	1,200
\$67,759	\$67,765	\$ 64,994	\$ 62,488	\$134,213	\$130,102	\$125,832	\$124,385
\$25,000	\$25,000	\$ 25,000	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
\$25,000	\$25,000	\$ 25,000	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000

See Notes to Financial Statements

17



NOTES TO FINANCIAL STATEMENTS -- APRIL 30, 2005 (UNAUDITED)

1. SIGNIFICANT ACCOUNTING POLICIES

Van Kampen California Value Municipal Income Trust (the "Trust") is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended. The Trust's investment objective is to provide a high level of current income exempt from federal and California income taxes, consistent with preservation of capital. The Trust will invest in a portfolio consisting substantially of California municipal obligations rated investment grade at the time of investment, but may invest up to 20% of its assets in unrated securities which are believed to be of comparable quality to those rated investment grade. The Trust commenced investment operations on April 30, 1993.

The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

A. SECURITY VALUATION Municipal bonds are valued by independent pricing services or dealers using the mean of the bid and asked prices or, in the absence of market quotations, at fair value based upon yield data relating to municipal bonds with similar characteristics and general market conditions. Securities which are not valued by independent pricing services or dealers are valued at fair value using procedures established in good faith by the Board of Trustees. Short-term securities with remaining maturities of 60 days or less are valued at amortized cost, which approximates market value.

B. SECURITY TRANSACTIONS Security transactions are recorded on a trade date basis. Realized gains and losses are determined on an identified cost basis. The Trust may purchase and sell securities on a "when-issued" or "delayed delivery" basis with settlement to occur at a later date. The value of the security so purchased is subject to market fluctuations during this period. The Trust will segregate assets with the custodian having an aggregate value at least equal to the amount of the when-issued or delayed delivery purchase commitments until payment is made. At April 30, 2005, the Trust had \$4,269,975 of when-issued or delayed delivery purchase commitments.

C. INVESTMENT INCOME Interest income is recorded on an accrual basis. Bond premium is amortized and discount is accreted over the expected life of each applicable security.

D. FEDERAL INCOME TAXES It is the Trust's policy to comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no provision for federal income taxes is required.

18

VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

NOTES TO FINANCIAL STATEMENTS -- APRIL 30, 2005 (UNAUDITED) continued

At April 30, 2005, the cost and related gross unrealized appreciation and depreciation were as follows:

Cost of investments for tax purposes.....	\$152,539,165
	=====
Gross tax unrealized appreciation.....	\$ 11,866,637
Gross tax unrealized depreciation.....	(18,897)
	-----
Net tax unrealized appreciation on investments.....	\$ 11,847,740
	=====

E. DISTRIBUTION OF INCOME AND GAINS The Trust declares and pays monthly dividends from net investment income to common shareholders. Net realized gains, if any, are distributed annually on a pro rata basis to common and preferred shareholders. Distributions from net realized gains for book purposes may include short-term capital gains, which are included as ordinary income for tax purposes.

The tax character of distributions paid during the year ended October 31, 2004 was as follows:

Distributions paid from:	
Ordinary income.....	\$ 226,155
Long-term capital gain.....	2,358,839
	-----
	\$2,584,994
	=====

As of October 31, 2004, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income.....	\$ 71,697
Undistributed long-term capital gain.....	562,877

## 2. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

Under the terms of the Trust's Investment Advisory Agreement, Van Kampen Asset Management (the "Adviser") provides investment advice and facilities to the Trust for an annual fee payable monthly of .55% of the average daily net assets of the Trust. Effective November 1, 2004, the investment advisory fee was reduced from .60% to .55%.

For the six months ended April 30, 2005, the Trust recognized expenses of approximately \$2,900 representing legal services provided by Skadden, Arps, Slate, Meagher & Flom LLP, of which a trustee of the Trust is a partner of such firm and he and his law firm provide legal services as legal counsel to the Trust.

Under separate Accounting Services and Legal Services agreements, the Adviser provides accounting and legal services to the Trust. The Adviser allocates the cost of such services to each trust. For the six months ended April 30, 2005, the Trust recognized expenses of approximately \$19,200 representing Van Kampen Investment Inc.'s or its affiliates (collectively "Van Kampen") cost of providing accounting and legal services to the Trust, which are reported as part of "Other" and "Legal" expenses, respectively, on the Statement of Operations.

Certain officers and trustees of the Trust are also officers and directors of Van Kampen. The Trust does not compensate its officers or trustees who are also officers of Van Kampen.

The Trust provides deferred compensation and retirement plans for its trustees who are not officers of Van Kampen. Under the deferred compensation plan, trustees may elect to

19

VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

NOTES TO FINANCIAL STATEMENTS -- APRIL 30, 2005 (UNAUDITED) continued

defer all or a portion of their compensation to a later date. Benefits under the retirement plan are payable upon retirement for a ten-year period and are based upon each trustee's years of service to the Trust. The maximum annual benefit per trustee under the plan is \$2,500.

3. CAPITAL TRANSACTIONS

At April 30, 2005 and October 31, 2004, paid in surplus related to common shares aggregated \$88,812,473 for both periods.

Transactions in common shares were as follows:

	SIX MONTHS ENDED APRIL 30, 2005	YEAR ENDED OCTOBER 31, 2004
Beginning Shares.....	6,043,220	6,029,844
Shares Issued Through Dividend Reinvestment.....	-0-	13,376
	-----	-----
Ending Shares.....	6,043,220	6,043,220
	=====	=====

4. INVESTMENT TRANSACTIONS

During the period, the cost of purchases and proceeds from sales of investments, excluding short-term investments, were \$16,679,883 and \$17,774,540, respectively.

5. PREFERRED SHARES

The Trust has outstanding 2,400 Auction Preferred Shares ("APS"). Dividends are cumulative and the dividend rate is currently reset every seven days through an auction process. The rate in effect on April 30, 2005 was 2.000%. During the six months ended April 30, 2005, the rates ranged from 1.100% to 2.450%.

The Trust pays annual fees equivalent to .25% of the preferred share liquidation value for the remarketing efforts associated with the preferred auctions. These fees are included as a component of "Preferred Share Maintenance" expense in the Statement of Operations.

The APS are redeemable at the option of the Trust in whole or in part at the liquidation value of \$25,000 per share plus accumulated and unpaid dividends. The Trust is subject to certain asset coverage tests and the APS are subject to mandatory redemption if the tests are not met.

6. INDEMNIFICATIONS

The Trust enters into contracts that contain a variety of indemnifications. The Trust's maximum exposure under these arrangements is unknown. However, the Trust has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

7. TRUST MERGER

On March 18, 2005, the Trustees of California Municipal Trust, California Quality Municipal Trust and Trust for Investment Grade California Municipals ("Target Trust") announced its intention to merge the Target Trust into California Value Municipal Income Trust ("Acquiring Trust"). The Trustees of each of the trusts have approved in principal an agreement and plan of reorganization between the trusts providing for a transfer of assets and liabilities of the Target Trust to the Acquiring Trust in exchange for shares of beneficial interest of the Acquiring Trust (the "Reorganization"). The Reorganization is subject to the

20

VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

NOTES TO FINANCIAL STATEMENTS -- APRIL 30, 2005 (UNAUDITED) continued

approval by the shareholders of the Target Trust. The issuance of additional common shares of the Acquiring Trust is subject to the approval of the shareholders of the Acquiring Trust.

8. DERIVATIVE FINANCIAL INSTRUMENTS

A derivative financial instrument in very general terms refers to a security whose value is "derived" from the value of an underlying asset, reference rate or index.

The Trust may invest up to 15% of its net assets in "inverse floating rate obligations." The inverse floating rate obligations in which the Trust may invest are typically created through a division of a fixed-rate municipal obligation into two separate instruments, a short-term obligation and a long-term obligation. The interest rate on the short-term obligation is set at periodic auctions. The interest rate on the long-term obligation which the Trust may purchase is the rate the issuer would have paid on the fixed-income obligation, (i) plus the difference between such fixed rate and the rate on the short-term obligation, if the short-term rate is lower than the fixed rate; or (ii) minus such difference if the interest rate on the short-term obligation is higher than the fixed rate. These securities have varying degrees of liquidity and the market value of such securities generally will fluctuate in response to changes in market rates of interest to a greater extent than the value of an equal principal amount of a fixed rate security having similar credit quality, redemption provisions and maturity. These securities tend to underperform the market for fixed rate bonds in a rising interest rate environment, but tend to outperform the market for fixed rate bonds when interest rates decline or remain relatively stable. Although volatile, inverse floating rate obligations typically offer the potential for yields exceeding the yields available on fixed rate bonds with comparable credit quality, coupon, call provisions and maturity. These securities usually permit the investor to convert the floating rate security counterpart to a fixed rate (normally adjusted downward), and this optional conversion feature may provide a partial hedge against rising rates if exercised at an opportune time.

## VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

## DIVIDEND REINVESTMENT PLAN

The Trust offers a dividend reinvestment plan (the "Plan") pursuant to which Common Shareholders may elect to have dividends and capital gains distributions reinvested in Common Shares of the Trust. The Trust declares dividends out of net investment income, and will distribute annually net realized capital gains, if any. Common Shareholders may join or withdraw from the Plan at any time.

If you decide to participate in the Plan, State Street Bank and Trust Company, as your Plan Agent, will automatically invest your dividends and capital gains distributions in Common Shares of the Trust for your account.

## HOW TO PARTICIPATE

If you wish to participate and your shares are held in your own name, call 1-800-341-2929 for more information and a Plan brochure. If your shares are held in the name of a brokerage firm, bank, or other nominee, you should contact your nominee to see if it would participate in the Plan on your behalf. If you wish to participate in the Plan, but your brokerage firm, bank or nominee is unable to participate on your behalf, you should request that your shares be re-registered in your own name which will enable your participation in the Plan.

## HOW THE PLAN WORKS

Participants in the Plan will receive the equivalent in Common Shares valued on the valuation date, generally at the lower of market price or net asset value, except as specified below. The valuation date will be the dividend or distribution payment date or, if that date is not a trading day on the national securities exchange or market system on which the Common Shares are listed for trading, the next preceding trading day. If the market price per Common Share on the valuation date equals or exceeds net asset value per Common Share on that date, the Trust will issue new Common Shares to participants valued at the higher of net asset value or 95% of the market price on the valuation date. In the foregoing situation, the Trust will not issue Common Shares under the Plan below net asset value. If net asset value per Common Share on the valuation date exceeds the market price per Common Share on that date, or if the Board of Trustees should declare a dividend or capital gains distribution payable to the Common Shareholders only in cash, participants in the Plan will be deemed to have elected to receive Common Shares from the Trust valued at the market price on that date. Accordingly, in this circumstance, the Plan Agent will, as agent for the participants, buy the Trust's Common Shares in the open market for the participants' accounts on or shortly after the payment date. If, before the Plan Agent has completed its purchases, the market price exceeds the net asset value per share of the Common Shares, the average per share purchase price paid by the Plan Agent may exceed the net asset value

22

## VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

## DIVIDEND REINVESTMENT PLAN continued

of the Trust's Common Shares, resulting in the acquisition of fewer Common Shares than if the dividend or distribution had been paid in Common Shares issued by the Trust. All reinvestments are in full and fractional Common Shares and are carried to three decimal places.

## Edgar Filing: VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST - Form N-CSRS

Experience under the Plan may indicate that changes are desirable. Accordingly, the Trust reserves the right to amend or terminate the Plan as applied to any dividend or distribution paid subsequent to written notice of the changes sent to all Common Shareholders of the Trust at least 90 days before the record date for the dividend or distribution. The Plan also may be amended or terminated by the Plan Agent by at least 90 days written notice to all Common Shareholders of the Trust.

### COSTS OF THE PLAN

The Plan Agent's fees for the handling of the reinvestment of dividends and distributions will be paid by the Trust. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends and distributions. No other charges will be made to participants for reinvesting dividends or capital gains distributions, except for certain brokerage commissions, as described above.

### TAX IMPLICATIONS

You will receive tax information annually for your personal records and to help you prepare your federal income tax return. The automatic reinvestment of dividends and capital gains distributions does not relieve you of any income tax which may be payable on dividends or distributions.

### RIGHT TO WITHDRAW

Plan participants may withdraw at any time by calling 1-800-341-2929 or by writing State Street Bank and Trust Company, P.O. Box 8200, Boston, MA 02266-8200. If you withdraw, you will receive, without charge, a share certificate issued in your name for all full Common Shares credited to your account under the Plan and a cash payment will be made for any fractional Common Share credited to your account under the Plan. You may again elect to participate in the Plan at any time by calling 1-800-341-2929 or writing to the Trust at:

Van Kampen Funds Inc.  
Attn: Closed-End Funds  
2800 Post Oak Blvd.  
Houston, TX 77056

23

## VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST

### BOARD OF TRUSTEES, OFFICERS AND IMPORTANT ADDRESSES

#### BOARD OF TRUSTEES

DAVID C. ARCH  
JERRY D. CHOATE  
ROD DAMMEYER  
LINDA HUTTON HEAGY  
R. CRAIG KENNEDY  
HOWARD J KERR  
MITCHELL M. MERIN\*  
JACK E. NELSON  
RICHARD F. POWERS, III\*  
HUGO F. SONNENSCHNEIN  
WAYNE W. WHALEN\* - Chairman  
SUZANNE H. WOOLSEY

OFFICERS

MITCHELL M. MERIN  
President and Chief Executive Officer

RONALD E. ROBISON  
Executive Vice President and Principal  
Executive Officer

JOSEPH J. MCALINDEN  
Executive Vice President and Chief Investment Officer

AMY R. DOBERMAN  
Vice President

STEFANIE V. CHANG  
Vice President and Secretary

JOHN L. SULLIVAN  
Chief Compliance Officer

JAMES W. GARRETT  
Chief Financial Officer and Treasurer

INVESTMENT ADVISER

VAN KAMPEN ASSET MANAGEMENT  
1221 Avenue of the Americas  
New York, New York 10020

CUSTODIAN

STATE STREET BANK  
AND TRUST COMPANY  
225 Franklin Street  
P.O. Box 1713  
Boston, Massachusetts 02110

TRANSFER AGENT

EQUISERVE TRUST COMPANY, N.A.  
P.O. Box 43011  
Providence, Rhode Island 02940-3011

LEGAL COUNSEL

SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM LLP  
333 West Wacker Drive  
Chicago, Illinois 60606

INDEPENDENT REGISTERED

PUBLIC ACCOUNTING FIRM

DELOITTE & TOUCHE LLP  
180 North Stetson Avenue  
Chicago, Illinois 60601

\* "Interested persons" of the Trust, as defined in the Investment Company Act of 1940, as amended.

VAN KAMPEN

AN IMPORTANT NOTICE CONCERNING OUR U.S. PRIVACY POLICY

We are required by federal law to provide you with a copy of our Privacy Policy annually.

The following Policy applies to current and former individual clients of Van Kampen Investments Inc., Van Kampen Asset Management, Van Kampen Advisors Inc., Van Kampen Funds Inc., Van Kampen Investor Services Inc. and Van Kampen Exchange Corp., as well as current and former individual investors in Van Kampen mutual funds, unit investment trusts, and related companies.

This Policy is not applicable to partnerships, corporations, trusts or other non-individual clients or account holders, nor is this Policy applicable to individuals who are either beneficiaries of a trust for which we serve as trustee or participants in an employee benefit plan administered or advised by us. This Policy is, however, applicable to individuals who select us to be a custodian of securities or assets in individual retirement accounts, 401(k) accounts, 529 Educational Savings Accounts, accounts subject to the Uniform Gifts to Minors Act, or similar accounts.

Please note that we may amend this Policy at any time, and will inform you of any changes to this Policy as required by law.

WE RESPECT YOUR PRIVACY

We appreciate that you have provided us with your personal financial information. We strive to maintain the privacy of such information while we help you achieve your financial objectives. This Policy describes what non-public personal information we collect about you, why we collect it, and when we may share it with others.

We hope this Policy will help you understand how we collect and share non-public personal information that we gather about you. Throughout this Policy, we refer to the non-public information that personally identifies you or your accounts as "personal information."

1. WHAT PERSONAL INFORMATION DO WE COLLECT ABOUT YOU?

To serve you better and manage our business, it is important that we collect and maintain accurate information about you. We may obtain this information from applications and other forms you submit to us, from your dealings with us, from consumer reporting agencies, from our Web sites and from third parties and other sources.

For example:

- We may collect information such as your name, address, e-mail address, telephone/fax numbers, assets, income and investment objectives through applications and other forms you submit to us.
- We may obtain information about account balances, your use of account(s) and the types of products and services you prefer to receive from us through your dealings and transactions with us and other sources.
- We may obtain information about your creditworthiness and credit history from consumer reporting agencies.



- We may collect background information from and through third-party vendors to verify representations you have made and to comply with various regulatory requirements.
- If you interact with us through our public and private Web sites, we may collect information that you provide directly through online communications (such as an e-mail address). We may also collect information about your Internet service provider, your domain name, your computer's operating system and Web browser,

(continued on back)

VAN KAMPEN

AN IMPORTANT NOTICE CONCERNING OUR U.S. PRIVACY POLICY continued

your use of our Web sites and your product and service preferences, through the use of "cookies." "Cookies" recognize your computer each time you return to one of our sites, and help to improve our sites' content and personalize your experience on our sites by, for example, suggesting offerings that may interest you. Please consult the Terms of Use of these sites for more details on our use of cookies.

2. WHEN DO WE DISCLOSE PERSONAL INFORMATION WE COLLECT ABOUT YOU?

To provide you with the products and services you request, to serve you better and to manage our business, we may disclose personal information we collect about you to our affiliated companies and to non-affiliated third parties as required or permitted by law.

A. INFORMATION WE DISCLOSE TO OUR AFFILIATED COMPANIES. We do not disclose personal information that we collect about you to our affiliated companies except to enable them to provide services on our behalf or as otherwise required or permitted by law.

B. INFORMATION WE DISCLOSE TO THIRD PARTIES. We do not disclose personal information that we collect about you to non-affiliated third parties except to enable them to provide services on our behalf, to perform joint marketing agreements with other financial institutions, or as otherwise required or permitted by law. For example, some instances where we may disclose information about you to non-affiliated third parties include: for servicing and processing transactions, to offer our own products and services, to protect against fraud, for institutional risk control, to respond to judicial process or to perform services on our behalf. When we share personal information with these companies, they are required to limit their use of personal information to the particular purpose for which it was shared and they are not allowed to share personal information with others except to fulfill that limited purpose.

3. HOW DO WE PROTECT THE SECURITY AND CONFIDENTIALITY OF PERSONAL INFORMATION WE COLLECT ABOUT YOU?

We maintain physical, electronic and procedural security measures to help safeguard the personal information we collect about you. We have internal policies governing the proper handling of client information. Third parties that provide support or marketing services on our behalf may also receive personal information, and we require them to adhere to confidentiality standards with respect to such information.

Van Kampen Funds Inc.  
1 Parkview Plaza, P.O. Box 5555  
Oakbrook Terrace, IL 60181-5555

# Edgar Filing: VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST - Form N-CSRS

www.vankampen.com

Copyright (C)2005 Van Kampen Funds Inc. All rights reserved.

Member NASD/SIPC.

VCV SAR 6/05 RN05-01300-N04/05

(VAN KAMPEN INVESTMENTS LOGO)

Item 2. Code of Ethics.

Not applicable for semi-annual reports.

Item 3. Audit Committee Financial Expert.

Not applicable for semi-annual reports.

Item 4. Principal Accountant Fees and Services.

Not applicable for semi-annual reports.

Item 5. Audit Committee of Listed Registrants.

Not applicable for semi-annual reports.

Item 6. Schedule of Investments.

Please refer to Item #1.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

Not applicable.

Item 8. Portfolio Managers of Closed-End Management Investment Companies.

Not applicable.

Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

Not applicable.

Item 10. Submission of Matters to a Vote of Security Holders.

Not applicable.

Item 11. Controls and Procedures

(a) The Trust's principal executive officer and principal financial officer have concluded that the Trust's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Trust in this Form N-CSR was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal half-year (the registrant's second fiscal half-year in the case

of an annual report) that has materially affected, or is reasonably likely to

Edgar Filing: VAN KAMPEN CALIFORNIA VALUE MUNICIPAL INCOME TRUST - Form N-CSRS

materially affect, the registrant's internal control over financial reporting.

Item 12. Exhibits.

(a) Code of Ethics -- Not applicable for semi-annual reports.

(b)(1) A certification for the Principal Executive Officer of the registrant is attached hereto as part of EX-99.CERT.

(b)(2) A certification for the Principal Financial Officer of the registrant is attached hereto as part of EX-99.CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Van Kampen California Value Municipal Income Trust

By: /s/ Ronald E. Robison

-----  
Name: Ronald E. Robison  
Title: Principal Executive Officer  
Date: June 16, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Ronald E. Robison

-----  
Name: Ronald E. Robison  
Title: Principal Executive Officer  
Date: June 16, 2005

By: /s/ James W. Garrett

-----  
Name: James W. Garrett  
Title: Principal Financial Officer  
Date: June 16, 2005