

BLACKROCK CALIFORNIA MUNICIPAL INCOME TRUST

Form N-CSR

October 07, 2010

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 811-10331

Name of Fund: BlackRock California Municipal Income Trust (BFZ)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock California Municipal Income Trust, 55 East 52nd Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 07/31/2010

Date of reporting period: 07/31/2010

Item 1 – Report to Stockholders

July 31, 2010

Annual Report

BlackRock California Investment Quality Municipal Trust Inc. (RAA)

BlackRock California Municipal Income Trust (BFZ)

BlackRock Florida Municipal 2020 Term Trust (BFO)

BlackRock Investment Quality Municipal Income Trust (RFA)

BlackRock Municipal Income Investment Trust (BBF)

BlackRock New Jersey Investment Quality Municipal Trust Inc. (RNJ)

BlackRock New Jersey Municipal Income Trust (BNJ)

BlackRock New York Investment Quality Municipal Trust Inc. (RNY)

BlackRock New York Municipal Income Trust (BNY)

Not FDIC Insured § No Bank Guarantee § May Lose Value

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Dear Shareholder

The global economy is continuing to slowly improve, with the United States and emerging markets leading the way; however global and US economic statistics show that the pace of economic growth has trailed off in recent months. Market volatility has remained elevated over the past several months as investors remain uncertain about the future direction of economic growth. The sovereign debt crisis in Europe, slowing growth in China and concerns over the possibility that the United States and other developed markets are heading for a double-dip recession have all acted to depress investor sentiment. It is our view that the recent soft patch of economic data is just that – a slowdown in the pace of recovery and not an indication that the economy is sliding back into recession. In the United States, we expect to see slightly slower economic growth over the next several quarters; however, true double-dip recessions are quite rare, and unless there is a major shock to the economy, we believe the recovery will continue.

Global equity markets have moved unevenly higher since bottoming out in early 2009 as investors were enticed by depressed valuations, improved corporate earnings, and their desire for higher yields. Several significant downturns, however, have occurred – primarily as a result of mixed economic data and concerns about the possibility of prolonged deflation (especially in Europe). As the period drew to a close, equity markets were staging a muted recovery. On a 12-month basis global equities were still showing positive returns thanks to improving corporate revenues and profits and a reasonably strong macro backdrop. From a geographic perspective, US equities have significantly outpaced their international counterparts over the past six and twelve months, as the domestic economic recovery has been more pronounced and credit-related issues have held European markets down. Within the United States, smaller cap stocks have outperformed large caps year-to-date.

In fixed income markets, yields have fluctuated significantly over the past year as economic data has been mixed. Over recent months, risk aversion and credit issues kept interest rates low and US Treasury yields have fallen significantly as investors favored safe haven assets. As the period drew to a close, higher-risk fixed income assets performed well due to strong earnings announcements and better-than-expected results on European bank stress tests. Meanwhile, tax-exempt municipal bonds slightly outperformed US investment grade bonds on a 12-month basis, but underperformed year-to-date as investors rotated to the relative safety of Treasuries.

Regarding cash investments, yields on money market securities remain near all-time lows (producing returns only marginally above zero percent), with the Federal Open Market Committee reiterating that economic circumstances are likely to necessitate an accommodative interest rate stance for an extended period.

Against this backdrop, the major market averages posted the following returns:

Total Returns as of July 31, 2010	6-month	12-month
US large cap equities (S&P 500 Index)	3.61%	13.84%
US small cap equities (Russell 2000 Index)	8.79	18.43
International equities (MSCI Europe, Australasia, Far East Index)	(0.62)	6.26
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.06	0.16
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	7.67	8.34
US investment grade bonds (Barclays Capital US Aggregate Bond Index)	4.85	8.91
Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index)	4.06	9.15
US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	6.72	23.69

Past performance is no guarantee of future results. Index performance shown for illustrative purposes only. You cannot invest directly in an index.

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Although conditions are certainly better than they were a couple of years ago, global financial markets continue to face high volatility while questions about the strength and sustainability of the recovery abound. Through periods of uncertainty, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For additional market perspective and investment insight, visit www.blackrock.com/shareholdermagazine, where you'll find the most recent issue of our award-winning *Shareholder*[®] magazine, as well as its quarterly companion newsletter, *Shareholder Perspectives*. We thank you for entrusting BlackRock with your investments, and we look forward to your continued partnership in the months and years ahead.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

THIS PAGE NOT PART OF YOUR FUND REPORT

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Trust Summary as of July 31, 2010

BlackRock California Investment Quality Municipal Trust Inc.

Trust Overview

BlackRock California Investment Quality Municipal Trust Inc. s (RAA) (the Trust) investment objective is to provide high current income exempt from regular federal and California income taxes consistent with preservation of capital. The Trust seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and California income taxes. The Trust invests, under normal market conditions, at least 80% of its assets in securities that are rated investment grade at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives. The Board of Trustees and the Trust s shareholders have approved the liquidation and dissolution of the Trust, which is currently anticipated to liquidate on or about September 30, 2010. Please refer to Note 8 of the Notes to Financial Statements.

No assurance can be given that the Trust s investment objective will be achieved.

Performance

For the 12 months ended July 31, 2010, the Trust returned 27.84% based on market price and 18.24% based on net asset value (NAV). For the same period, the closed-end Lipper California Municipal Debt Funds category posted an average return of 22.90% based on market price and 18.98% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV. The Trust improved its net income balances during the period by focusing on income accrual, however its relative yield remains inadequate to provide a competitive dividend distribution. A below-average distribution yield detracted from total return results. Cash reserves held in the Trust (mostly during the first half of the period) also detracted as cash underperformed longer maturity coupon bonds in an environment of falling interest rates and tightening spreads. However, the tightening of credit quality spreads boosted performance of the lower-rated sectors of the portfolio. The Trust s holdings in corporate and health municipals also aided performance. A fully-invested and slightly longer relative duration posture were additive, too, as rates declined over the period. The municipal market benefited from the Build America Bond Program, which effectively moved supply to the taxable market and, thus, alleviated supply pressure in the tax-exempt space. Strong retail demand for municipal bonds improved liquidity, which enabled the Trust to trade more actively and take advantage of opportunities to boost total return.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Information

Symbol on NYSE Amex	RAA
Initial Offering Date	May 28, 1993
Yield on Closing Market Price as of July 31, 2010 (\$13.59) ¹	5.12%
Tax Equivalent Yield ²	7.88%
Current Monthly Distribution per Common Share ³	\$0.058
Current Annualized Distribution per Common Share ³	\$0.696
Leverage as of July 31, 2010 ⁴	34%

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- ¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- ² Tax equivalent yield assumes the maximum federal tax rate of 35%.
- ³ The distribution is not constant and is subject to change.
- ⁴ Represents Auction Market Preferred Shares (Preferred Shares) and tender option bond trusts (TOBs) as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 13.

The table below summarizes the changes in the Trust's market price and NAV per share:

	7/31/10	7/31/09	Change	High	Low
Market Price	\$ 13.59	\$ 11.20	21.34%	\$ 13.64	\$ 11.20
Net Asset Value	\$ 13.86	\$ 12.35	12.23%	\$ 14.09	\$ 12.34

The following charts show the sector and credit quality allocations of the Trust's long-term investments:

Sector Allocations

	7/31/10	7/31/09
County/City/Special District/School District	35%	34%
Utilities	26	19
Health	15	10
Transportation	10	10
State	8	10
Education	6	12
Corporate		5

Credit Quality Allocations⁵

	7/31/10	7/31/09
AAA/Aaa	24%	12%
AA/Aa	49	47
A	27	33
BBB/Baa		6
B		2

⁵ Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (Moody's) ratings.

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Trust Summary as of July 31, 2010

BlackRock California Municipal Income Trust

Trust Overview

BlackRock California Municipal Income Trust's (BFZ) (the Trust) investment objective is to provide current income exempt from regular US federal income and California income taxes. The Trust seeks to achieve its investment objective by investing primarily in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and California income taxes. The Trust invests, under normal market conditions, at least 80% of its assets in municipal obligations that are investment grade quality. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust's investment objective will be achieved.

Performance

For the 12 months ended July 31, 2010, the Trust returned 22.55% based on market price, and 20.15% based on NAV. For the same period, the closed-end Lipper California Municipal Debt Funds category posted an average return of 22.90% based on market price, and 18.98% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which narrowed during the period, accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV. The Trust maintains a relatively generous degree of income accrual, which was a positive factor. The tightening of credit quality spreads boosted performance of the lower-rated sectors of the portfolio. The Trust's holdings in corporate and health municipals also aided performance. A fully-invested and slightly longer relative duration posture were additive, too, as rates declined over the period. The municipal market benefited from the Build America Bond Program, which effectively moved supply to the taxable market and, thus, alleviated supply pressure in the tax-exempt space. Detracting from performance was the Trust's exposure to zero-coupon bonds, which remained out of favor with investors and underperformed municipal coupon bonds. Cash reserves held in the Trust (mostly during the first half of the period) also detracted as cash underperformed longer maturity coupon bonds in an environment of falling interest rates and tightening spreads.

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Trust Information

Symbol on New York Stock Exchange (NYSE)	BFZ
Initial Offering Date	July 27, 2001
Yield on Closing Market Price as of July 31, 2010 (\$14.21) ¹	6.39%
Tax Equivalent Yield ²	9.83%
Current Monthly Distribution per Common Share ³	\$0.0757
Current Annualized Distribution per Common Share ³	\$0.9084
Leverage as of July 31, 2010 ⁴	40%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² Tax equivalent yield assumes the maximum federal tax rate of 35%.

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³ The distribution is not constant and is subject to change.

⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 13.

The table below summarizes the changes in the Trust's market price and NAV per share:

	7/31/10	7/31/09	Change	High	Low
Market Price	\$ 14.21	\$ 12.40	14.60%	\$ 14.52	\$ 12.34
Net Asset Value	\$ 14.28	\$ 12.71	12.35%	\$ 14.65	\$ 12.65

The following charts show the sector and credit quality allocations of the Trust's long-term investments:

Sector Allocations

	7/31/10	7/31/09
County/City/Special District/School District	37%	37%
Utilities	27	10
Education	10	18
Health	9	11
State	7	6
Transportation	6	10
Housing	3	6
Corporate	1	2

Credit Quality Allocations⁵

	7/31/10	7/31/09
AAA/Aaa	24%	21%
AA/Aa	46	28
A	26	40
BBB/Baa	3	8
B		1
Not Rated ⁶	1	2

⁵ Using the higher of S&P's or Moody's ratings.

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2010 and July 31, 2009, the market value of these securities was \$5,717,100, representing 1% and \$1,974,163, representing 1%, respectively, of the Trust's long-term investments.

Trust Summary as of July 31, 2010

BlackRock Florida Municipal 2020 Term Trust

Trust Overview

BlackRock Florida Municipal 2020 Term Trust s (BFO) (the Trust) investment objectives are to provide current income exempt from regular federal income tax and Florida intangible personal property tax and to return \$15.00 per Common Share (the initial offering price per share) to holders of Common Shares on or about December 31, 2020. The Trust seeks to achieve its investment objectives by investing at least 80% of its assets in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and Florida intangible personal property tax. The Trust invests at least 80% of its assets in municipal bonds that are investment grade quality at the time of investment. The Trust actively manages the maturity of its bonds to seek to have a dollar weighted average effective maturity approximately equal to the Trust s maturity date. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust s investment objective will be achieved.

Performance

For the 12 months ended July 31, 2010, the Trust returned 22.05% based on market price, and 17.35% based on NAV. For the same period, the closed-end Lipper Other States Municipal Debt Funds category posted an average return of 19.82% based on market price, and 14.58% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV. The Trust s allocations to the corporate and health sectors had a positive impact on performance. Overall the Trust benefited from increasing bond prices in the declining interest rate environment, however, its exposure to pre-refunded and escrowed issues detracted from performance as their shorter maturity reduces their sensitivity to interest rates.

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Trust Information

Symbol on NYSE	BFO
Initial Offering Date	September 30, 2003
Termination Date (on or about)	December 31, 2020
Yield on Closing Market Price as of July 31, 2010 (\$14.30) ¹	4.70%
Tax Equivalent Yield ²	7.23%
Current Monthly Distribution per Common Share ³	\$0.056
Current Annualized Distribution per Common Share ³	\$0.672
Leverage as of July 31, 2010 ⁴	36%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² Tax equivalent yield assumes the maximum federal tax rate of 35%.

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- ³ The distribution is not constant and is subject to change.
- ⁴ Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 13.

The table below summarizes the changes in the Trust's market price and NAV per share:

	7/31/10	7/31/09	Change	High	Low
Market Price	\$ 14.30	\$ 12.31	16.17%	\$ 14.30	\$ 12.10
Net Asset Value	\$ 14.91	\$ 13.35	11.69%	\$ 14.91	\$ 13.34

The following charts show the sector and credit quality allocations of the Trust's long-term investments:

Sector Allocations

	7/31/10	7/31/09
County/City/Special District/School District	45%	48%
Utilities	20	18
Health	12	11
State	10	9
Corporate	 	